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# Broadgate Circle Management Limited

## Annual Report and Financial Statements

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Year ended 31 March 2016

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COMPANIES HOUSE

Company number: 1881630

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**Broadgate Circle Management Limited**

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**Year ended 31 March 2016**

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**Broadgate Circle Management Limited**

**STRATEGIC REPORT  
Year ended 31 March 2016**

The directors present their Strategic Report for the year ended 31 March 2016.

**Principal activities**

The company is a part of a group of companies whose ultimate holding company is Broadgate REIT Limited. Broadgate REIT Limited operates as a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's Sovereign Wealth fund, and BL Bluebutton 2014 Limited, a wholly owned subsidiary of The British Land Company PLC. The joint venture was formed on 3 November 2009. The company's principal activity is that of estate management and provision of property services in the United Kingdom (UK).

**Business Review**

As shown in the company's profit and loss account on page 6 the turnover is consistent with the prior year as are the company's expenses.

The Balance Sheet on page 8 of the financial statements shows that the company's financial position at the year end is consistent with the prior year.

The performance of the group, which includes the company, is discussed in the group's Annual Report which does not form part of this report.

**Principal risks and uncertainties**

This company is part of a large property investment group. As such, the fundamental underlying risks for this company are those of the property group as discussed below.

The company generates returns to shareholders through long-term investment decisions requiring the evaluation of opportunities arising in the following areas:

- demand for space from occupiers against available supply;
- identification and execution of investment and development strategies which are value enhancing;
- availability of financing or refinancing at an acceptable cost;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- legislative changes, including planning consents and taxation;
- engagement of development contractors with strong covenants;
- key staff changes; and
- environmental and health and safety policies.

These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to senior executives and is considered and managed on a continuous basis. Executives use their knowledge and experience to knowingly accept a measured degree of market risk.

The group's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents lower risks than many other property portfolios.

The company has no third party debt. It therefore has no interest rate exposure.

The financial risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group financial statements.

The report was approved by the Board on 15 ~~October~~ <sup>DECEMBER</sup> 2016 and signed by its order by:

  
N. WEBB

## **Broadgate Circle Management Limited**

### **DIRECTORS' REPORT** **Year ended 31 March 2016**

The directors present their Annual Report on the affairs of the company, together with the audited financial statements and the independent auditors' report for the year ended 31 March 2016.

#### **Environment**

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities. The company operates in accordance with best practice policies and initiatives designed to minimise the company's impact on the environment including safe disposal of manufacturing waste, recycling and reducing energy consumption.

#### **Directors**

The directors who were in office during the year and up to the date of signing the financial statements were:

S M Barzycki  
L M Bell  
M Pinsent (Resigned 22/05/2015)  
T A Roberts  
N M Webb

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Payments Policy**

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment.

#### **Subsequent Events**

Details of significant events since the Balance Sheet date, if any, are contained in note 8.

#### **Going Concern**

The directors consider the company to be a going concern and the financial statements are prepared on this basis. Details of this are shown in note 1 of the financial statements.

**Broadgate Circle Management Limited**

**DIRECTORS' REPORT (CONTINUED)**

**Year ended 31 March 2016**

**Disclosure of information to the Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

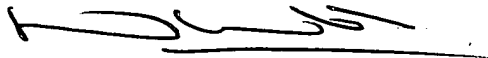
- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Independent Auditors**

PricewaterhouseCoopers LLP was appointed for the year end 31 March 2016. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

The report was approved by the Board on 15/12/2016 and signed by order of the board by



N. WEBB

**Broadgate Circle Management Limited**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
Broadgate Circle Management Limited  
Year ended 31 March 2016**

**Report on the financial statements**

**Our opinion**

In our opinion, Broadgate Circle Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**What we have audited**

The financial statements included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2016;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", United Kingdom Generally Accepted Accounting Practice and application law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Directors' Remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Broadgate Circle Management Limited**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
Broadgate Circle Management Limited (continued)  
Year ended 31 March 2016**

**What an audit of financial statements involves**

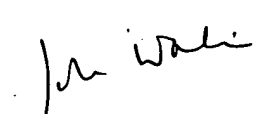
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

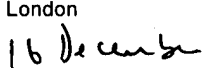
- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

  
John Waters (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

 16 December 2016

**Broadgate Circle Management Limited**

**INCOME STATEMENT**  
**Year ended 31 March 2016**

	Note	2016 £'000	2015 £'000
Turnover		2,628	2,395
Cost of sales		(2,628)	(2,395)
<b>Gross Profit</b>		-	-
Administrative expenses		-	-
<b>Profit on ordinary activities before interest and taxation</b>	2	-	-
Interest receivable and similar income		-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Tax on profit on ordinary activities		-	-
<b>Profit for the financial year</b>		-	-



**Broadgate Circle Management Limited**

**STATEMENT OF COMPREHENSIVE INCOME**  
**Year ended 31 March 2016**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
<b>Profit for the financial year</b>	-	-
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>

**Broadgate Circle Management Limited**

**BALANCE SHEET**  
**As at 31 March 2016**

	Note	2016 £'000	2015 £'000
<b>Current assets</b>			
Debtors	4	599	1,067
Cash at bank and in hand		881	746
		<u>1,480</u>	<u>1,813</u>
<b>Creditors; amounts falling due within one year</b>	5	<u>(1,467)</u>	<u>(1,800)</u>
<b>Net assets</b>		<u>13</u>	<u>13</u>
<b>Capital and reserves</b>			
Called up share capital	6	13	13
Profit and Loss account			
<b>Total Equity</b>		<u>13</u>	<u>13</u>

The financial statements of Broadgate Circle Management, company number 1881630, were approved by the Board of Directors and authorised for issue on **15** December 2016 and signed on its behalf by:

Director

  
**N. WEBB**

**Broadgate Circle Management Limited**

**STATEMENT OF CHANGES IN EQUITY**  
**Year ended 31 March 2016**

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
<b>Balance as at 1 April 2014</b>	13	-	13
Profit for the financial year	-	-	-
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at 31 March 2015</b>	13	-	13
Profit for the financial year	-	-	-
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at 31 March 2016</b>	<u><u>13</u></u>	<u><u>-</u></u>	<u><u>13</u></u>

**Broadgate Circle Management Limited**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2016**

**1. Accounting policies**

The principal accounting policies adopted by the directors are summarised below. They have all been applied consistently throughout the current year and previous year.

These financial statements are designed to cover a wide variety of companies and circumstances. As a result some notes or some entries in the primary statements or the notes may not be relevant for this company so may be left blank intentionally.

**Basis of preparation**

The company is incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is York House, 45 Seymour Street, London, W1H 7LX.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The financial statements have been prepared under the historical cost convention.

These financial statements are separate financial statements. The immediate parent company is Broadgate REIT Limited. Broadgate REIT Limited operates as a joint venture between The British Land Company PLC and Government of Singapore ("GIC"). The joint venture was formed on 3 November 2009. The company's principal activity is that of estate management and provision of property services in the United Kingdom (UK).

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments; and
- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to Disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. When required, equivalent disclosures are given in the group financial statements of Broadgate REIT Limited. The group financial statements of Broadgate REIT Limited are available to the public can be obtained as set out in note 9.

**Broadgate Circle Management Limited**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 31 March 2016**

**1. Accounting policies (continued)**

**Going concern**

The directors consider that the company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this the directors feel that the company is well placed to manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern appropriate.

**Critical accounting estimates and judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Impairment of trade receivables**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

**Taxation**

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are not taxable (or tax deductible).

Deferred tax is provided on items that may become taxable at a later date, on the difference between the balance sheet value and tax base value, on an undiscounted basis.

**Turnover**

Turnover represents fees receivable from estate management, net of VAT, and is recognised on an accruals basis.

**2. Profit on ordinary activities before taxation**

**Auditors' remuneration**

A charge of £3,100 per company (2015 : £3,600 deemed payable to Pricewaterhouse Coopers) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements. Actual amounts payable to PricewaterhouseCoopers LLP in 2015 were paid by The British Land Company on behalf of the company.

No non-audit fees (2015 : £nil) were paid to PricewaterhouseCoopers LLP.

**3. Staff numbers and costs**

No director received any remuneration for services to the company during the year (2015: nil). The services provided were of negligible value.

Average monthly number of employees, excluding directors, of the company during the year was nil (2015: nil).

**Broadgate Circle Management Limited**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 March 2016**

**4. Debtors**

	2016	2015
	£'000	£'000
<b>Current debtors</b>		
Trade debtors	549	647
Amounts owed by group companies - current accounts (see note below)	-	320
VAT	9	-
Other debtors	41	100
	<u>599</u>	<u>1,067</u>

Note: there are no fixed terms of repayment on amounts owed by group companies and no interest is charged.

**5. Creditors: amounts falling due within one year**

	2016	2015
	£'000	£'000
Trade creditors	88	116
Amounts owed to group companies - current accounts (see note below)	-	320
VAT	-	-
Accruals and deferred income	1,379	1,364
	<u>1,467</u>	<u>1,800</u>

Note: there are no fixed terms of repayment on amounts owed to group companies and no interest is due.

**6. Share capital**

	2016	2015
	£'000	£'000
<b>Authorised</b>		
50,000 ordinary shares at £1 each	<u>50</u>	<u>50</u>
<b>Allotted, called up and partly paid</b>		
50,000 ordinary shares of £1 each, called up to the extent of 25 pence each	<u>13</u>	<u>13</u>

**7. Contingent liabilities**

The company is jointly and severally liable with the ultimate holding company and fellow subsidiaries for all monies falling due under the group VAT registration.

**8. Subsequent events**

There have been no significant events since the year end.

**9. Immediate parent and ultimate holding company**

The immediate beneficial ownership of the company is shared between:

Bluebutton (5 Broadgate) UK Limited	35.2%
Bluebutton (12702) Limited	32.3%
Bluebutton Properties UK Limited	32.5%
	<u>100.0%</u>

The ultimate holding company is Broadgate REIT Limited, a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's Sovereign Wealth fund, and BL Bluebutton 2014 Limited, a wholly owned subsidiary of The British Land Company PLC.

The financial statements of Broadgate REIT Limited can be obtained from The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX.