
Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

Annual Report and Financial Statements

Year ended 31 March 2018

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Company number: 1881630

Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

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Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

STRATEGIC REPORT
Year ended 31 March 2018

The directors present their Strategic Report for the year ended 31 March 2018.

Principal activities

The company is an indirect subsidiary of The Broadgate REIT and operates as a constituent of The Broadgate REIT (the "group"). The company's principal activity is that of estate management and provision of property services in the United Kingdom (UK). The directors consider that this will continue unchanged for the foreseeable future.

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.

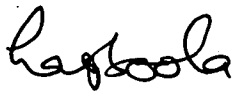
The company's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses,

The group's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents

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

The report was approved by the Board on **13** December 2018 and signed by its order by:


L-AGBOOLA
British Land Company
Secretarial Ltd

Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

DIRECTORS' REPORT
Year ended 31 March 2018

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 2018.

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:

L Bell (Resigned 19/01/2018)
Edmond Wai Leung Ho (Appointed 14/06/18)
D I Lockyer
T A Roberts
N M Webb

Statement of Directors' Responsibilities

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;
- 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 South Management Limited (formerly Broadgate Circle Management Limited)

DIRECTORS' REPORT (CONTINUED)

Year ended 31 March 2018

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 2018. 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 **13** December 2018 and signed by order of the board by


L-AGBOOLA
British Land Company
Secretarial Ltd

Independent auditors' report to the members of Broadgate South Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Broadgate South Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

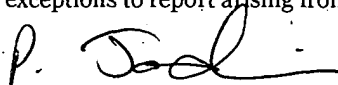
Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Peter Jourdier (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 December 2018

Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

INCOME STATEMENT
Year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Turnover		3,101	2,981
Cost of sales		(3,101)	(2,981)
Gross Profit		-	-
Administrative expenses		-	-
Profit on ordinary activities before interest and taxation	2	-	-
Interest receivable and similar income		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit for the financial year		-	-

Turnover and results are derived from continuing operations in the United Kingdom. The company has only one significant class of business that of the provision of property services.

Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2018

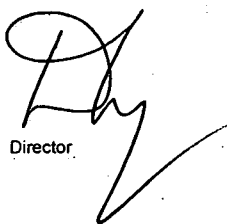
	2018 £'000	2017 £'000
Profit for the financial year	-	-
Total comprehensive income for the year	<u>-</u>	<u>-</u>

Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

**BALANCE SHEET
As at 31 March 2018**

	Note	2018 £'000	2017 £'000
Current assets			
Debtors	4	2,007	616
Cash at bank and in hand		162	31
		<u>2,169</u>	<u>647</u>
Creditors; amounts falling due within one year	5	-2,156	-634
		<u></u>	<u></u>
Net assets		<u>13</u>	<u>13</u>
Capital and reserves			
Called up share capital	6	13	13
Profit and Loss account		<u>-</u>	<u>-</u>
		<u></u>	<u></u>
Total Shareholders Fund		<u>13</u>	<u>13</u>

The financial statements of Broadgate South Management Limited (formerly Broadgate Circle Management Limited), company number 1881630, were approved by the Board of Directors and authorised for issue on **13** December 2018 and signed on its behalf by:


Director

D. LOOKYER

Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2018

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance as at 1 April 2016	<u>13</u>	<u>-</u>	<u>13</u>
Profit for the financial year	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 31 March 2017	<u>13</u>	<u>-</u>	<u>13</u>
Profit for the financial year	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 31 March 2018	<u>13</u>	<u>-</u>	<u>13</u>

Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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. Is this still relevant?

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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 South Management Limited (formerly Broadgate Circle Management Limited)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2018

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

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.

Trade Creditors

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2. Profit on ordinary activities before taxation

Auditors' remuneration

A charge of £3,310 per company is deemed payable to PricewaterhouseCoopers LLP (2017 £3,100 paid to PricewaterhouseCoopers LLP) in respect of the audit of the financial statements. Actual amounts payable to PricewaterhouseCoopers LLP in 2018 were paid by The British Land Company on behalf of the company.

No non-audit fees (2018 : £nil) were paid to PricewaterhouseCoopers LLP.

3. Staff numbers and costs

No director received any remuneration for services to the company during the year (2018: nil). The services provided were of negligible value.

Average monthly number of employees, excluding directors, of the company during the year was nil (2018: nil).

Broadgate South Management Limited (formerly Broadgate Circle Management Limited)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2018

4. Debtors

	2018	2017
	£'000	£'000
Current debtors		
Trade debtors	2,002	436
Other debtors	5	180
	<u>2,007</u>	<u>616</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

	2018	2017
	£'000	£'000
Trade creditors	116	360
Other creditors	124	
Amounts due to related party	148	
VAT	36	
Accruals and deferred income	1,732	274
	<u>2,156</u>	<u>634</u>

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

6. Called Up Share capital

	2018	2017
	£'000	£'000
Allotted, called up and partly paid		
50,000 ordinary shares of £1 each, called up to the extent of 25 pence each	13	13

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. 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>

9. Subsequent Events

On 7th June 2018 the company name was changed to Broadgate South Management Limited.

On 7 June 2018, a share capital reduction of the company was carried out resulting in the existing 50,000 Ordinary Shares of £1 each and called up to 25p each, being reduced to 9 shares of £1 each. The 9 new shares consist of 8 Ordinary Shares and 1 Special Share and all of which are called up to 25p. The existing 50,000 ordinary shares fully paid up before being reduced.

Bluebutton (5 Broadgate) UK Limited	11.1%
Bluebutton (12702) Limited	11.1%
Bluebutton Properties UK Limited	44.4%
Bluebutton Circle Retail (PHC 2013)	33.3%
	<u>100.0%</u>

The ultimate holding company is The 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. Broadgate REIT Limited is the smallest and largest group for which group accounts are available and which include the company.

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

10. Related Party Disclosures

During the year, the company was due to pay £148,000 of VAT to The British Land Company plc. At the year-end this amount was outstanding and included within other creditors.