

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2014  
for  
Broadreach Group Limited

FRIDAY



A40 \*A48GMKNM\* 29/05/2015 #3  
COMPANIES HOUSE

Contents of the Financial Statements  
for the Year Ended 31 December 2014

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Independent Auditors' Report	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

Broadreach Group Limited

Company Information  
for the Year Ended 31 December 2014

**DIRECTORS:**

T Bradbury  
J T Fell

**SECRETARY:**

T Bradbury

**REGISTERED OFFICE:**

Interserve House  
Ruscombe Park  
Twyford, Reading  
Berkshire  
RG10 9JU

**REGISTERED NUMBER:**

02427982 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants and Statutory  
Auditor  
Gatwick  
United Kingdom

Strategic Report  
for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

The Company is a wholly-owned subsidiary of MacLellan Group Limited.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company is that of an investment holding company. There has been no significant change in the Company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely significant changes in the Company's activities in the next financial year.

**REVIEW OF BUSINESS**

The directors consider that the Company's key performance indicator is profit before taxation. The Company's profit from ordinary activities before taxation was £264 (2013: £364). The results of the Company are as set out in the financial statements.

**PRINCIPAL RISKS AND UNCERTAINTIES**

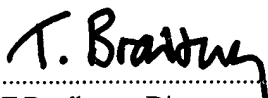
The Company has exposure to a variety of risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance and net assets. The directors have policies for managing each of these risks and they are summarised below.

A principal risk that the Company faces is that the carrying values of its investments decline. The directors review comprehensive monthly trading reports of the Company's operating subsidiaries, with a comparison against budget or forecast.

The directors reviewed the business in 2012 and decided to introduce an interest charge on intercompany loans. This will give the business sufficient income to cover the preference dividends in future periods.

The directors are satisfied that, given the nature of this Company, there are no other principal risks and uncertainties to consider. Group risks are discussed in the Annual Report and Financial Statements of Interserve Plc for the year-ended 31 December 2014, which does not form part of this Strategic Report.

**APPROVED BY THE BOARD OF DIRECTORS:**



.....  
T Bradbury - Director

Date: 20 May 2015

Report of the Directors  
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the Company for the year ended 31 December 2014.

**DIVIDENDS**

The directors do not recommend the payment of a final dividend on the ordinary shares (2013: £nil). The dividend of £3,200 (2013: £3,200) on the preference shares has been recognised in "Interest payable and similar charges".

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

T Bradbury  
J T Fell

**GOING CONCERN BASIS**

After making enquiries and as explained in the review of business, the directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**AUDITOR**

At the Annual General Meeting of Interserve Plc (the Company's ultimate parent undertaking) held on 13 May 2014, shareholders formally approved the appointment of Grant Thornton UK LLP as auditors of Interserve Plc, to replace Deloitte LLP. This was the result of a competitive tender process led by the Audit Committee. Deloitte LLP formally resigned as auditors of the Company on 16 May 2014 and Grant Thornton UK LLP were subsequently appointed in their place.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report and the Report of the Directors 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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.

Report of the Directors  
for the Year Ended 31 December 2014

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

**APPROVED BY THE BOARD OF DIRECTORS:**



.....  
T Bradbury - Director

Date: 20 May 2015

Independent Auditors' Report to the Members of  
Broadreach Group Limited

We have audited the financial statements of Broadreach Group Limited for the year ended 31 December 2014 which comprise the balance sheet, the profit and loss account, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss 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.

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

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Grant Thornton UK LLP*

Jonathan Maile (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants and Statutory  
Auditor  
Gatwick  
United Kingdom

Date: 21 May 2015

Profit and Loss Account  
for the Year Ended 31 December 2014

	Notes	2014 £	2013 £
<b>TURNOVER</b>		-	-
<b>OPERATING PROFIT</b>	3	-	-
Interest receivable and similar income		3,464	3,564
Interest payable and similar charges	4	(3,200)	(3,200)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		264	364
Tax on profit on ordinary activities	5	(745)	(829)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(481)	(465)

**CONTINUING OPERATIONS**

None of the Company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The Company has no recognised gains or losses other than the losses for the current year or previous year.



Balance Sheet  
31 December 2014

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Investments	6	90,172	90,172
<b>CURRENT ASSETS</b>			
Debtors	7	115,945	115,681
<b>CREDITORS</b>			
Amounts falling due within one year	8	(1,574)	(829)
<b>NET CURRENT ASSETS</b>		<u>114,371</u>	<u>114,852</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		204,543	205,024
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	(40,000)	(40,000)
<b>NET ASSETS</b>		<u><u>164,543</u></u>	<u><u>165,024</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	105,264	105,264
Share premium	11	32,953	32,953
Profit and loss account	11	26,326	26,807
<b>SHAREHOLDERS' FUNDS</b>	14	<u><u>164,543</u></u>	<u><u>165,024</u></u>

The financial statements were approved by the Board of Directors on 20th May 2015 and were signed on its behalf by:

J.T. Fell  
J T Fell - Director

Notes to the Financial Statements  
for the Year Ended 31 December 2014

1. **ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom accounting standards.

**Basis of consolidation**

The financial statements contain information about Broadreach Group Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Interserve Plc, a company registered in England and Wales.

**Financial Reporting Standard number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

**Going concern**

The directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**Investments**

Investments are stated at cost less provision for any impairment in value.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred Taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries or associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Finance costs**

Interest bearing bank loans and overdrafts are recorded at proceeds received. Finance charges, including premiums payable on settlement or redemption, are recorded on an accrual basis in the profit and loss account using the interest rate applicable to the facility and included in accrued expenses in the balance sheet.

The income and expense of intercompany financial assets and liabilities are recognised in the profit and loss over the term of such instruments at a constant rate on the carrying amount.

The intercompany loan facilities expire within five years of the balance sheet date. The interest rates are set by Interserve Plc's Group treasury department at the start of each interest period and are based on LIBOR rates applying for the currency of the loan and for the interest period for which the loan has been advanced.

2. **STAFF COSTS**

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

There are no employees other than the directors (2013: nil). None of the directors received any remuneration for their services to the Company during the year (2013: nil).

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

3. **OPERATING PROFIT**

The audit fee of £1,000 (2013: £1,000) for the current and preceding year was borne by the ultimate parent company.

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
Preference share dividends	<u>3,200</u>	<u>3,200</u>

5. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	<u>745</u>	<u>829</u>
Tax on profit on ordinary activities	<u>745</u>	<u>829</u>

UK corporation tax has been charged at 21.50% (2013 - 23.25%).

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	<u>264</u>	<u>364</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.500% (2013 - 23.250%)	57	85
Effects of:		
Preference dividend interest not tax deductible	<u>688</u>	<u>744</u>
Current tax charge	<u>745</u>	<u>829</u>

6. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2014 and 31 December 2014	<u>90,172</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>90,172</u>
At 31 December 2013	<u>90,172</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

6. **FIXED ASSET INVESTMENTS - continued**

The Company's investments at the balance sheet date in the share capital of companies include the following:

Name of subsidiary	Principal activity
Unique Cleaning Services Limited	Dormant
Baker Blythe & Company Limited	Dormant
Bateman's Cleaning Services Limited	Dormant

None of the shares held relate to a listed investment. The subsidiary undertakings are wholly-owned and incorporated in Great Britain.

7. **DEBTORS**

	2014 £	2013 £
Amounts falling due within one year:		
Intra group trade balances	312	1,850
	<u>          </u>	<u>          </u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	115,633	113,831
	<u>          </u>	<u>          </u>
Aggregate amounts	115,945	115,681
	<u>          </u>	<u>          </u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Corporation tax	1,574	829
	<u>          </u>	<u>          </u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014 £	2013 £
40,000 Preference shares of £1	40,000	40,000
	<u>          </u>	<u>          </u>

The preference shares hold voting rights, are irredeemable and entitled to an 8% annual dividend. The 8% preference dividend for the year ended 31 December 2014 of £3,200 (2013: £3,200) is included in "Interest payable and similar charges".

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
105,264	Ordinary	£1	105,264	105,264
			<u>          </u>	<u>          </u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

**11. RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 January 2014	26,807	32,953	59,760
Deficit for the year	(481)	-	(481)
At 31 December 2014	<u>26,326</u>	<u>32,953</u>	<u>59,279</u>

**12. ULTIMATE PARENT COMPANY**

The Company's immediate parent company is MacLellan Group Limited, a company registered in England and Wales. The Company's ultimate parent company and controlling party, and parent company of the largest and smallest group which includes the Company and for which group financial statements are prepared, is Interserve Plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group financial statements of Interserve Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

**13. RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" not to report transactions with other wholly owned Group companies.

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Loss for the financial year	(481)	(465)
<b>Net reduction of shareholders' funds</b>	<u>(481)</u>	<u>(465)</u>
Opening shareholders' funds	165,024	165,489
<b>Closing shareholders' funds</b>	<u>164,543</u>	<u>165,024</u>