
Broadgate (Cash Management) Limited

Annual Report and Accounts

Year ended 31 March 2017

Company number: 03724284

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Broadgate (Cash Management) Limited

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for the year ended 31 March 2017

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Broadgate (Cash Management) Limited

STRATEGIC REPORT

for the year ended 31 March 2017

The directors present their Strategic Report for the year ended 31 March 2017.

Business review and principal activities

Broadgate (Cash Management) Limited ("the company") is a wholly owned subsidiary of Broadgate Property Holdings Limited and operates as a constituent of the Broadgate REIT Limited group of companies ("the group"). 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 company's principal activity is to provide cash management services to fellow subsidiaries of Broadgate Property Holdings Limited in the United Kingdom (UK). Through this activity the company supports the strategy of its fellow joint venture companies.

As shown in the company's Profit and Loss Account on page 6, the company's turnover is £34,000 (2016: £34,050) and profit on ordinary activities before taxation is £40,760 compared to profit on ordinary activities before taxation of £33,924 in the prior year.

Dividends of £nil (2016: £nil) were paid in the year.

The Balance Sheet on page 8 shows that the company's financial position at the year end is, in net assets terms, an increase on the prior year.

The expected future developments of the company are determined by the strategy of the group. There are no future developments outside of the company's current operations planned.

Key performance indicators

The directors measure how the group is delivering its strategy through the key performance indicators.

The directors consider the primary measure of performance of the group to be turnover and net asset value.

Principal risks and uncertainties

This company is part of a large property investment group. The fundamental underlying risks the property group are discussed below.

The group 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; 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 the directors and is considered and managed on a continuous basis. The directors 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 as disclosed in the consolidated group accounts.

This report was approved by the Board on 02/10/17 and signed by the order of the board by:


Director
HURSH SHAH

DIRECTORS' REPORT

for the year ended 31 March 2017

The directors present their annual report on the affairs of the company, together with the audited financial statements and independent auditors' report for the year ended 31 March 2017.

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 include 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 Barzycki (resigned 24 February 2017)
M Cosgrave
D Devani
N Harris (resigned 21 December 2016)
D Lockyer (appointed 24 February 2017)
T Roberts
H Shah

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 Companies Act 2006.

The directors 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.

The company has indemnified its current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

Subsequent events

Details of significant events since the Balance Sheet date, if any, are contained in note 14.

Going concern

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

Broadgate (Cash Management) Limited

DIRECTORS' REPORT (CONTINUED)

for the year ended 31 March 2017

Disclosure of information to 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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

This report was approved by the Board on 02/10/17 and signed by the order of the board by:



HUREH SHAH
Director

Broadgate (Cash Management) Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BROADGATE (CASH MANAGEMENT) LIMITED**

for the year ended 31 March 2017

Report on the financial statements

Our opinion

In our opinion, Broadgate (Cash 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 2017 and of its profit 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 Accounts (the "Annual Report"), comprise:

- the Profit and Loss Account and the Statement of Comprehensive Income for the year then ended;
- the Balance Sheet as at 31 March 2017;
- the Statement of Changes in Equity for the year then 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, and applicable law (United Kingdom Generally Accepted Accounting Practice).

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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.

Broadgate (Cash Management) Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BROADGATE (CASH MANAGEMENT) LIMITED (CONTINUED)**

for the year ended 31 March 2017

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

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 and Accounts 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Saira Choudhry

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

4 October 2017

Broadgate (Cash Management) Limited**PROFIT AND LOSS ACCOUNT****for the year ended 31 March 2017**

	Note	2017 £	2016 £
Turnover	2	34,000	34,050
Profit on ordinary activities before interest and taxation		34,000	34,050
Interest receivable and similar income	5	44,329	41,402
Interest payable and similar expenses	6	(37,569)	(41,528)
Profit on ordinary activities before taxation	3	40,760	33,924
Tax on profit on ordinary activities	7	(8,152)	(6,785)
Profit for the financial year		32,608	27,139

Turnover and results are derived from continuing operations within the United Kingdom. The company has only one significant class of business, that of providing cash management services to the Broadgate Property Holdings Limited group companies in the United Kingdom.


Broadgate (Cash Management) Limited
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2017

	2017 £	2016 £
Profit for the financial year	32,608	27,139
Total comprehensive income for the year	<u>32,608</u>	<u>27,139</u>

Broadgate (Cash Management) Limited**BALANCE SHEET****as at 31 March 2017**

	Note	2017 £	2016 £
Current assets			
Debtors	8	636,199	454,851
Cash and cash equivalents	9	58,691,120	51,997,239
		<u>59,327,319</u>	<u>52,452,090</u>
Creditors due within one year	10	(58,874,626)	(52,032,005)
Net assets		<u>452,693</u>	<u>420,085</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and Loss Account		452,691	420,083
Total equity		<u>452,693</u>	<u>420,085</u>

The financial statements of Broadgate (Cash Management) Limited, company number 03724284, on pages 6 to 13, were approved by the Board of Directors and authorised for issued on 02/10/17 and signed on its behalf by:


HURSH SHAH
Director

Broadgate (Cash Management) Limited**STATEMENT OF CHANGES IN EQUITY****for the year ended 31 March 2017**

	Called up share capital £	Profit and loss account £	Total equity £
Balance as at 1 April 2015	2	392,944	392,946
Profit for the financial year	-	27,139	27,139
Total comprehensive income for the year	-	27,139	27,139
Balance as at 31 March 2016	2	420,083	420,085
Profit for the financial year	-	32,608	32,608
Total comprehensive income for the year	-	32,608	32,608
Balance as at 31 March 2017	2	452,691	452,693

NOTES TO THE ACCOUNTS

for the year ended 31 March 2017

1 Accounting policies

This company is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is York House, 45 Seymour Street, London, W1H 7LX.

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

Basis of preparation

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 has been taken.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Broadgate REIT Limited.

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 in 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 IFRS13 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. Where required, equivalent disclosures are given in the group accounts of Broadgate REIT Limited. The group accounts of Broadgate REIT Limited are available to the public and can be obtained as set out in note 15.

Going concern

Having reviewed the company's forecast working capital and cash flow requirements, in addition to making enquiries and examining areas which could give risk to financial exposure, the directors have a reasonable expectation that the company has adequate resources to continue its operations for the foreseeable future. As a result they continue to adopt the going concern basis in preparing the accounts.

Significant judgements and sources of estimation uncertainty

There are no significant judgements and sources of estimation uncertainty.

Fees and commissions

Turnover is the total amount receivable by the company for services provided excluding VAT and trade discounts. This comprises fees and commissions where the company provides cash management services to the Broadgate Property Holdings Limited group companies in the United Kingdom. This income is recognised when the company has obtained the right to consideration.

NOTES TO THE ACCOUNTS (CONTINUED)

for the year ended 31 March 2017

1 Accounting policies (continued)

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.

2 Turnover

	2017 £	2016 £
Fees and commissions	34,000	34,050
Total turnover	34,000	34,050

3 Profit on ordinary activities before taxation

A notional charge of £3,800 (2016: £3,796) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements. Actual amounts payable to PricewaterhouseCoopers LLP are paid by Bluebutton Properties UK Limited.

No non-audit fees were incurred in the year ended 31 March 2017 (2016: £nil).

4 Staff costs

No director received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company, for which no apportionment or recharges were made.

Average number of employees, excluding directors, of the company during the year was nil (2016: nil).

5 Interest receivable and similar income

	2017 £	2016 £
Other interest receivable	44,329	41,402
	44,329	41,402

6 Interest payable and similar expenses

	2017 £	2016 £
Interest payable on amounts due to fellow group companies	37,548	41,402
Bank overdrafts and loans	21	126
	37,569	41,528

Broadgate (Cash Management) Limited**NOTES TO THE ACCOUNTS (CONTINUED)****for the year ended 31 March 2017****7 Tax on profit on ordinary activities**

	2017 £	2016 £
Current tax		
UK corporation tax	8,152	6,785
Total current taxation charge	<u>8,152</u>	<u>6,785</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax charge	<u>-</u>	<u>-</u>
Total tax charge	<u>8,152</u>	<u>6,785</u>

The tax assessed for the year is the same (2016: the same) as the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Tax reconciliation		
Profit on ordinary activities before taxation	40,760	33,924
Tax on profit on ordinary activities at UK corporation tax rate of 20% (2016: 20%)	8,152	6,785
Effects of:		
Group relief claimed for nil consideration	(8,152)	(6,785)
Consideration paid for group relief	8,152	6,785
Total tax charge	<u>8,152</u>	<u>6,785</u>

The above tax charge is group relief payable to Broadgate Property Holdings Limited and is disclosed within amounts due to group companies (note 8).

Reductions to the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) were substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the Balance Sheet date, where relevant.

8 Debtors

	2017 £	2016 £
Current debtors (receivable within one year)		
Amounts owed by group companies - current accounts	635,811	454,851
Other debtors	388	-
	<u>636,199</u>	<u>454,851</u>

Amounts due from group companies are repayable on demand. There is no interest charged on these balances.

Broadgate (Cash Management) Limited
NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2017

9 Cash at bank and in hand

	2017 £	2016 £
Cash at bank and in hand	58,691,120	51,997,239
	<u>58,691,120</u>	<u>51,997,239</u>

10 Creditors due within one year

	2017 £	2016 £
Amounts owed to group companies - current accounts	58,874,626	52,032,005
	<u>58,874,626</u>	<u>52,032,005</u>

Amounts owed to group companies are repayable on demand. Interest is charged on these balances in accordance with the group policy on intercompany loan accounts.

11 Called up share capital

	2017 £	2016 £
Issued share capital - allotted, called up and fully paid		
Ordinary share of £1.00 each		
Balance as at 1 April and as at 31 March: 2 shares	<u>2</u>	<u>2</u>

12 Capital commitments

The company had capital commitments contracted as at 31 March 2017 of £nil (2016: £nil).

13 Contingent liabilities

The company had no contingent liabilities as at as at 31 March 2017 (2016: £nil).

14 Subsequent events

There have been no significant events since the year end.

15 Immediate parent and ultimate holding company

The immediate parent company is Broadgate Property Holdings Limited.

The ultimate parent 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.

Broadgate REIT Limited is the parent company of the smallest and largest group for which group accounts are available and which include the company. The accounts of Broadgate REIT Limited can be obtained from York House, 45 Seymour Street, London W1H 7LX.