
Broadgate (Cash Management) Limited

Annual Report and Financial Statements

Year ended 31 March 2015

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Company number: 03724284

Broadgate (Cash Management) Limited

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for the year ended 31 March 2015

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Broadgate (Cash Management) Limited

STRATEGIC REPORT

for the year ended 31 March 2015

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 (2014: £33,759) and profit on ordinary activities before taxation has remained consistent with the prior year.

Dividends of £nil (2014: £nil) were paid in the year. Dividends paid are shown in note 10.

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

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 11 September 15 and signed by the order of the board by:



N Ekpo
Company Secretary

Broadgate (Cash Management) Limited

DIRECTORS' REPORT

for the year ended 31 March 2015

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 2015.

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 M Barzycki (alternate S H Moore, resigned 25 March 2015)

M E Cosgrave

D Devani (appointed 15 July 2014)

N G Harris

C D Morrish (resigned 15 July 2014)

T A Roberts (alternate L M Bell resigned 25 March 2015)

H Shah (alternate C M J Forshaw resigned 25 March 2015)

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 prepared 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 UK Accounting Standards have been followed subject to any material departures disclosed and explained in the 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.

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 2015

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

PricewaterhouseCoopers LLP were appointed as auditors for the year ended 31 March 2015 and have expressed their willingness to continue in office. Deloitte LLP were the auditors of the company for the year ended 31 March 2014.

This report was approved by the Board on 11 September 2015 and signed by the order of the board by:



N Ekpo
Company Secretary

Broadgate (Cash Management) Limited
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BROADGATE (CASH MANAGEMENT) LIMITED
for the year ended 31 March 2015

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 2015 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

Broadgate (Cash Management) Limited's financial statements comprise:

- the Balance Sheet as at 31 March 2015
- the Profit and Loss Account for the year then ended;
- the Statement of Total Recognised Gains and Losses 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 applicable law and United Kingdom Accounting Standards (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.

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 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.

Broadgate (Cash Management) Limited
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BROADGATE (CASH MANAGEMENT) LIMITED (CONTINUED)
for the year ended 31 March 2015

What an audit of financial statements involves

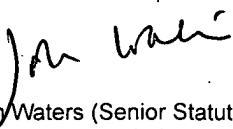
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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


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

11 September 2015

Broadgate (Cash Management) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	2	34,000	33,759
Cost of sales		-	-
Gross profit		<u>34,000</u>	<u>33,759</u>
Administrative expenses		-	-
Operating profit		<u>34,000</u>	<u>33,759</u>
Interest payable and other charges	5	<u>(57)</u>	<u>-</u>
Profit on ordinary activities before taxation	3	<u>33,943</u>	<u>33,759</u>
Tax on profit on ordinary activities	6	<u>(7,128)</u>	<u>(6,025)</u>
Profit for the financial year	10	<u><u>26,815</u></u>	<u><u>27,734</u></u>

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.

There is no material difference in either year between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical equivalents.

Broadgate (Cash Management) Limited
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2015

	2015 £	2014 £
Profit for the financial year	26,815	27,734
Total Recognised Gains and Losses relating to the financial year	<u>26,815</u>	<u>27,734</u>

Broadgate (Cash Management) Limited

BALANCE SHEET

as at 31 March 2015

	Note	2015 £	£	2014 £	£
Current assets					
Debtors	7	431,678		397,677	
		431,621		397,677	
Creditors due within one year	8	(38,675)		(31,546)	
Net current assets			392,946		366,131
Total assets less current liabilities			392,946		366,131
Net assets			392,946		366,131
Capital and reserves					
Called up share capital	9		2		2
Profit and Loss Account	10		392,944		366,129
Total shareholders' funds	10		392,946		366,131

The financial statements of Broadgate (Cash Management) Limited, company number 03724284, on pages 6 to 13, were approved by the Board of Directors on 11 September 2015 and signed on its behalf by:



H Shah
Director

Broadgate (Cash Management) Limited
NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

1 Accounting policies

The principal accounting policies adopted by the directors are summarised below. They have been applied consistently throughout the current 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 and so may be left blank intentionally.

Accounting basis

The financial statements are prepared in accordance with the Companies Act 2006, applicable United Kingdom law and Accounting Standards and under the historical cost convention as modified by the revaluation of investment properties and other fixed asset investments.

Where the company has subsidiaries, it has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of another company. Group financial statements, which include the company, for Broadgate REIT Limited are publicly available (see note 15).

Basis of preparation

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.

Cash flow statement

The company is exempt under FRS 1 (Revised) from preparing a cash flow statement.

Significant judgements and sources of estimation uncertainty

There are no such relevant judgements or estimates.

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.

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 income statement 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.

Net rental income

Rental income is recognised on an accruals basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the next rent review date. Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.

Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the next rent review date.

Where a lease incentive payment, including surrender premiums paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the next rent review date. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned is immediately reflected in income.

Significant judgements and sources of estimation uncertainty

There are no such relevant judgements or estimates.

Broadgate (Cash Management) Limited
NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

2 Turnover

	2015 £	2014 £
Fees and commissions	34,000	33,759
Total turnover	34,000	33,759

3 Profit on ordinary activities before taxation

	2015 £	2014 £
Profit on ordinary activities before taxation is stated after charging:		
Fees payable to company's auditors:		
- audit of company's financial statements	3,796	3,796

Audit fees relating to the year ended 31 March 2015 are paid to PricewaterhouseCoopers LLP. Audit fees relating to the year ended 31 March 2014 were paid to Deloitte LLP.

No non-audit fees were incurred in the year ended 31 March 2015 (2014: £nil).

4 Staff costs

No director received any remuneration for services to the company in either year.

Average number of employees, excluding directors, of the company during the year was nil (2014: nil).

5 Interest payable and similar charges

	2015 £	2014 £
Bank overdrafts and loans	57	-
	57	-

Broadgate (Cash Management) Limited
NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

6 Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
UK corporation tax	7,128	7,765
Adjustments in respect of prior years	-	(1,740)
Total current taxation charge	<u>7,128</u>	<u>6,025</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
Total taxation charge	<u>7,128</u>	<u>6,025</u>

The tax assessed for the year is the same (2014: the same) as the standard rate of corporation tax in the UK of 21% (2014: 23%).

	2015 £	2014 £
Tax reconciliation		
Profit on ordinary activities before taxation	33,943	33,759
Tax on profit on ordinary activities at UK corporation tax rate of 21% (2014: 23%)	7,128	7,765
Effects of:		
Group relief (claimed)	(7,128)	(6,025)
Consideration paid for group relief	7,128	6,025
Adjustments in respect of prior years	-	(1,740)
Current tax charge	<u>7,128</u>	<u>6,025</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 in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the Balance Sheet date.

In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

Broadgate (Cash Management) Limited
NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

7 Debtors

	2015 £	2014 £
Current debtors (receivable within one year)		
Amounts owed by group companies - current accounts	431,678	397,677
	<u>431,678</u>	<u>397,677</u>

8 Creditors due within one year

	2015 £	2014 £
Amounts owed to group companies - current accounts	38,675	31,546
	<u>38,675</u>	<u>31,546</u>

9 Called up share capital

	2015 £	2014 £
Issued share capital - allotted, called up and fully paid		
Ordinary share of £1.00 each		
Balance as at 1 April and 31 March: 2 shares	<u>2</u>	<u>2</u>

10 Reconciliation of movements in shareholders' funds and reserves

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Opening shareholders' funds	2	366,129	366,131
Profit for the financial year	-	26,815	26,815
Closing shareholders' funds	<u>2</u>	<u>392,944</u>	<u>392,946</u>

Broadgate (Cash Management) Limited
NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

11 Capital commitments

The company had capital commitments contracted as at 31 March 2015 of £nil (2014: £nil).

12 Contingent liabilities

The company had no contingent liabilities as at as at 31 March 2015 (2014: £nil).

13 Related parties

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with group companies under the provisions of Financial Reporting Standard 8.

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 The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX.