
MSC (Cash Management) Limited

Annual Report and Accounts

Year ended 31 March 2012

THURSDAY



A1HCL8C3

A15

13/09/2012

#255

COMPANIES HOUSE

Company number: 4276631

MSC (Cash Management) Limited

REPORT OF THE DIRECTORS **for the year ended 31 March 2012**

The directors submit their report and financial statements for the year ended 31 March 2012

Principal activities

The company is a wholly owned subsidiary of Meadowhall Limited Partnership. The ultimate holding company, MSC Property Intermediate Holdings Limited, operates as a joint venture between The British Land Company PLC and LSP Green Park Property Trust. The company's principal activity is to provide cash management services in relation to Meadowhall securitised debt.

Business review

As shown in the company's profit and loss account on page 5, the company's turnover and profits before tax have remained consistent with the prior year.

Dividends of £nil (2011: £nil) were paid in the year.

The balance sheet on page 7 shows that the company's financial position at the year end is, in net asset terms, an increase on the prior year as a result of retained earnings in the period.

There have been no significant events since the balance sheet date.

Risk management

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, presents lower risks than many other property portfolios.

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

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.

MSC (Cash Management) Limited

REPORT OF THE DIRECTORS **for the year ended 31 March 2012**

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 of the company during the year and as at the date of this report were as follows:

J Bishop
S G Carter
C M J Forshaw
J Duzniak
S M Little
M McGann
H R Mould
T A Roberts
A D Smith
S P Smith
P L Vaughan
N M Webb

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 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.

MSC (Cash Management) Limited

REPORT OF THE DIRECTORS
for the year ended 31 March 2012

Disclosure of information to Auditor

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 auditor is 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 auditor is aware of that information

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

Auditor

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the Annual General Meeting

This report was approved by the Board on 4 September 2012



S Carter
Director

MSC (Cash Management) Limited

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MSC (Cash Management) Limited
for the year ended 31 March 2012**

We have audited the financial statements of MSC (Cash Management) Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 12. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

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 March 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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.

Andrew Swarbrick

Andrew Swarbrick BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, UK

11 September 2012

MSC (Cash Management) Limited

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover			
Management fee receivable - group		20,000	20,000
Profit on ordinary activities before taxation	2	<u>20,000</u>	<u>20,000</u>
Taxation	4	-	-
Profit for the financial year	8	<u><u>20,000</u></u>	<u><u>20,000</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 to provide cash management services in relation to Meadowhall securitised debt.

MSC (Cash Management) Limited

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2012**



	2012 £	2011 £
Profit on ordinary activities after taxation	20,000	20,000
Total recognised gains and losses relating to the financial year	<u>20,000</u>	<u>20,000</u>

MSC (Cash Management) Limited

**BALANCE SHEET
as at 31 March 2012**

	Note	2012 £	£	2011 £	£
Current assets					
Debtors - due within one year	5	897,813		672,153	
		<u>897,813</u>		<u>672,153</u>	
Creditors due within one year	6	(724,890)		(519,230)	
		<u></u>		<u></u>	
Net current assets			172,923		152,923
Net assets			<u>172,923</u>		<u>152,923</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss account	8		172,922		152,922
Shareholder's funds	8		<u>172,923</u>		<u>152,923</u>

The financial statements of MSC (Cash Management) Limited, company number 4276631, were approved by the Board of Directors on 4 September 2012 and signed on its behalf by



S. Carter
Director

MSC (Cash Management) Limited

Notes to the accounts **for the year ended 31 March 2012**

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.

Accounting basis

The financial statements are prepared in accordance with 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.

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. The company's cash flow is included in the group cash flow statement prepared by MSC Property Intermediate Holdings Limited as part of its consolidated financial statements, which are publicly available (see note 12).

Taxation

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted. 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). In particular, the group (including this partnership) became a REIT on 1 January 2007 where income and gains on qualifying assets are exempt from taxation. On 11 February 2009, the sale of 50% of the group to a non-REIT entity resulted in now only 50% of the income and gains on qualifying assets being exempt from taxation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

MSC (Cash Management) Limited

**Notes to the accounts
for the year ended 31 March 2012**

2 Profit on ordinary activities before taxation

Auditor's remuneration

A notional charge of £1,240 (2011 £1,200) per company is deemed payable to Deloitte LLP in respect of the audit of the financial statements. Actual amounts payable to Deloitte LLP are paid at group level by MSC Property Intermediate Holdings Limited.

No non-audit fees (2011 £nil) were paid to Deloitte LLP.

3 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 (2011 nil).

4 Taxation	2012	2011
	£	£
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current taxation charge	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Prior year items	-	-
Total deferred tax charge	<u>-</u>	<u>-</u>
Total taxation charge	<u>-</u>	<u>-</u>
Tax reconciliation		
Profit on ordinary activities before taxation	<u>20,000</u>	<u>20,000</u>
Tax on profit on ordinary activities at UK corporation tax rate of 26% (2011 28%)	5,200	5,600
Effects of		
Group relief claimed for nil consideration	(5,200)	(5,600)
Current tax charge	<u>-</u>	<u>-</u>

In March 2012, the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and to 23% effective 1 April 2013. These rate reductions became substantively enacted in March 2012 and July 2012, respectively. The UK Government also proposed to further reduce the standard rate of the UK Corporation tax to 22% effective 1 April 2014, but this change has not yet been substantively enacted. 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.

MSC (Cash Management) Limited

Notes to the accounts
for the year ended 31 March 2012

5 Debtors	2012	2011
	£	£
Current debtors (receivable within one year)		
Amounts owed by group companies - current accounts	897,813	672,153
	<u>897,813</u>	<u>672,153</u>

6 Creditors due within one year	2012	2011
	£	£
Amounts owed to group companies - current accounts	724,890	500,757
Corporation tax	-	9,473
Other taxation and social security	-	9,000
	<u>724,890</u>	<u>519,230</u>

Amounts owed to fellow group companies are repayable on demand. There is no interest charged on these balances.

7 Share capital	2012	2011
	£	£
Issued share capital - allotted, called up and fully paid		
Ordinary Share of £1 00		
Balance as at 1 April 2011 and as at 31 March 2012 1 share	<u>1</u>	<u>1</u>

8 Reconciliation of movements in shareholder's funds and reserves

	Share capital	Profit and loss account	Total
	£	£	£
Opening funds at 1 April 2011	1	152,922	152,923
Profit for the financial year	-	20,000	20,000
Closing funds at 31 March 2012	<u>1</u>	<u>172,922</u>	<u>172,923</u>

MSC (Cash Management) Limited

Notes to the accounts
for the year ended 31 March 2012

9 Capital commitments

The company had capital commitments contracted as at 31 March 2012 of £nil (2011 £nil)

10 Contingent liabilities

The company is jointly and severally liable with Meadowhall (MLP) Limited and Meadowhall Finance PLC, wholly owned subsidiaries of the ultimate holding company, for all monies falling due under the group VAT registration

11 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

12 Immediate parent and ultimate holding company

The immediate parent company is Meadowhall Limited Partnership

MSC Property Intermediate Holdings Limited is the smallest and largest group for which group accounts are available and which include the company

The ultimate holding company is MSC Property Intermediate Holdings Limited, a joint venture between The British Land Company PLC and Butterfield Trust (Guernsey) Limited and Moulinet Trustees Limited as trustees of LSPGP Trust No 1, which is a wholly owned subsidiary of LSP Green Park Property Trust

The accounts of MSC Property Intermediate Holdings Limited can be obtained from The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX