
MSC (Cash Management) Limited

Annual Report and Accounts

Year ended 31 March 2017

Company number: 04276631

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MSC (Cash Management) Limited

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for the year ended 31 March 2017

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MSC (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

MSC (Cash Management) Limited ("the company") is a wholly owned subsidiary of Meadowhall Limited Partnership. The ultimate holding company, MSC Property Intermediate Holdings Limited and its subsidiaries ("the group"), operate as a joint venture between The British Land Company PLC and NBIM Victoria Partners LP. The company's principal activity is to provide cash management services in relation to Meadowhall securitised debt.

As shown in the company's Profit and Loss Account on page 6, the company's turnover is £20,000 compared with turnover of £20,000 in the prior year. During the current year the company made a profit on ordinary activities before taxation of £20,000, this has remained consistent with prior year.

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

The Balance Sheet on page 7 shows that the company's financial position at the year end is net assets of £272,923 compared to net assets of £252,923, at 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.

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 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;
- 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 directors and is considered and managed on a continuous basis. 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.

This report was approved by the Board on 25/09/2017 and signed by the order of the board by:



Director

H. SHAH

MSC (Cash Management) Limited

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 Auditor's 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, unless otherwise stated, were:

C Barber (alternate: H Shah)
R Wise (alternate: C Forshaw resigned 5 April 2017)
R Ford (resigned 17 July 2017)
J Patel
E Stryse (appointed 17 July 2017)

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 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 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.

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 12.

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. When assessing the company's going concern status, the directors have taken into account the UK electorate's decision on 23 June 2016 to vote to leave the European Union, and the resulting period of uncertainty for the UK economy and real estate markets.

MSC (Cash Management) Limited
DIRECTORS' REPORT (CONTINUED)
for the year ended 31 March 2017

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.

Independent auditor

The auditor, Deloitte 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 25/09/2017 and signed by the order of the board by:



Director

H. SHAH

MSC (Cash Management) Limited
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MSC (Cash Management) Limited
for the year ended 31 March 2017

We have audited the financial statements of MSC (Cash Management) Limited for the year ended 31 March 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. 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), including FRS 101 "Reduced Disclosure Framework".

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 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.

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 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.

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

MSC (Cash Management) Limited
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MSC (Cash Management) Limited (CONTINUED)
for the year ended 31 March 2017

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.

Matthew Hall

Matthew Hall FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

26th September 2017

MSC (Cash Management) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2017

| | Note | 2017 £ | 2016 £ |
|--|----------|-----------|-----------|
| Turnover | | | |
| Management fee receivable - group | | 20,000 | 20,000 |
| Profit on ordinary activities before taxation | 3 | 20,000 | 20,000 |
| Tax on profit on ordinary activities | 5 | - | - |
| Profit for the financial year | | 20,000 | 20,000 |

Turnover and results are derived from continuing operations within the United Kingdom.

The company has only one significant class of business, that of cash management services in the United Kingdom.

There were no items of comprehensive income or expense in either year other than the profit for that year. Accordingly, no statement of comprehensive income is given.

MSC (Cash Management) Limited

BALANCE SHEET

as at 31 March 2017

| | Note | 2017 £ | £ | 2016 £ | £ |
|--|------|-----------|---------|-----------|---------|
| Current assets | | | | | |
| Debtors | 7 | 982,662 | | 962,662 | |
| | | 982,662 | | 962,662 | |
| Creditors due within one year | 8 | (709,739) | | (709,739) | |
| Net current assets | | | 272,923 | | 252,923 |
| Total assets less current liabilities | | | 272,923 | | 252,923 |
| Net assets | | | 272,923 | | 252,923 |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 1 | | 1 |
| Profit and loss account | | | 272,922 | | 252,922 |
| Total equity | | | 272,923 | | 252,923 |

The financial statements of MSC (Cash Management) Limited, company number 04276631, on pages 6 to 12, were approved by the Board of Directors and authorised for issued on 25/09/2017 and signed on its behalf by:



Director

H. SHAH

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

| | Called up shares capital £ | Profit and loss account £ | Total equity £ |
|-----------------------------|----------------------------------|---------------------------------|----------------------|
| Balance as at 1 April 2015 | 1 | 232,922 | 232,923 |
| Profit for the year | - | 20,000 | 20,000 |
| Balance as at 31 March 2016 | 1 | 252,922 | 252,923 |
| Profit for the year | - | 20,000 | 20,000 |
| Balance as at 31 March 2017 | 1 | 272,922 | 272,923 |

MSC (Cash Management) Limited

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, W1H7LX.

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 MSC Property Intermediate Holdings 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 MSC Property Intermediate Holdings Limited. The group accounts of MSC Property Intermediate Holdings Limited are available to the public and can be obtained as set out in note 13.

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 basis is an appropriate one.

MSC (Cash Management) Limited
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. 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.

Management fee receivable

Turnover is the total amount receivable by the company for services provided, excluding VAT. This comprises fees where the company provides cash management services to the group in the United Kingdom. This income is recognised when the company has obtained the right to consideration.

Financial assets and liabilities

Amounts owed by group companies and amounts owed by partnership are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate.

2 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have not made any critical judgements in the process of applying the company's accounting policies when compiling the financial statements.

3 Profit on ordinary activities before taxation

Auditor's remuneration

A notional charge of £5,706 (2016: £5,518) is deemed payable to Deloitte LLP in respect of the audit of the financial statements. Actual amounts payable to Deloitte LLP are paid by MSC Property Intermediate Holdings Limited.

No non-audit fees (2016: £nil) were paid to Deloitte LLP.

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 (2016: nil).

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

5 Tax on profit on ordinary activities

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Current tax | | |
| UK corporation tax | - | - |
| Total current taxation charge | - | - |
| Deferred tax | | |
| Origination and reversal of timing differences | - | - |
| Total deferred tax charge | - | - |
| Total taxation charge | - | - |
| Tax reconciliation | | |
| Profit on ordinary activities before taxation | 20,000 | 20,000 |
| Tax on profit on ordinary activities at UK corporation tax rate of 20% (2016: 20%) | 4,000 | 4,000 |
| Effects of: | | |
| Group relief surrendered for nil consideration | (4,000) | (4,000) |
| Total taxation charge | - | - |

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.

6 Investments

At 31 March 2017, the company holds 1 share of 25p, being 0.0005% of the issued share capital in Meadowhall Finance Plc, a company engaged in the provision of finance services in the United Kingdom. The amount paid up at 31 March 2017 is £0.25 (2016: £0.25) and therefore does not appear in these financial statements.

7 Debtors

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Current debtors (receivable within one year) | | |
| Amounts owed by group companies - current accounts | 982,662 | 962,662 |
| | 982,662 | 962,662 |

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

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

8 Creditors due within one year

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Amounts owed to group companies - current accounts | 709,739 | 709,739 |
| | <u>709,739</u> | <u>709,739</u> |

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

9 Called up share capital

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

10 Capital commitments

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

11 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.

12 Subsequent events

There have been no significant events since the year end.

13 Immediate parent and ultimate holding company

The immediate parent is Meadowhall Limited Partnership.

The ultimate holding company is MSC Property Intermediate Holdings Limited, a joint venture between The British Land Company PLC and NBIM Victoria Partners LP.

MSC Property Intermediate Holdings Limited is the smallest and largest group for which group accounts are available and which include the company. The accounts of MSC Property Intermediate Holdings Limited can be obtained from York House, 45 Seymour Street, London W1H7LX.