

The Place London Bridge Limited

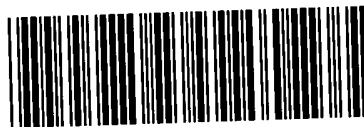
Registered No. 04833390

The Place London Bridge Limited

Annual Report and Financial Statements

For the year ended 31 December 2017

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The Place London Bridge Limited

Registered No. 04833390

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The Place London Bridge Limited

Registered No. 04833390

Company information

Directors

Mr James Sellar

Mr Owen Dannatt

Secretary

Mr Charles Mavor

Auditors

KPMG Channel Islands Limited

37 Esplanade

St Helier

Jersey

JE4 8WQ

Registered Office

32 London Bridge Street

London

United Kingdom

SE1 9SG

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2017.

The directors have not presented a strategic report as the company is exempt from the requirement to prepare it under the small companies exemption.

Incorporation

The company is incorporated in the United Kingdom.

Results and dividends

The loss after tax for the year was £0.7 million (2016 loss £0.7 million). The directors do not recommend the payment of a dividend (2016 £Nil).

Principal activity and review of the business

The company's principal activity was to assist a fellow subsidiary undertaking in respect of residual development issues relating to the News Building property adjacent to the Shard, London Bridge.

Operating loss for the year comprises administration (prior year only) and interest expenses.

The directors are continuing to review the future of the company following the probable clearance of all remaining residual development and related matters in 2018.

Principal risks and uncertainties

Going concern

At 31 December 2017 the company's balance sheet shows net liabilities and net current liabilities of £15.9 million (2016 £15.2 million).

The directors regularly review the cash flow requirements of the company and are able to draw upon funding from the company's immediate parent undertaking, Shard Funding Limited ["SFL"], should it be required. In addition SFL has provided written assurances to enable the company to meet its liabilities as they fall due for the foreseeable future, being no less than 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on a going concern basis.

Directors' and their interests

The directors who held office during the year ended 31 December 2017 and up to the date of this report were as follows:

Mr James Sellar
Mr Owen Dannatt

The company's Articles of Association gives the power to a director to appoint any person to be his alternate, subject to the appointment of such person, who is not another director, being approved by the Board.

Directors' Report (continued)

Directors' and officers' indemnity insurance

All directors are entitled to contractual indemnification from the company to the extent permitted by law against claims and legal expenses incurred in the course of their duties. Such qualifying third party indemnity insurance is provided and remains in force as at the date of approving the Directors' Report.

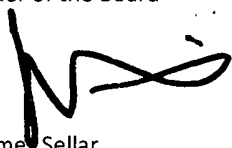
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

KPMG Channel Islands Limited are appointed auditors of the company and have expressed their willingness to continue in office.

By order of the Board



Mr James Sellar
Director

Date: 21 March 2018

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of The Place London Bridge Limited

Opinion

We have audited the financial statements of The Place London Bridge Limited (the "Company") for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Cash Flow Statement and related notes, including the accounting policies outlined in note 1 in the financial statements.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the information presented in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company; 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; or
- the directors were not entitled to take advantage of the small company's exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



Independent Auditor's Report to the Members of The Place London Bridge Limited

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Andrew P. Quinn (Senior Statutory Auditor)
for and on behalf of KPMG Channel Islands Limited, Statutory Auditor
Chartered Accountants
Jersey

22 March 2018

Statement of income and retained earnings

for the year ended 31 December 2017

		Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
	Notes		
Administrative expenses		-	(17)
Operating loss		-	(17)
Interest expense and similar expenses	6	(658)	(661)
Loss before taxation	3	(658)	(678)
Tax on loss	7	-	-
Loss after taxation		(658)	(678)
Retained earnings brought forward	12	(22,887)	(22,209)
Retained earnings carried forward	12	(23,545)	(22,887)

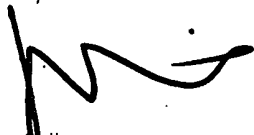
All amounts shown above relate to continuing activities.

The notes on pages 10 to 16 form part of these financial statements.

Balance sheet
at 31 December 2017

	Notes	2017 £000	2016 £000
Current assets			
Debtors	8,9	170	170
Cash at bank and in hand	8	1	1
		<u>171</u>	<u>171</u>
Creditors: amounts falling due within one year	8,10	(16,058)	(15,400)
Total assets less current liabilities		<u>(15,887)</u>	<u>(15,229)</u>
Net liabilities		<u>(15,887)</u>	<u>(15,229)</u>
 Capital and reserves			
Called up share capital	11	2	2
Share premium account	12	7,656	7,656
Profit and loss account	12	(23,545)	(22,887)
Equity shareholder's deficit	12	<u>(15,887)</u>	<u>(15,229)</u>

The financial statements were approved and authorised for issue by the Board on 21 March 2018 and signed on its behalf by:


Mr James Sellar
Director

The notes on pages 10 to 16 form part of these financial statements.

Cash flow statement

for the year ended 31 December 2017

	Notes	2017 £000	2016 £000
Net cash outflow from operating activities		-	(7)
Net decrease in cash		-	(7)
Cash at bank and in hand at the beginning of the year		1	8
Cash at bank and in hand at the end of the year	8	<u>1</u>	<u>1</u>

Reconciliation of loss for the year to net cash outflow from operating activities:

	2017 £000	2016 £000
Loss for the year	(658)	(678)
Add back interest expense	658	661
Increase in creditors	-	10
Net cash outflow from operating activities	<u>-</u>	<u>(7)</u>

The notes on pages 10 to 16 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2017

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all the years presented, unless otherwise stated. From the year ended 31 December 2015 the company adopted FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ["FRS102"]. The preparation of financial statements in conformity with FRS102 requires both the use of certain critical accounting estimates and the exercise of judgement by management. The areas of the financial statements involving a higher degree of judgement or where assumptions and estimates are significant is set out in note 2.

Basis of preparation

The financial statements of The Place London Bridge Limited were approved for issue by the Board of Directors on 21 March 2018.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with United Kingdom Accounting Standards including FRS102. The financial statements are presented in pound (£) sterling, being the functional currency of the company, and have been rounded to the nearest thousand pounds, £000, unless otherwise stated.

Going concern

At 31 December 2017 the company's balance sheet shows net liabilities and net current liabilities of £15.9 million (2016 £15.2 million).

The directors regularly review the cash flow requirements of the company and are able to draw upon funding from the company's immediate parent undertaking, Shard Funding Limited ["SFL"], should it be required. In addition SFL has provided written assurances to enable the company to meet its liabilities as they fall due for the foreseeable future, being no less than 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on a going concern basis.

Administrative and interest expenses

Administrative expenses are the costs of operating the company and are accounted for on an accruals basis and are net of value added tax. From 1 January 2017 the administrative expenses to the value of £7,660 of the company have been met by a related party (note 13). Interest expenses are recognised on an accruals basis using the effective interest method.

Cash at bank and in hand

Cash at bank and in hand comprises unencumbered cash balances and short term deposits with an original maturity of three months or less.

Financial Instruments

The company has adopted Sections 11 and 12 of FRS102 in respect of financial instruments.

Basic financial assets include other receivables and cash and bank balances. Basic financial liabilities include loans from the immediate parent company and loans from related parties.

Basic financial assets and liabilities are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method. Financial assets and liabilities that are not financing transactions and do not have a stated interest rate and are classified as payable or receivable within one year are measured at an undiscounted amount and are not amortised.

Notes to the financial statements

for the year ended 31 December 2017 (continued)

1. Accounting policies (continued)

Financial assets are subject to an impairment review at the end of each year and if there are indications that an asset is impaired, measured by the difference between the carrying amount and the present value of the estimated cash flows, the impairment loss is recognised in the statement of income and retained earnings (as is any subsequent partial or total reversal of previous losses).

Related parties

The company discloses transactions with related parties being entities where there is common ownership or a similar relationship.

Taxation

The tax for the year comprises current and deferred tax which is recognised in the statement of income and retained earnings. Current or deferred tax assets and liabilities are not discounted. Current tax is the amount of tax payable in respect of the taxable profit for the year or prior years calculated on the basis of tax rates and laws enacted or substantively enacted by the year end. Provisions are established where appropriate on the basis of amounts expected to be paid.

Deferred tax arises from timing differences between taxable profits and the profit and loss stated in the financial statements. 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 have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax even in the longer term, with the following exceptions: deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted; and deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

Provisions

Provisions are recognised when the company has an obligation arising from past events which it is probable will require settlement by payment and which can be reliably measured. Provisions are measured at the present value of the expected expenditures required to settle the obligation and changes in the provision due to the passage of time are treated as a finance cost. Provision is not made for future operating losses.

Contingencies

Contingent liabilities arising from past events are not recognised if it is not probable that there will be a settlement payment or if such a payment cannot be reliably measured or if the existence of an obligation depends on uncertain future events not within the company's control. Contingent liabilities are disclosed unless the probability of a payment is remote. Contingent assets are not recognised and are only disclosed when a receipt of economic benefits is probable.

2. Judgements and estimation uncertainty

(a) Judgements

The directors elected to adopt FRS102 from the year ended 31 December 2015 and have exercised judgements in respect of the selection and application of certain accounting policies. Sections 11 and 12 of FRS102 have been adopted in respect of financial instruments as the directors' view is that the company only holds basic financial assets and liabilities. The directors are aware of the uncertainties and risks associated with the decision of the United Kingdom to withdraw from the European Union, the process known as "Brexit" which was initiated in 2017, but their judgement is that this process will not impact the company in respect of going concern.

Notes to the financial statements

for the year ended 31 December 2017 (continued)

2. Judgements and estimation uncertainty (continued)

(a) Judgements (continued)

The directors are undertaking an ongoing review of the company's future as set out in the Directors' Report and note 1 but due to the written assurances given by the immediate parent company, Shard Funding Limited, the directors' judgement is that the financial statements should continue to be prepared on a going concern basis.

In respect of tax the directors' judgement is that there is too much uncertainty that there will be sufficient taxable profits in the long term to utilise the reversal of the underlying timing differences and therefore potential deferred tax assets have not been recognised.

(b) Estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions affecting the amounts reported as assets and liabilities at the balance sheet date and as income and expenses during the year.

The principal area of estimation uncertainty affects deferred tax. The recognition of a deferred tax asset depends on the probability of future taxable profits in the long term being utilised against the available tax losses and capital allowances. The company has unrecognised deferred tax assets as the directors consider that there is too much uncertainty that there will be sufficient taxable profits in the long term to utilise the reversal of the underlying timing differences (note 7(c)).

3. Loss before taxation

This is stated after charging:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
- Audit services:		
- current year	5,350	5,350
- Tax and other services not provided by auditors:		
- current year	2,310	14,000
- prior year	-	(3,100)
	<u>7,660</u>	<u>16,250</u>

Audit services comprise the audit of the financial statements of the company. This was paid by a related party.

4. Directors' emoluments

The directors have received no remuneration in respect of their services to the company during the year (2016 £Nil).

5. Staff costs

The company had no employees during the year (2016 None).

Notes to the financial statements

for the year ended 31 December 2017 (continued)

6. Interest expense and similar expenses

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Interest payable on loan from immediate parent undertaking	658	661

7. Taxation

(a) Tax on loss on ordinary activities

The tax on loss on ordinary activities as set out in note 7(b) below is £Nil (2016 £Nil).

(b) Factors affecting current tax

The tax assessed on the loss on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 19.25% (2016 20.00%). The differences are reconciled below:

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Loss before tax	(658)	(678)
Loss multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 20.00%)	(127)	(136)
Effects of:		
- Disallowed expenses	127	136
Total current tax	-	-

(c) Factors affecting future tax charges

A deferred tax asset of £0.1 million (2016 £0.1 million) relating to future tax benefits has not been recognised as there is no persuasive evidence of future profits against which these benefits may be offset. The unrecognised asset relates to accrued but unpaid interest to related parties and excess management expenses.

Notes to the financial statements

for the year ended 31 December 2017 (continued)

8. Financial instruments

Financial instruments, comprising basic financial assets and liabilities, are listed below:

<i>Within 1 year</i>	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Debtors:		
Other debtors	170	170
Cash at bank and in hand	1	1
Total financial assets	<u>171</u>	<u>171</u>
Creditors:		
VAT payable	-	1
Accruals and deferred income	16	16
Amounts due to immediate parent company – interest bearing	15,422	14,763
Amounts due to related parties – non interest bearing	620	620
Total financial liabilities	<u>16,058</u>	<u>15,400</u>

Basic financial liabilities comprise creditors and a loan from the immediate parent company. All creditors are classified as payable within one year and do not have a stated interest rate with the exception of amounts due to parent company. Amounts due to parent company represent a loan facility, which is repayable on demand, and for which interest is charged at 5.0% (2016 5.0%).

9. Debtors

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Other debtors	<u>170</u>	<u>170</u>

All debtors are due within one year. Other debtors comprise an amount receivable from UK Power Networks in respect of access rights for cabling which affected the development of News Building.

10. Creditors: amounts falling due within one year

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
VAT payable	-	1
Accruals and deferred income	16	16
Amounts due to parent company	15,422	14,763
Amounts due to related parties	620	620
	<u>16,058</u>	<u>15,400</u>

The amounts due to parent company comprise a loan facility with the immediate parent company, Shard Funding Limited. The facility is repayable on demand and interest is charged at 5.0%. The amounts due to related parties are unsecured, non-interest bearing, and repayable on demand. Shard Funding Limited has provided written assurances to enable the company to meet its liabilities as they fall due for the foreseeable future, being no less than 12 months from the date of approval of these financial statements.

Notes to the financial statements

for the year ended 31 December 2017 (continued)

11. Share capital

	2017 £	2016 £
<i>Authorised</i>		
Ordinary voting shares of £1 each	10,000	10,000
<i>Allotted, called up and fully paid</i>		
Ordinary voting shares of £1 each	2,025	2,025

12. Reconciliation of movements in shareholder's deficit

	Share capital £000	Share premium £000	Profit and loss account £000	Total equity shareholder's deficit £000
At 1 January 2016	2	7,656	(22,209)	(14,551)
Loss for the year	-	-	(678)	(678)
At 31 December 2016	2	7,656	(22,887)	(15,229)
Loss for the year	-	-	(658)	(658)
At 31 December 2017	2	7,656	(23,545)	(15,887)

13. Related parties

	Fees charged in year 2017 £000	Fees charged in year 2016 £000	Amounts due (to) / from at 31 December 2017 £000	Amounts due (to) / from at 31 December 2016 £000
LBQ Six Limited (i)	-	(3)	(620)	(620)
Qatar National Bank SAQ (ii)	-	-	1	1
Shard Funding Limited (iii)	(658)	(661)	(15,422)	(14,763)

- (i) LBQ Six Limited ["LBQ6"] is a related party by virtue of common ownership. The company formerly owned the land now held by LBQ6 and was the original developer of the site. LBQ6 has agreed to fund residual development and other costs previously borne by the company. From 1 January 2017 the expenses to the value of £7,660 of the company have been met by LBQ6 and these do not need to be reimbursed to LBQ6 by the company.

- (ii) Qatar National Bank SAQ ["QNB"] is a related party by virtue of common ownership. QNB acts as the principal banker to the company.

Notes to the financial statements

for the year ended 31 December 2017 (continued)

13. Related parties (continued)

- (iii) Shard Funding limited ["SFL"] is the immediate parent company and the lender of the company's loan facility by which the company is funded. The loan facility is repayable on demand and interest is charged at a rate of 5.0% per annum funded by the loan. SFL has given written assurances to enable the company to meet its liabilities as they fall due for the foreseeable future, being no less than 12 months from the date of approval of these financial statements.

14. Parent undertaking and ultimate controlling party

The company's immediate parent undertaking is Shard Funding Limited whose registered address is 1st Floor, Liberation House, Castle Street, St Helier, Jersey, JE1 1GL. The smallest and largest group for which consolidated financial statements have been prepared, which include results of this company, is Shard Funding Limited. The financial statements of *Shard Funding Limited* are not available to the public. In the opinion of the directors, at the date of approval of the financial statements, the ultimate controlling party is The State of Qatar.

15. Company details

The Place London Bridge Limited is a private company, limited by share capital, incorporated and domiciled in England and Wales under the registration number 04833390. The registered address of the company is 32 London Bridge Street, London, United Kingdom, SE1 9SG.