

COMPANIES HOUSE COPY

GBCONSORTIUM 1 LIMITED

Report and Financial Statements

Year ended

31 March 2015

Company Number 04957036

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COMPANIES HOUSE

GBConsortium 1 Limited

**Report and financial statements
for the year ended 31 March 2015**

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Directors

E Siew
I Tayler
A H Naafs
F Schramm

Registered office

15th Floor Cobalt Square, 83-85 Hagley Road, Birmingham, B16 8QG

Company number

04957036

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

GBConsortium 1 Limited

Report of the directors for the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015. In preparing this report, the directors have taken advantage of the small companies' exemption from the requirement to prepare a strategic report provided by section 414B of the Companies Act 2006 and the small companies' exemptions provided by section 415A of the Companies Act 2006.

Principal activities

The principal activity of the company was that of a holding company.

Results and dividends

The profit for the year, after taxation, amounted to £1,569,352 (2014: £423).

Dividends of £1,570,051 were paid during the year (2014: £Nil). No further dividends are proposed.

Directors

The directors who served during the year and to the date of this report were:

A Speer	(resigned 26 May 2015)
E Siew	
A H Naafs	(appointed 26 May 2015)
I Tayler	
F Schramm	(appointed 13 August 2015)

Directors' responsibilities

The directors are responsible for preparing the directors' 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 International Financial Reporting Standards ('IFRSs') as adopted by the European Union. 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;
- 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.

GBConsortium 1 Limited

Report of the directors for the year ended 31 March 2015 (*continued*)

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

This report was approved by the board on ~~15 SEPTEMBER 2015~~ and signed on its behalf.

A handwritten signature in black ink, appearing to read 'E Siew', with a stylized flourish at the end.

E Siew
Director

GBConsortium 1 Limited

Independent auditor's report

TO THE MEMBERS OF GBCONSORTIUM 1 LIMITED

We have audited the financial statements of gbconsortium 1 Limited for the year ended 31 March 2015, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

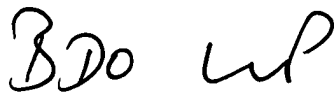
GBConsortium 1 Limited

Independent auditor's report (*continued*)

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; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Stephen Hale (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

Date: 29 September 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

GBConsortium 1 Limited

Statement of comprehensive income for the year ended 31 March 2015

	Note	2015 £	2014 £
Continuing operations			
Revenue	4	37,178	38,399
Cost of sales		-	(5,000)
Gross profit		37,178	33,399
Administrative expenses		(101,026)	(32,936)
Operating (loss)/profit		(63,848)	463
Finance income	6	2,669,986	1,015,513
Finance costs	7	(1,036,786)	(1,015,513)
Profit before tax		1,569,352	463
Tax charge	8	-	(40)
Profit and total comprehensive income for the year attributable to equity holders		1,569,352	423

The notes on pages 9 to 17 form part of these financial statements.

GBConsortium 1 Limited

Statement of financial position at 31 March 2015

Company number 04957036	Note	2015 £	2014 £
Assets			
Non-current assets			
Investments	9	15,630	15,630
Other receivables	10	7,857,521	7,861,972
		<hr/>	<hr/>
		7,873,151	7,877,602
		<hr/>	<hr/>
Current assets			
Other receivables	10	149,989	502,401
Cash and cash equivalents	11	8,350	6,048
		<hr/>	<hr/>
		158,339	508,449
		<hr/>	<hr/>
Liabilities			
Current liabilities			
Trade and other payables	12	116,442	314,593
Current portion of long-term borrowings	13	42,148	193,408
		<hr/>	<hr/>
		158,590	508,001
		<hr/>	<hr/>
Net current (liabilities)/assets		(251)	448
		<hr/>	<hr/>
Non-current liabilities			
Non-current borrowings	13	7,857,521	7,861,972
		<hr/>	<hr/>
		7,857,521	7,861,972
		<hr/>	<hr/>
Net assets		15,379	16,078
		<hr/>	<hr/>
Equity			
Ordinary shares	15	15,630	15,630
Retained earnings		(251)	448
		<hr/>	<hr/>
Total equity		15,379	16,078
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 SEPTEMBER 2015.

E Siew
Director



The notes on page 9 to 17 form part of these financial statements.

GBConsortium 1 Limited

Statement of changes in equity at 31 March 2015

	Attributable to equity holders		
	Share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	15,630	448	16,078
Changes in equity for 2014-2015			
Profit and total comprehensive income for the year attributable to equity holders	-	1,569,352	1,569,352
Dividends paid	-	(1,570,051)	(1,570,051)
Balance at 31 March 2015	15,630	(251)	15,379
Balance at 1 April 2013	15,630	25	15,655
Changes in equity for 2013-2014			
Profit and total comprehensive income for the year attributable to equity holders	-	423	423
Balance at 31 March 2014	15,630	448	16,078

Dividends of £1,570,051 were paid during the year (2014: £Nil).

The notes on pages 9 to 17 form part of these financial statements.

GBConsortium 1 Limited

Statement of cash flows for the year ended 31 March 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit before tax		1,569,352	463
Adjustments for:			
(Increase)/Decrease in trade and other receivables		(1,199)	52,031
Decrease/(Increase) in trade and other payables		4,200	(610)
Finance income		(2,669,986)	(1,015,513)
Finance costs		1,036,786	1,015,513
Net cash (used in)/generated from operating activities		(60,847)	51,884
Cash flows from investing activities			
Dividends received		1,633,200	-
Interest received		1,239,137	682,373
Net cash from investing activities		2,872,337	682,373
Cash flows from financing activities			
Interest paid		(1,239,137)	(682,373)
Repayment of loan notes		(193,408)	(90,006)
Loans repaid by joint venture entities		193,408	38,862
Dividends paid		(1,570,051)	-
Net cash used in financing activities		(2,809,188)	(733,517)
Net increase in cash and cash equivalents		2,302	740
Cash and cash equivalents at the beginning of the year		6,048	5,308
Cash and cash equivalents at the end of the period	11	8,350	6,048

The notes on pages 9 to 17 form part of these financial statements.

GBConsortium 1 Limited

Notes forming part of the financial statements for the year ended 31 March 2015

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity and areas where assumptions or estimates are significant to the financial statements are disclosed in note 3.

The functional currency is pounds sterling.

1.1 Standards issued and applied for the first time this year

The standards and interpretations that became effective for the first time during the year ended 31 March 2015 are not relevant to the company's operations so do not have a material impact on the financial statements.

1.2 Standards and interpretations issued but not yet applied

Standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the company in these financial statements. Application of these standards and interpretations is not expected to have a material effect on the financial statements in the future.

2 Accounting policies

2.1 Investments

Investments in joint ventures are valued at cost less provision for impairment.

2.2 Financial instruments

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on trade date when the company becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are derecognised on trade date when the company is no longer a party to the contractual provisions of the instrument.

2.2.1 Cash and cash equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

GBConsortium 1 Limited

Notes forming part of the financial statements for the year ended 31 March 2015

2 Accounting policies *(continued)*

2.2.2 Interest-bearing borrowings

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

2.3 Revenue

Revenue comprises management fees receivable. Consideration received in respect of management and related services revenue is only recorded as revenue to the extent that the company has performed its contractual obligations in respect of that consideration.

2.4 Deferred tax

Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. Deferred tax assets and liabilities are not recognised if they arise in the following situations: the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

3 Accounting estimates and judgements

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Key sources of estimation uncertainty

There are no Key sources of estimation uncertainty affecting the financial statements.

3.2 Critical judgements

The directors have assessed the nature of the company's investment in Liverpool and Sefton Health Partnership Limited and North London Estate Partnerships Limited. The directors are of the opinion that, due to the provisions of the shareholders' agreement, the company does not have control over the investee and therefore the company is not a parent company. Accordingly, the company has only prepared separate financial statements for the current year.

GBConsortium 1 Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 *(continued)*

4 Revenue

	2015 £	2014 £
Revenue comprises:		
Management and related services	37,178	38,399
	<u>37,178</u>	<u>38,399</u>

5 Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	3,565	4,505
	<u>3,565</u>	<u>4,505</u>

6 Finance income

	2015 £	2014 £
Dividends received	1,633,200	-
Interest income on receivables due from joint venture entities	1,036,786	1,015,513
	<u>2,669,986</u>	<u>1,015,513</u>

7 Finance costs

	2015 £	2014 £
Interest on borrowings	1,036,786	1,015,513
	<u>1,036,786</u>	<u>1,015,513</u>

GBConsortium 1 Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

8 Tax expense

	2015 £	2014 £
UK corporation tax		
UK corporation tax on results of the year	-	40
	<u>-</u>	<u>40</u>

The tax charge for the year can be reconciled to the profit for the year as follows:

	2015 £	2014 £
Profit before tax	1,569,352	463
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	313,870	93
Dividend income not taxable	(326,640)	-
Utilisation of tax losses not previously recognised	12,770	(53)
	<u>-</u>	<u>40</u>

9 Investments

Cost	Shares in joint ventures £
At 1 April 2014 and 31 March 2015	15,630

	Proportion of ownership interest	Aggregate of capital and reserves as at 31 March 2015 £	Profit / (loss) for the year ended 31 March 2015 £
Liverpool and Sefton Health Partnership Limited	60%	624,420	2,138,104
AEL Fundco Limited*	60%	3,145,000	515,000
GOS Fundco Limited*	60%	2,034,000	411,000
CPP Fundco Limited*	60%	241,000	71,000
TPM Fundco Limited*	60%	306,000	222,000
KHC Fundco Limited*	60%	175,000	118,000
MCDC Midco Limited*	31%	3,050	(4,090)
MCDC Fundco Limited*	31%	1,067,000	417,000
North London Estate Partnerships Limited	60%	189,583	844,071
Forest Vale Fundco Limited*	60%	3,229,000	394,000
FMH Fundco Limited*	60%	1,019,000	259,000

*denotes indirectly held.

All of the above entities are incorporated in the UK and engaged in the activities of property development and investment, with the exception of MCDC Midco Limited which is an intermediary holding company.

Due to the nature of the shareholders' agreements, the company is not considered to control any of the above entities.

GBConsortium 1 Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

10 Other receivables

	2015 £	2014 £
Non current assets		
Amounts owed by joint venture entities	7,857,521	7,861,972
Current assets		
Amounts owed by joint venture entities	148,790	502,401
VAT receivable	1,199	-
	<u>149,989</u>	<u>502,401</u>
	<u>8,007,510</u>	<u>8,364,373</u>

11 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2015 £	2014 £
Cash on hand and balances with banks	<u>8,350</u>	<u>6,048</u>
Cash and cash equivalents	<u>8,350</u>	<u>6,048</u>

12 Trade and other payables

	2015 £	2014 £
Trade payables	5,000	-
Social security and other taxes	-	420
Corporation tax	-	40
Accruals and deferred income	111,442	314,133
	<u>116,442</u>	<u>314,593</u>

GBConsortium 1 Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

13 Borrowings

	2015 £	2014 £
Unsecured loan notes due within one year	42,148	193,408
Current portion of long term borrowings	42,148	193,408
Unsecured loan notes	7,857,521	7,861,972
Non-current borrowings	7,857,521	7,861,972

Interest accrues daily on loan notes of £7,899,669 (2014: £8,055,380) at a rate of 6.90% during the construction phase of the related properties, and then at rates between 11.7% and 13.4% per annum thereafter. Interest is payable half yearly in arrears on 31 March and 30 September each year. Interest ceases to accrue on a loan note from the due date of its redemption in respect of the principal amount of the loan note due to be redeemed.

The loan notes are due from shareholder companies and their associates. The loan notes rank pari passu with all other unsecured obligations of the company.

14 Deferred tax

The company had no deferred tax liability as at the end of the year and did not recognise deferred income tax assets of £12,770 (2014: £Nil) in respect of losses amounting to £63,848 (2014: £Nil) that can be carried forward against future taxable income.

15 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i> 15,630 ordinary shares of £1 each	15,630	15,630

GBConsortium 1 Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

16 Related parties

BBGI Investments SCA, a company incorporated in Luxembourg, is the company's immediate controlling party. BBGI SICAV S.A., a company incorporated in Luxembourg, is the company's ultimate controlling party.

	Loans due to related parties		Amounts owed by related parties		Dividends received/ (paid)	
	2015 £	2014 £	2015 £	2014 £	2015 £	2014 £
Shareholders and their associates	7,899,669	8,055,380	-	-	(1,570,051)	-
Joint venture entities	-	-	8,006,311	8,364,373	1,633,200	-

	Interest receivable/ (payable)		Sales of services and receipts of rent		Purchase of services	
	2015 £	2014 £	2015 £'000	2014 £	2015 £	2014 £
Shareholders and their associates	(1,036,786)	(1,015,513)	37,178	38,399	41,619	27,699
Joint venture entities	1,036,786	1,015,513	-	-	-	-

Amounts owed by and to related parties, except for loans due to related parties ("unsecured loan notes" in note 13) and amounts due from joint venture entities (note 10), are unsecured, interest-free and have no fixed terms of repayment. The balances will be settled in cash. No guarantees have been given or received. No provisions for doubtful debts have been raised against amounts outstanding and no expense has been recognised during the year in respect of bad or doubtful debts due from related parties.

There were no directors to whom remuneration was paid or to whom retirement benefits were accruing. The directors are remunerated by shareholder companies and their associates. The directors do not believe it is possible to accurately apportion their remuneration between the many entities they are directors of.

GBConsortium 1 Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

17 Financial instruments

17.1 Categories of financial assets and liabilities

All financial instruments valued at fair value are valued with reference to level two of the fair value hierarchy as set out in IFRS7: Financial Instruments: Disclosures. Fair values are determined based on prices that are observable for the asset or liability, either directly or indirectly.

The categories of finance assets and financial liabilities are as follows:

Financial assets

	2015 £	2014 £
Loans and receivables:		
Cash and cash equivalents	8,350	6,048
Other receivables	8,007,510	8,364,373
	<u>8,015,860</u>	<u>8,370,421</u>

Financial liabilities

	2015 £	2014 £
Amortised cost:		
Unsecured loan notes	7,899,669	8,055,380
Trade and other payables	116,442	314,593
	<u>8,016,111</u>	<u>8,369,973</u>

17.2 Financial risk management

The company's operations expose it to a number of financial risks. The board regularly reviews and agrees policies for managing each of these risks and these are summarised below.

Credit risk

Credit risk is the risk of financial loss where counterparties are not able or are unwilling to meet their obligations.

Other receivables primarily comprise of amounts due from the company's joint ventures. Therefore credit risk is considered to be low. Cash and cash equivalents comprise balances held with banks. To reduce the risk of counterparty default the company only uses approved high quality banks.

The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that the company has insufficient financial resources available to meet its obligations as they fall due. Management review cashflow forecasts on a regular basis to determine whether the company has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

The financial assets of the company are modelled so as to match the profile of the financial liabilities, the maturity analysis of which is set out below. Management closely monitor performance against the financial models and take action if necessary when performance is not in line with modelled expectations.

GBConsortium 1 Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

17 Financial instruments (continued)

17.2 Financial risk management (continued)

The table below summarises the maturity profile of the company's financial liabilities, on an undiscounted basis, at 31 March 2015 and 31 March 2014.

2015	Less than 3 months £	3 to 12 months £	1 to 5 years £	More than 5 years £	Total £
Financial liabilities					
Unsecured loan notes	383,808	766,684	4,152,950	24,866,150	30,169,592
Trade and other payables	9,800	-	-	-	9,800
	<u>393,608</u>	<u>766,684</u>	<u>4,152,950</u>	<u>24,866,150</u>	<u>30,179,392</u>
2014	Less than 3 months £	3 to 12 months £	1 to 5 years £	More than 5 years £	Total £
Financial liabilities					
Unsecured loan notes	506,996	846,138	4,129,027	26,389,815	31,871,976
Trade and other payables	5,600	-	-	-	5,600
	<u>512,596</u>	<u>846,138</u>	<u>4,129,027</u>	<u>26,389,815</u>	<u>31,877,576</u>

Interest rate risk

The company's exposure to market risk for changes in interest rates is considered to be very small, as all loans are at fixed rates. The risk for changes in interest rates is therefore restricted to the interest earned on bank deposits, which is immaterial to the company. It is the company's policy to settle trade payables within the credit terms allowed and the company does therefore not incur interest on overdue balances.

Capital management

The company seeks to match long term assets with long term funding, and short term assets with short term funding. Borrowings are required primarily to finance construction activity in the joint venture entities and the related loan repayments from joint venture entities are set at a level that will ensure that repayments of borrowings can be met as they fall due. Other expenses are met by cash balances generated from the company's ordinary activities.