

Registration number: 03724277

# Broadgate (Lending) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2018



**Broadgate (Lending) Limited**

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## Broadgate (Lending) Limited

### Strategic Report for the Year Ended 31 March 2018

The directors present their Strategic Report for the year ended 31 March 2018.

#### **Business review and principal activities**

Broadgate (Lending) Limited ("the company") is a wholly owned subsidiary of Broadgate Property Holdings Limited and operates as a constituent of Broadgate REIT Limited group of companies ("the group"). Broadgate REIT Limited operates as a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's sovereign wealth fund, and BL Bluebutton 2014 Limited, a wholly owned subsidiary of The British Land Company PLC.

The company's principal activity is to provide short term finance to fellow subsidiaries of Broadgate Property Holdings Limited in the United Kingdom (UK). Through this activity the company supports the strategy of its fellow joint venture companies.

As shown in the company's Profit and Loss Account on page 8, the company's turnover has remained consistent with the prior year. Profit on ordinary activities before taxation is £16,000 compared to a profit on ordinary activities before taxation of £16,000 in the prior year.

Dividends of £nil (2017: £nil) were paid in the year.

The Balance Sheet on page 10 shows that the company's financial position at the year end has, in net assets terms, increased compared with 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.

#### **Key performance indicators**

The directors measure how the group, of which this company is a member, is delivering its strategy through the key performance indicators.

The directors consider the primary measure of performance of the group to be turnover and net asset value.

#### **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.

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

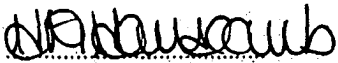
These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to directors and is considered and managed on a continuous basis. Directors use their knowledge and experience to knowingly accept a measured degree of market 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.

**Broadgate (Lending) Limited**

**Strategic Report for the Year Ended 31 March 2018 (continued)**

Approved by the Board on 26/09/18 and signed on its behalf by:

  
HM HANSCOMB

British Land Company Secretarial Limited  
Company secretary

## **Broadgate (Lending) Limited**

### **Directors' Report for the Year Ended 31 March 2018**

The directors present their report and the financial statements for the year ended 31 March 2018.

#### **Directors of the company**

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

M Cosgrave (resigned 17-January 2018)

D Devani (resigned 17 January 2018)

T A Roberts

H Shah

D I Lockyer

#### **Directors' responsibilities statement**

The directors acknowledge their responsibilities 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

One or more of the current directors have been indemnified. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

#### **Environmental matters**

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 including the safe disposal of manufacturing waste, recycling and reducing energy consumption.

#### **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 2 of the financial statements.

#### **Subsequent Events**

Details of significant events since the Balance Sheet date, if any, are contained in note 14.

#### **Disclosure of information to the auditors**

**Broadgate (Lending) Limited**

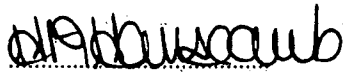
**Directors' Report for the Year Ended 31 March 2018 (continued)**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

**Reappointment of independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

Approved by the Board on 26/09/18 and signed on its behalf by:

  
H P HANSCOMB

British Land Company Secretarial Limited  
Company secretary

## **Broadgate (Lending) Limited**

### **Independent Auditors' Report to the Members of Broadgate (Lending) Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Broadgate (Lending) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2018; the Profit and Loss Account, the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Broadgate (Lending) Limited**

**Independent Auditors' Report to the Members of Broadgate (Lending) Limited  
(continued)**

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

*Responsibilities of directors for the financial statements*

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also 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.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

**Companies Act 2006 exception reporting**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.



**Broadgate (Lending) Limited**

**Independent Auditors' Report to the Members of Broadgate (Lending) Limited  
(continued)**

We have no exceptions to report arising from this responsibility.

*Saira Choudhry*

.....  
Saira Choudhry (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London

Date: *26 September 2018*

**Broadgate (Lending) Limited**

**Profit and Loss Account for the Year Ended 31 March 2018**

	Note	2018 £	2017 £
Turnover	4	<u>16,000</u>	<u>16,000</u>
Operating profit		<u>16,000</u>	<u>16,000</u>
Profit on ordinary activities before taxation		16,000	16,000
Tax on profit on ordinary activities	7	<u>(3,040)</u>	<u>(3,200)</u>
Profit for the year		<u>12,960</u>	<u>12,800</u>

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

The notes on pages 12 to 16 form an integral part of these financial statements.

**Broadgate (Lending) Limited**

**Statement of Comprehensive Income for the Year Ended 31 March 2018**

	2018 £	2017 £
Profit for the year	<u>12,960</u>	<u>12,800</u>
Total comprehensive income for the year	<u><u>12,960</u></u>	<u><u>12,800</u></u>

The notes on pages 12 to 16 form an integral part of these financial statements.

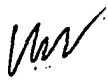
**Broadgate (Lending) Limited**

(Registration number: 03724277)

**Balance Sheet as at 31 March 2018**

	Note	31 March 2018 £	31 March 2017 £
<b>Current assets</b>			
Debtors due within one year	8	<u>60,960,160</u>	<u>57,923,992</u>
		60,960,160	57,923,992
Creditors due within one year	9	<u>(60,738,585)</u>	<u>(57,715,377)</u>
<b>Net assets</b>		<u>221,575</u>	<u>208,615</u>
<b>Capital and reserves</b>			
Share capital	10	2	2
Profit and loss account		<u>221,573</u>	<u>208,613</u>
<b>Shareholders' funds</b>		<u>221,575</u>	<u>208,615</u>

Approved by the Board on 26/09/18 and signed on its behalf by:

  
.....  
**H SHAN**  
Director

The notes on pages 12 to 16 form an integral part of these financial statements.

**Broadgate (Lending) Limited**

**Statement of Changes in Equity for the Year Ended 31 March 2018**

	Share capital	Profit and loss account	Total
	£	£	£
Balance at 1 April 2016	2	195,813	195,815
Profit for the year	-	12,800	12,800
Total comprehensive income for the year	-	12,800	12,800
Balance at 31 March 2017	<u>2</u>	<u>208,613</u>	<u>208,615</u>
Balance at 1 April 2017	2	208,613	208,615
Profit for the year	-	12,960	12,960
Total comprehensive income for the year	-	12,960	12,960
Balance at 31 March 2018	<u>2</u>	<u>221,573</u>	<u>221,575</u>

The notes on pages 12 to 16 form an integral part of these financial statements.

**Broadgate (Lending) Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018**

**1 General information**

The company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

York House  
45 Seymour Street  
London  
W1H 7LX

**2 Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

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

**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.

**Summary of disclosure exemptions**

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 IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

**Broadgate (Lending) Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**2 Accounting policies (continued)**

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 Broadgate REIT Limited. The group accounts of Broadgate REIT Limited are available to the public and can be obtained as set out in note 15.

**Going concern**

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.

**Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 April 2017 have had a material effect on the financial statements.

**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.

**Fees and commissions**

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

**3 Significant accounting judgements and key sources of estimation uncertainty**

There are no such relevant judgements or estimates.

**4 Turnover**

The analysis of the company's turnover for the year from continuing operations is as follows:

	2018 £	2017 £
Fees and commissions	<u>16,000</u>	<u>16,000</u>
	<u>16,000</u>	<u>16,000</u>

**5 Auditors' remuneration**

A notional charge of £3,910 (2017: £3,800) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2018. Actual amounts payable to PricewaterhouseCoopers LLP are paid by Bluebutton Properties UK Limited.

No non-audit fees (2017: £nil) were paid to PricewaterhouseCoopers LLP.

**Broadgate (Lending) Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**6 Staff costs**

No director received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company, for which no apportionment or recharges were made. The value of this service was negligible.

Average number of employees, excluding directors, of the company during the year was nil (2017: nil).

**7 Tax on profit on ordinary activities**

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	3,040	3,200
	<u>3,040</u>	<u>3,200</u>
Tax charge in the profit and loss account	<u>3,040</u>	<u>3,200</u>
	2018 £	2017 £
<b>Tax reconciliation</b>		
Profit on ordinary activities	16,000	16,000
Tax on profit on ordinary activities at UK corporation tax rate of 19% (2017 : 20%)	3,040	3,200
<b>Effects of:</b>		
Group Relief	(3,040)	(3,200)
Consideration paid for group relief	3,040	3,200
<b>Total tax charge</b>	<u>3,040</u>	<u>3,200</u>

The above tax charge is group relief payable to Broadgate Property Holdings Limited and is disclosed within amounts due to group companies (note 9).

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. This rate reduction has been reflected in the calculation of deferred tax on the Balance Sheet date, where relevant.



**Broadgate (Lending) Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**8 Debtors**

	31 March 2018 £	31 March 2017 £
Amounts due from related parties	<u>60,960,160</u>	<u>57,923,992</u>
	<u>60,960,160</u>	<u>57,923,992</u>

Debtors from related parties relate to amounts due from group companies which are repayable on demand. There is no interest charged on these balances.

**9 Creditors due within one year**

	31 March 2018 £	31 March 2017 £
Amounts due to related parties	<u>60,738,585</u>	<u>57,715,377</u>
	<u>60,738,585</u>	<u>57,715,377</u>

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

**10 Share capital**

**Allotted, called up and fully paid shares**

	No.	31 March 2018 £	No.	31 March 2017 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**11 Capital commitments**

The total amount contracted for but not provided in the financial statements was £nil (2017: £nil).

**12 Contingent liabilities**

The company had no contingent liabilities as at 31 March 2018 (2017: £nil)

**Broadgate (Lending) Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2018  
(continued)**

**13 Related party transactions**

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with group companies under the provisions of FRS 101.

Broadgate Estates Limited acts as an agent to the company and collects cash on the company's behalf. Broadgate Estates Limited is a wholly owned subsidiary of The British Land Company PLC. The British Land Company PLC is a joint venture partner in Broadgate REIT Limited, the ultimate parent of the company.

**14 Subsequent events**

There have been no significant events since the year end.

**15 Parent and ultimate parent undertaking**

The immediate parent company is Broadgate Property Holdings Limited.

The ultimate parent company is Broadgate REIT Limited. Broadgate REIT Limited operates as a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's sovereign wealth fund, and BL Bluebutton 2014 Limited, a wholly owned subsidiary of The British Land Company PLC.

Broadgate REIT Limited is the smallest and largest group for which group accounts are available and which include the company. The ultimate holding company and controlling party is Broadgate REIT Limited. Group accounts for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.