

Broomco (4105) Limited

**Directors' report and financial
statements**

Registered number 06364663

Year ended 31 May 2012

THURSDAY



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2012

Principal activities

The principal activity of the company is that of a holding company

Business review

The company performed satisfactorily during the year

Results and dividends

The results for the year are set out in the profit and loss account on page 5

The directors do not recommend the payment of a dividend (2011 - Nil)

Directors

The directors who served during the year were as follows

PG Cullum

AC Homer

IWJ Patrick (resigned 31 March 2012)

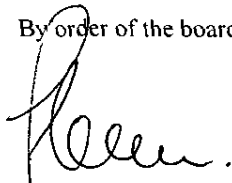
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office

By order of the board



PG Cullum
Director

Buckholt Drive
Warndon
Worcester
WR4 9SR

27 February 2013

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and 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 the Companies Act 2006. They 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.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Broomco (4105) Limited

We have audited the financial statements of Broomco (4105) Limited for the year ended 31 May 2012 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 2, 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 May 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Broomco (4105) Limited *(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



Xavier Timmermans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

27 February 2013

Profit and loss account
for the year ended 31 May 2012

	<i>Note</i>	2012 £000	2011 £000
Administrative expenses		-	(1)
Operating loss		-	(1)
Interest receivable and similar income	4	15,034	14,480
Interest payable and similar charges	5	(26,150)	(26,080)
Loss on ordinary activities before taxation	2	(11,116)	(11,601)
Tax on loss on ordinary activities	6	-	139
Loss on ordinary activities after taxation and for the financial period	12	(11,116)	(11,462)

There were no recognised gains or losses in the current year or preceding period other than the results for the current year as shown above, all of which relate to continuing activities

Balance sheet
at 31 May 2012

	<i>Note</i>	2012 £000	2011 £000
Fixed assets			
Investments	7	81,328	81,328
Current assets			
Debtors	8	267,589	252,554
Cash at bank and in hand		3	3
		<u>267,592</u>	<u>252,557</u>
Creditors Amounts falling due within one year	9	<u>(403,950)</u>	<u>(376,826)</u>
Net current liabilities		<u>(136,358)</u>	<u>(124,269)</u>
Total assets less current liabilities		<u>(55,030)</u>	<u>(42,941)</u>
Creditors Amounts falling due after more than one year	10	-	(973)
Net liabilities		<u>(55,030)</u>	<u>(43,914)</u>
Capital and reserves			
Called up share capital	11	2,500	2,500
Profit and loss account	12	(57,530)	(46,414)
Equity shareholders' deficit	13	<u>(55,030)</u>	<u>(43,914)</u>

These financial statements were approved by the board of directors on 27 February 2013 and were signed on its behalf by



PG Cullum
Director

Company registered number 6364663

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

The company is a 94.39% owned subsidiary of Broomco (4099) Limited. The consolidated financial statements of Broomco (4099) Limited, within which this company is included, can be obtained from the company's registered address

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The directors have prepared the financial statements of the company on the going concern basis, notwithstanding net liabilities of £55,030,000, as the directors are satisfied that the company and the group have sufficient funds to continue trading for the foreseeable future. Funding arrangements between the group's sponsoring bank and the ultimate holding company were renewed on 26 February 2013, and will remain in place until 31 December 2015.

The company is dependent for its working capital on funds provided to it by other group companies. The directors of those group companies have confirmed that it is their intention to continue to provide such support as is necessary and have agreed not to request for the repayment of intercompany balances due to them unless the company has sufficient funds to repay these.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Investments

Investments in subsidiary undertakings are stated at cost less amounts provided for any diminution in value.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes (continued)

2 Loss on ordinary activities before taxation

The audit fees for the period ended 31 May 2012 and the preceding financial year were borne by Open GI Limited a fellow group undertaking

3 Staff numbers and costs

There were no employees during the year other than the directors, who received no remuneration from the company

4 Interest receivable and similar income

	2012 £000	2011 £000
Group interest	15,034	14 480

5 Interest payable and similar charges

	2012 £000	2011 £000
Loan note interest	79	101
Group interest	26,071	25 979
	26,150	26 080

6 Taxation

Analysis of credit in the period

	2012 £000	2011 £000
UK corporation tax		
Current tax	-	-
Adjustments in respect of prior years	-	(139)
Tax on loss on ordinary activities	-	(139)

Notes (continued)

6 Taxation (continued)

Factors affecting the tax credit for the period

The current tax credit for the year is lower (2011: lower) than the standard rate of corporation tax in the UK of 25.67% (2011: 27.67%). The differences are explained below:

	2012 £000	2011 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(11,116)	(11,601)
Current tax at 25.67% (2011: 27.67%)	(2,853)	(3,210)
<i>Effects of:</i>		
Transfer pricing adjustment	1,100	3,210
Unrelieved tax losses carried forward	1,753	-
Adjustment in respect of prior years	-	(139)
Total current tax credit (see above)	-	(139)

The 2012 Budget on 23 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the company's future current tax charge.

7 Fixed asset investments

	Shares in group undertaking £000
<i>Cost</i>	
At beginning and end of year	81,328

The company's investment represents its acquisition of 100% of the ordinary share capital of Greenwich Equity Co S à r l, a holding company incorporated in Luxembourg.

Notes (continued)

7 Fixed asset investments (continued)

Principal subsidiary undertakings

The company is the beneficial owner of and has 100% of the nominal value and voting rights over all the equity share capital through subsidiary undertakings of the following principal operating subsidiary undertakings

	Country of incorporation	Principal activity
Open International Limited	England	Holding company
Open GI Limited	England	Software and related systems
MI Limited	England	Software and related systems
ACT Insurance Systems Limited	England	Software and related systems
Open GI Limited	Republic of Ireland	Software and related systems
Blue Fire Communications Limited	England	Communications provider

8 Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	266,304	251,402
Other debtors	1,285	1,152
	<u>267,589</u>	<u>252,554</u>

Amounts owed by group undertakings are unsecured, repayable on demand and interest is charged at 12%

9 Creditors. Amounts falling due within one year

	2012 £000	2011 £000
Loan notes	539	-
Amounts owed to parent undertaking	312,806	295,891
Amounts owed to subsidiary undertakings	90,564	80,864
Other creditors and accruals	41	71
	<u>403,950</u>	<u>376,826</u>

Intercompany interest is calculated based on the rates of interest charged on the Broomco (4099) Limited bank loans. The loans are repayable on demand.

10 Creditors: Amounts falling due after more than one year

	2012 £000	2011 £000
Loan notes	-	973
	<u>-</u>	<u>973</u>

Notes (continued)

10 Creditors' Amounts falling due after more than one year (continued)

Debt may be analysed as falling due

	2012 £000	2011 £000
In one year or less	539	-
Between one and five years	-	973
After more than five years	-	-
	<u>539</u>	<u>973</u>

Unsecured loan notes of £538 825 (2011: £972 705) held by CCH Guillaume, a related party of the company, will be redeemed on 1 January 2013. Interest is charged at LIBOR plus 10%.

11 Called up share capital

	2012 £000	2011 £000
<i>Authorised, allotted and fully paid</i>		
250 000 ordinary 'A' shares of £1 each	250	250
2 250 000 ordinary 'B' shares of £1 each	2,250	2 250
	<u>2,500</u>	<u>2 500</u>

Each 'A' and 'B' ordinary share carries the same share rights.

12 Reserves

	Profit and loss account £000
At beginning of year	(46 414)
Loss for the financial year	(11 116)
At end of year	<u>(57,530)</u>

13 Reconciliation of movement in shareholders' deficit

	2012 £000	2011 £000
Loss for the financial year	(11,116)	(11,462)
Opening shareholders' deficit	(43,914)	(32,452)
Closing shareholders' deficit	<u>(55,030)</u>	<u>(43,914)</u>

Notes (continued)

14 Commitments

The company had no capital commitments nor any commitments under non-cancellable operating leases in the current or preceding financial years

15 Guarantees

The company is a cross-guarantor under a funding arrangement between the sponsoring bank and the company's ultimate holding company which at 31 May 2012 amounted to £266 million (2011 £267 million)

16 Related party disclosures

During the year the company conducted business on an arm's length basis with Broomco (4099) Limited, its parent company. The company paid interest of £26,071,465 (2011 £20,122,036). The intercompany balance owed by the company to Broomco (4099) Limited at 31 May 2012 was £312,806,115 (2011 £295,890,556).

17 Ultimate parent company

The ultimate and immediate parent undertaking is Broomco (4099) Limited, a company registered in England.

For the year ended 31 May 2012, the only group in which the results of the company were consolidated was that headed by Broomco (4099) Limited.

Copies of the group financial statements, incorporating those of the company, are available from the company's registered address at Broomco (4099) Limited, Buckholt Drive, Warndon, Worcestershire WR4 9SR.

The company's ultimate controlling party is Mr PG Cullum.