

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

FINANCIAL STATEMENTS AND REPORTS

FOR THE YEAR ENDED 31 MARCH 2019



BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

FINANCIAL STATEMENTS AND REPORTS

FOR THE YEAR ENDED 31 MARCH 2019

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BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report together with the audited financial statements of Broomco (07887009) Limited (formerly Fitzroy Street Limited) (the "Company") for the year ended 31 March 2019 which were approved by the board of directors.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, therefore the Company has taken the exemption from the requirement to present a strategic report.

The Company is an indirect subsidiary of Arup Group Limited (the "Group").

Principal activities

The Company was non-trading during the year ended 31 March 2019 and continues as such. It was previously a property holding company for the Group. In the prior year ended 31 March 2018, the Company sold its share of the property known as 13-17 Fitzroy Street and 36 Howland Street, London W1T 4BY. A gain on disposal was recognised in the prior year and this has been separately presented as an exceptional item under communications and other overheads on the income statement.

Change of registered Company name

On 30 October 2018, the shareholders passed a special resolution to change the name of the Company from Fitzroy Street Limited to Broomco (07887009) Limited, effective from 12 November 2018.

Dividends

As at the date of the financial statements the directors do not recommend a dividend for the year ended 31 March 2019 (2018: nil). No dividend was paid in the year ended 31 March 2019 (2018: £26,636,500).

Directors

The directors of the Company during the year and up to the date of signing these financial statements were as follows:

R Abigail (Appointed 6 August 2019)	P A Coughlan (Appointed 1 April 2019)
A J Belfield (Resigned 31 March 2019)	M S Tweedie (Resigned 30 August 2019)

Directors' remuneration

Directors' remuneration is borne by other group subsidiaries and no recharges are made to the Company. The directors are directors of this Company and a number of fellow Group companies and it is not possible to make an accurate apportionment of remuneration in respect of each of these companies.

Directors' indemnities

As permitted by the Company's Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' Liability Insurance in respect of itself, its directors and officers.

Independent auditors

The Company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office for another financial year.

Financial risk management

The Company's financial assets and liabilities comprise cash at bank, trade and other receivables and trade and other payables, whose main purpose is to maintain adequate finance for the Company's operations.

The Company is exposed to a number of financial risks and actively mitigates the risk of financial loss. The key aspects are:

- Liquidity risk: cash flow forecasts are prepared to ensure that sufficient funds are available to meet the Company's liabilities as and when they fall due; and
- Interest rate risk: the Company currently does not hedge interest rate risk, however the need to do so is regularly reviewed.

Employees and projects

No employees are directly employed by the Company. The maintenance of a diverse and highly skilled workforce is key to the future of the Group. Health, safety and wellbeing matters are regularly reviewed by the directors in accordance with the Group's Health, Safety and Wellbeing policy via a number of associated policies, procedures and roles to enable all parts of the Group to comply with the policy and to fulfil all relevant statutory duties and other legal requirements.

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

Employees and projects (continued)

It is the Group's policy to ensure that:

- full and fair consideration is given to all applications for employment made by disabled persons, having regard to their capabilities;
- when existing employees become disabled (whether from illness or accident) every reasonable effort is made to continue to provide suitable employment either in the same, or by training, in an alternative job; and
- disabled persons are given equal consideration for training, career development and opportunities for promotion within the Group.

The Group communicates actively with its employees who are encouraged to express their views on major policy issues. 'Working at Arup' surveys are conducted to obtain feedback from employees. This survey is confidential and is used alongside consultation with employees where appropriate.

Twice a year, employees are provided with a performance report containing financial information. Employees are informed of significant business issues via the use of email, discussions with senior management, the Group's intranet and in-house publications.

Employee involvement in the Group's performance is encouraged and maintained via participation in a staff profit-sharing scheme.

Statement of directors' responsibilities

The directors are responsible for preparing the Financial Statements and Reports in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

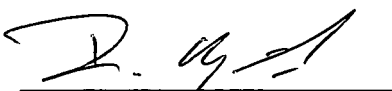
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the 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.

On behalf of the Board



R Abigail
Director

12 November 2019

Registered Office: 13 Fitzroy Street, London, W1T 4BQ, UK

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)
FOR THE YEAR ENDED 31 MARCH 2019**

Report on the audit of the financial statements

Opinion

In our opinion, Broomco (07887009) Limited's (formerly Fitzroy Street Limited) financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss 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 "Financial Statements and Reports", which comprise: the balance sheet as at 31 March 2019; the income statement, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

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

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the "Financial Statements and Reports" 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 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.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED) (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Reporting on other information (continued)

Directors' Report (continued)

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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 2, 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. 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

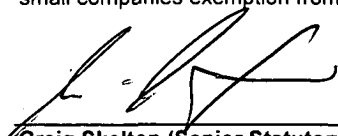
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Craig Skelton (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

12 November 2019

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	<u>Note</u>	<u>2019</u> £	<u>2018</u> £
Continuing operations			
Communications and other overheads		<u>(6,422)</u>	<u>(7,454)</u>
		(6,422)	(7,454)
Operating loss	4	(6,422)	(7,454)
Exceptional items	5	-	11,103,338
Finance income	6	<u>1,224</u>	<u>103,501</u>
(Loss) / profit before income tax from continuing operations		(5,198)	11,199,385
Discontinued operations			
Profit before income tax from discontinued operations (attributable to equity holders of the Company)	10	-	41,128
(Loss) / profit before income tax		<u>(5,198)</u>	<u>11,240,513</u>
Income tax charge	7	-	-
(Loss) / profit for the year		<u><u>(5,198)</u></u>	<u><u>11,240,513</u></u>

No separate statement of comprehensive income has been presented as all such gains and losses have been dealt with in the income statement above.

The notes on pages 8 to 13 are an integral part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2019

	<u>Note</u>	31 March <u>2019</u> £	31 March <u>2018</u> £
Assets			
Current assets			
Trade and other receivables	8	152,051	155,656
Cash and cash equivalents	9	710	1,009
		<u>152,761</u>	<u>156,665</u>
Total assets		<u>152,761</u>	<u>156,665</u>
Liabilities			
Current liabilities			
Trade and other payables	11	10,107	8,813
		<u>10,107</u>	<u>8,813</u>
Total liabilities		<u>10,107</u>	<u>8,813</u>
Net assets		<u>142,654</u>	<u>147,852</u>
Equity			
Share capital	12	1	1
Retained earnings		<u>142,653</u>	<u>147,851</u>
Total equity		<u>142,654</u>	<u>147,852</u>

Pursuant with section 381 of the Companies Act 2006, these financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 8 to 13 are an integral part of these financial statements.

The financial statements on pages 5 to 13 were approved and authorised for issue by the board of directors and signed on its behalf by:



R Abigail
Director

12 November 2019

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	<u>Share capital</u> £	<u>Retained earnings</u> £	<u>Total equity</u> £
Balance as at 1 April 2017	14,386,392	1,157,447	15,543,839
Profit for the financial year	-	11,240,513	11,240,513
Total comprehensive income for the year	<u>-</u>	<u>11,240,513</u>	<u>11,240,513</u>
Capital reduction	(14,386,391)	14,386,391	-
Dividends	-	(26,636,500)	(26,636,500)
Total transactions with owners, recognised directly in equity	<u>(14,386,391)</u>	<u>(12,250,109)</u>	<u>(26,636,500)</u>
Balance as at 31 March 2018	<u>1</u>	<u>147,851</u>	<u>147,852</u>
Loss for the financial year	-	(5,198)	(5,198)
Total comprehensive expense for the year	<u>-</u>	<u>(5,198)</u>	<u>(5,198)</u>
Capital reduction	-	-	-
Dividends	-	-	-
Total transactions with owners, recognised directly in equity	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 31 March 2019	<u>1</u>	<u>142,653</u>	<u>142,654</u>

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 BASIS OF PREPARATION

Broomco (07887009) Limited (formerly Fitzroy Street Limited) is a private limited company which is incorporated in England and Wales. The address of the registered office is 13 Fitzroy Street, London, W1T 4BQ, UK.

Accounting policies that relate to the financial statements as a whole are set out below, while those that relate to specific areas of the financial statements are shown in the corresponding note. All accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with FRS 101 and the Companies Act 2006. The Company has early adopted FRS 101 (March 2018).

The financial statements have been prepared in accordance with section 381 of the Companies Act 2006, as applicable to companies subject to the small companies' regime and under the historical cost convention except for financial assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the preparation of the financial statements are disclosed in note 2.

The following exemptions from the requirements of International Financial Reporting Standards ("IFRS or IFRSs") have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3, 'Business Combinations';
- Paragraph 33(c) of IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations';
- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers';
- Paragraph 38 of International Accounting Standards ("IAS") 1, 'Presentation of Financial Statements' comparative information requirements in respect of:
 - 79(a)(iv) of IAS 1, 'Presentation of Financial Statements' (reconciliation of the number of shares outstanding at the beginning and end of the period);
 - 73(e) of IAS 16, 'Property, Plant and Equipment' (reconciliation of the carrying amount at the beginning and end of the period);
 - 118(e) of IAS 38, 'Intangible Assets'; (reconciliation of the carrying amount at the beginning and end of the period); and
 - 76 and 79(d) of IAS 40, 'Investment Property' (reconciliation of the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1:
 - 10(d) (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with IFRSs);
 - 38A (requirement for minimum of two primary statements including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- IAS 24 (disclosure of related parties entered into between two or more members of a group providing that the parties are wholly owned by the group).

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

1 BASIS OF PREPARATION (continued)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have obtained assurance of financial support from Arup Group Limited for a period of at least 12 months from the reporting date and therefore continue to adopt the going concern basis in preparing the financial statements.

Changes in accounting policy and disclosures

New standards, amendments and interpretations

- IFRS 9, 'Financial Instruments' is a new standard which enhances the ability of investors and other users of financial information to understand the accounting for financial assets and reduces complexity. The standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the various rules in IAS 39, 'Financial Instruments: Recognition and Measurements'.

The Company adopted IFRS 9 on 1 April 2018. The Company has assessed the ability of Group companies to meet their intercompany liabilities. Based on this review we deem the expected credit losses of intercompany trading receivables to be nil. The Company does not recognise any other financial assets and therefore the accounting standard has no impact on adoption.

There are no other amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 March 2019, that have a material impact on the Company.

New standards, amendments and interpretations not yet adopted by the Company

The following new accounting standards and interpretations have been published that are not mandatory for the year ended 31 March 2019 and have not been early adopted by the Company:

- IFRS 16, 'Leases' is a new standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The standard eliminates the classification of leases as either operating leases or finance leases as required by IAS 17 'Leases', and instead, introduces a single lessee accounting model. A lessee will be required to recognise assets and liabilities for all leases with a term of more than 12 months and depreciate lease assets separately from interest on lease liabilities in the income statement. This standard is effective for accounting periods commencing on or after 1 January 2019 but is not expected to have an impact on the Company.

Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is pound sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that an asset or group of assets is impaired. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

Financial assets

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss; and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

1 BASIS OF PREPARATION (continued)**Financial assets (continued)****Classification (continued)****Financial assets at fair value through profit or loss ("FVPL")**

Financial assets at FVPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where the maturity is greater than 12 months after the balance sheet date, in which case they are included as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date (the date on which the Company commits to purchase or sell the asset). Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at FVPL. Financial assets carried at FVPL are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets**Assets carried at amortised cost**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The Company applies the simplified approach for IFRS 9 when measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and amounts recoverable on contracts (contract assets) have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on payment profiles of sales over a period of 36 months for the three preceding financial years (excluding the current financial year) and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on the customers' ability to settle the receivables.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Given the nature of the Company the directors do not consider there to be any critical accounting 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.

3 DIRECTORS' REMUNERATION

Directors' remuneration is borne by another group subsidiary.

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

4 OPERATING LOSS

	<u>2019</u>	<u>2018</u>
	£	£
This is stated after charging:		
During the year, the Company obtained the following services from the Company's auditors:		
Audit of Company financial statements	<u>3,900</u>	<u>3,700</u>

5 EXCEPTIONAL ITEMS

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

An analysis of the amount presented as an exceptional item in these financial statements is given below:

	<u>2019</u>	<u>2018</u>
	£	£
Gain on disposal of investment property	<u>-</u>	<u>11,103,338</u>

On 6 April 2017 the Company sold its property. The exceptional gain in the prior year resulting from the disposal has been presented on the income statement as an exceptional item. The directors judge this to be an exceptional item as the disposal represents a divergence from the original principal activity of the Company.

6 NET FINANCE INCOME

	<u>2019</u>	<u>2018</u>
	£	£
Interest receivable on short term bank deposits	-	911
Interest receivable - Group undertakings	<u>1,224</u>	<u>102,590</u>
Total finance income	<u>1,224</u>	<u>103,501</u>
Net finance income	<u>1,224</u>	<u>103,501</u>

Interest due from Group undertakings is in regards to the Group's cash pooling facility and a short term intercompany loan provided by the Company.

7 INCOME TAX CHARGE

Current and deferred income tax is recognised in the income statement for the year except where the taxation arises as a result of a transaction or event that is recognised in other comprehensive income or directly in equity. Income tax arising on transactions or events recognised in other comprehensive income or directly in equity is charged or credited to other comprehensive income or directly to equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income.

(a) Analysis of total tax charge

	<u>2019</u>	<u>2018</u>
	£	£
Total current income tax	-	-
Total deferred income tax	-	-
Total tax charge	<u>-</u>	<u>-</u>

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

7 INCOME TAX CHARGE (continued)

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is higher (2018: lower) than the amount computed at the standard rate of corporation tax in the UK 19% (2018: 19%).

The differences are explained below:

	<u>2019</u> £	<u>2018</u> £
(Loss) / profit before income tax	<u>(5,198)</u>	<u>11,240,513</u>
(Loss) / profit multiplied by the standard rate of corporation tax in the UK	(988)	2,135,697
Effects of:		
Group relief	988	(26,063)
Income not subject to tax	-	(2,109,634)
Total tax charge	<u>-</u>	<u>-</u>

(c) Factors affecting current and future tax charges

The rate of UK corporation tax reflected in these financial statements is 19% (2018: 19%).

A planned further reduction to 17%, effective 1 April 2020 was substantively enacted in 2016. As deferred income tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred income tax balances at 31 March 2019 have been calculated at the rate at which the relevant balance is expected to be recovered or settled.

8 TRADE AND OTHER RECEIVABLES

	<u>2019</u> £	<u>2018</u> £
Amounts due from Group undertakings	151,768	155,656
Other receivables	<u>283</u>	<u>-</u>
	<u>152,051</u>	<u>155,656</u>

The directors consider that the carrying value of trade and other receivables approximates to their fair value.

Amounts due from Group undertakings

Amounts due from Group undertakings are unsecured, have no date of repayment and are repayable on demand. Interest is accrued on intercompany loans with a rate in the range of 0-10%.

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand.

	<u>2019</u> £	<u>2018</u> £
Cash at bank and in hand	<u>710</u>	<u>1,009</u>

10 DISCONTINUED OPERATIONS

	<u>2019</u> £	<u>2018</u> £
Revenue	-	41,128
Expenses	-	-
Profit before income tax from discontinued operations	-	41,128
Income tax charge	-	-
Profit for the year from discontinued operations	<u>-</u>	<u>41,128</u>

Revenue generated from discontinued operations related to rental income received from property holdings.

BROOMCO (07887009) LIMITED (FORMERLY FITZROY STREET LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

11 TRADE AND OTHER PAYABLES

	<u>2019</u> £	<u>2018</u> £
Amounts owed to Group undertakings	6,207	5,113
Accrued expenses	<u>3,900</u>	<u>3,700</u>
	<u>10,107</u>	<u>8,813</u>

The directors consider that the carrying value of trade and other payables approximates to their fair value.

Amounts owed to Group undertakings

Amounts owed to Group undertakings are unsecured, have no date of repayment and are repayable on demand. Interest is accrued on intercompany loans with a rate in the range of 0-10%.

12 SHARE CAPITAL

	<u>2019</u> £	<u>2018</u> £
Issued, called up and fully paid: 1 (2018: 1) ordinary share of £1	<u>1</u>	<u>1</u>
	<u>2019</u> £	<u>2018</u> £
Balance at 1 April	1	14,386,392
Decrease in share capital	<u>-</u>	<u>(14,386,391)</u>
Balance at 31 March	<u>1</u>	<u>1</u>

13 DIVIDENDS

As at the date of the financial statements the directors do not recommend a dividend payment for the year ended 31 March 2019 (2018: nil). No dividend was paid in the year ended 31 March 2019 (2018: £1.85 per share, amounting to a total dividend of £26,636,500).

14 RELATED PARTIES

There were no transactions carried out with related parties that are not 100% owned by Arup Group Limited.

15 CONTROLLING PARTY

The immediate parent undertaking of the Company is Ove Arup Limited, a company incorporated in England and Wales.

Arup Group Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 March 2019. The consolidated financial statements of Arup Group Limited are publicly available at 13 Fitzroy Street, London, W1T 4BQ, UK.

The ultimate parent undertakings and controlling parties are Ove Arup Partnership Employee Trust, Ove Arup Partnership Charitable Trust and The Arup Service Trust. These are the owners of Arup Group Limited. The controlling party is Ove Arup Partnership Charitable Trust.

The capital of Arup Group Limited is divided into equity shares, which are held in trust for the benefit of the employees (past and present) of the Group and voting shares that are held by Ove Arup Partnership Charitable Trust.