

**INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**  
(A company limited by guarantee)

**REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

Company no. 2575308

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# **INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors submit their Strategic Report of the Intu Lakeside Merchants Association Limited ("the company") for the year ended 31 December 2017.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is to promote and advance further trading at intu Lakeside Shopping Centre.

### **BUSINESS REVIEW**

The directors expect the current level of activity to continue into the foreseeable future.

The company's results and financial position for the year ended 31 December 2017 are set out in the income statement, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Profit before taxation was £437,949 (2016 loss £109,657). Total equity at 31 December 2017 was a surplus of £216,904 (2016 deficit £221,045).

The principal risks and uncertainties facing the company are discussed in the financial risk management section (note 10) of these financial statements.

**On behalf of the Board**



**H Oldstein  
Director**

**30 October 2018**

# **INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors submit their report together with the audited financial statements of the company for the year ended 31 December 2017. The company is incorporated and registered in England and Wales (company number 2575308). The company's registered office is 800 Intu Lakeside Shopping Centre, West Thurrock Way, Grays, Essex, RM20 2ZP.

### **DIRECTORS**

The directors who held office during the year and until the date of this report are given below:

Charles Armstrong	(appointed 15 August 2018)
Christine Bronner	(resigned 28 March 2018)
Debbie Burd	
Trevor Croxon	
Simon Cuckow	(appointed 15 August 2018)
Victoria Fairbrother	
Jeanette Felton	
Steve Foley	(resigned 18 April 2017)
Chris Finch	(resigned 16 August 2018)
Donna Gausden	(appointed 27 January 2017)
William Harvey	(appointed 31 October 2017)
Iain Hutchison	(resigned 7 July 2017)
Tina Ives	
Anil Maloo	(appointed 9 May 2017)
Peter Moore	(resigned 24 January 2018)
Marc Myers	(resigned 11 September 2017)
Sue Newton	(resigned 21 September 2018)
Howard Oldstein	(appointed 30 October 2017)
Gurinder Singh	(appointed 30 June 2017)
David Shea	(resigned 2 May 2017)
Ben Spearpoint	(resigned 6 July 2018)
Steven Vincent	(appointed 24 September 2018)
Jaymini Visrolia	

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 prepared 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;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

# **INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

### **AUDITORS**

Rowland Hall were reappointed as auditors at the Annual General Meeting in 2017.

### **STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 30 October 2018 and signed on its behalf by:

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

**H Oldstein  
Director**

# **INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

### **Opinion**

We have audited the financial statements of Intu Lakeside Merchants Association Ltd for the year ended 31<sup>st</sup> December 2017 which comprise the Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> December 2017, 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.

### **Separate opinion in relation to IFRSs as issued by the IASB**

As explained in note 1 to the financial statements, the company in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements give a true and fair view of the financial position of the company as at 31<sup>st</sup> December 2017 and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as issued by the IASB.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

- 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# **INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

### **Auditor's 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 auditor's 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.

# **INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

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.

**Dean Matthew Flood (Senior Statutory Auditor)  
For and on behalf of Rowland Hall (Statutory Auditor)  
Chartered Certified Accountants and Registered Auditors  
44/54 Orsett Road  
Grays  
Essex  
RM17 5ED**

**30 October 2018**

# INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Revenue	2	2,751,739	3,393,059
Cost of sales		<u>(2,300,760)</u>	<u>(3,489,666)</u>
<b>Gross profit/(loss)</b>		450,979	(96,607)
Administration expenses		<u>(13,000)</u>	<u>(13,000)</u>
<b>Operating profit/ (loss)</b>	3	437,979	(109,607)
Finance costs	4	<u>(30)</u>	<u>(50)</u>
<b>Profit/(loss) before tax</b>		437,949	(109,657)
Taxation		<u>-</u>	<u>-</u>
<b>Profit/(loss) for the year</b>		437,949	(109,657)
Retained deficit brought forward		<u>(221,045)</u>	<u>(111,388)</u>
Retained surplus/(deficit) carried forward		<u>216,904</u>	<u>(221,045)</u>

Other than the items in the income statement above, there are no other items of comprehensive income and accordingly, a separate statement of comprehensive income has not been presented.

The notes on pages 11 to 14 form part of these financial statements.



# INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
<b>Current assets</b>			
Trade and other receivables	5	391,272	553,965
Cash and cash equivalents		<u>753,828</u>	<u>311,570</u>
<b>Total assets</b>		<u>1,145,100</u>	<u>865,535</u>
<b>Current liabilities</b>			
Trade and other payables	6	<u>(928,196)</u>	<u>(1,086,580)</u>
<b>Total liabilities</b>		<u>(928,196)</u>	<u>(1,086,580)</u>
<b>Net assets/(liabilities)</b>		<u>216,904</u>	<u>(221,045)</u>
<b>Equity</b>			
Reserves	7	<u>216,904</u>	<u>(221,045)</u>
<b>Total equity</b>		<u>216,904</u>	<u>(221,045)</u>

The notes on pages 11 to 14 form part of these financial statements.

The financial statements on pages 7 to 14 have been approved by the Board of Directors on 30 October 2018 and signed on its behalf by:



**H Oldstein**  
**Director**

# INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Reserves £	Total equity £
At 1 January 2016	(111,388)	(111,388)
Loss for the year	<u>(109,657)</u>	<u>(109,657)</u>
Total comprehensive income for the year	<u>(109,657)</u>	<u>(109,657)</u>
<b>At 31 December 2016</b>	<b><u>(221,045)</u></b>	<b><u>(221,045)</u></b>
At 1 January 2017	<u>(221,045)</u>	<u>(221,045)</u>
Profit for the year	<u>437,949</u>	<u>437,949</u>
Total comprehensive income for the year	<u>437,949</u>	<u>437,949</u>
<b>At 31 December 2017</b>	<b><u>216,904</u></b>	<b><u>216,904</u></b>

# INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Profit/(loss) before tax	437,949	(109,657)
Remove:		
Finance costs	30	50
Changes in working capital:		
Change in trade and other receivables	162,693	(180,750)
Change in trade and other payables	<u>(158,384)</u>	<u>561,265</u>
<b>Cash used in operations</b>	442,288	270,908
Net interest paid	<u>(30)</u>	<u>(50)</u>
<b>Cash flows from operating activities</b>	442,258	270,858
<b>Cash flows from investing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>	<u>-</u>	<u>-</u>
Net movement in cash and cash equivalents	442,258	270,858
<b>Cash and cash equivalents at 1 January</b>	<u>311,570</u>	<u>40,712</u>
<b>Cash and cash equivalents at 31 December</b>	<u>753,828</u>	<u>311,570</u>

# **INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

### **1. Principal accounting policies**

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

The financial statements have been prepared under the historical cost convention. A summary of the accounting policies is set out below.

In assessing whether the going concern basis of preparation is appropriate to adopt, the directors considered a number of factors including financial projections of the company. Based on this review the directors have concluded that there is a reasonable expectation that the company will have sufficient resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Where such judgements are made they are included within the accounting policies given below.

The accounting policies used are consistent with those applied in the last financial statements, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year. These amendments have not had an impact on the financial statements.

#### **Current/non-current classification**

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption in, the course of the company's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the company's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

#### **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost.

#### **Trade payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

#### **Subscriptions**

The leaseholders of retail outlets at intu Lakeside Shopping Centre pay a subscription to the company based on a budget agreed by them. The subscription period runs from 1 January to 31 December. Subscriptions are based on the budget for the period.

# INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 2. Revenue

Revenue represents the net subscriptions and other considerations receivable by the company for services excluding VAT.

### 3. Profit before tax

The profit before tax of £437,949 (2016 loss before tax £109,657) includes fees of £3,000 (2016 £3,000) in respect of auditors' remuneration.

There were no employees during the year (2016 none), and no remuneration was paid to any of the directors in either year.

### 4. Finance costs

	2017 £	2016 £
Fees and charges	30	50

The company is a mutual trading company and a liability to corporation tax arises solely in respect of bank interest receivable.

### 5. Trade and other receivables

	2017 £	2016 £
Trade receivables	172,418	443,185
Other receivables	4,774	30,951
Tax and social security	214,080	79,829
	<u>391,272</u>	<u>553,965</u>

### 6. Trade and other payables

	2017 £	2016 £
Other payables	-	8,858
Accruals	924,319	1,073,845
Amounts owed to group undertakings	3,877	3,877
	<u>928,196</u>	<u>1,086,580</u>

Amounts due to group undertakings are unsecured and repayable on demand. No interest is charged on these amounts.

# INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 7. Share capital

The company is registered as a company limited by guarantee having no share capital.

### 8. Ultimate parent company

There is no ultimate parent company over the company.

### 9. Related party transactions

Intu Shopping Centres plc, intu properties plc and Intu Lakeside Limited are considered to be related parties by virtue of their influence over the company's marketing activities.

During the year the company received subscription income from Intu Lakeside Limited amounting to £955,338 (2016 £1,127,783) and incurred costs of £88,487 (2016 £246,636) payable to Intu Lakeside Limited in respect of administration expenses, £13,625 (2016 £243,185) payable to intu properties plc in respect of marketing costs and £270,439 (2016 £nil) payable to intu Shopping Centres plc in respect of marketing costs.

### 10. Financial risk management

The company is exposed to a variety of risks arising from the company's operations being principally liquidity risk.

#### Liquidity risk

Liquidity risk is managed to ensure that the company is able to meet future payment obligations when financial liabilities fall due. Liquidity analysis is conducted to ensure that sufficient headroom is available to meet the operational requirements and committed investments. The group treasury policy aims to meet this objective through maintaining adequate cash, marketable securities and committed facilities to meet these requirements. The group's policy is to seek to optimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinancing risk. In effect the group seeks to borrow for as long as possible at the lowest acceptable cost.

The tables below set out the maturity analysis of the company's financial liabilities based on the undiscounted contractual obligations to make payments of interest and to repay principal.

	Within 1 year or on demand £	2017 Total £
Amounts owed to group undertakings	(3,877)	(3,877)
	Within 1 year or on demand £	2016 Total £
Other payables	(8,858)	(8,858)
Amounts owed to group undertakings	(3,877)	(3,877)
	(12,735)	(12,735)

# INTU LAKESIDE MERCHANTS ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 10. Financial risk management (continued)

#### Classification of financial assets and liabilities

The table below sets out the company's accounting classification of each class of financial assets and liabilities, and their fair values at 31 December 2017 and 31 December 2016.

2017	Carrying value £	Fair value £
Trade and other receivables	177,192	177,192
Cash and cash equivalents	<u>753,828</u>	<u>753,828</u>
<b>Total cash and receivables</b>	<u>931,020</u>	<u>931,020</u>
Trade and other payables	<u>(3,877)</u>	<u>(3,877)</u>
<b>Total loans and payables</b>	<u>(3,877)</u>	<u>(3,877)</u>
2016	Carrying value £	Fair value £
Trade and other receivables	553,965	553,965
Cash and cash equivalents	<u>311,570</u>	<u>311,570</u>
<b>Total cash and receivables</b>	<u>865,535</u>	<u>865,535</u>
Trade and other payables	<u>(12,735)</u>	<u>(12,735)</u>
<b>Total loans and payables</b>	<u>(12,735)</u>	<u>(12,735)</u>

There were no gains or losses arising on financial assets or liabilities recognised in either the income statement or directly in equity.