

Staffordshire Property Management Limited
Company registration no. 08082061

Annual Report and Unaudited Financial Statements

For the year ended 31 December 2020

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Staffordshire Property Management Limited

For the year ended 31 December 2020

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Staffordshire Property Management Limited

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors submit their Strategic Report of Staffordshire Property Management Limited ('the Company') for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the ownership of properties.

BUSINESS REVIEW

The Company's results and financial position for the year ended 31 December 2020 are set out in full in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and Notes to the financial

The Company recorded a loss before tax of £80,387 (2019: profit £52,634). Net liabilities as at 31 December 2020 were £1,244,267, (2019: £1,163,880).

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. The Directors have considered the future activity of the business below and within the going concern section.

KEY DEVELOPMENTS

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some companies having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases "lockdowns" have been applied to varying degrees in response to further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact especially after the roll out of the vaccines.

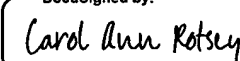
On 26 June 2020, following unsuccessful negotiations for a group-wide standstill with lenders to Group entities and a resulting inability to agree a standstill with its lenders, Intu Properties Plc (the ultimate parent company of the Company) entered administration. On the same date Intu Shopping Centres plc (the Company's immediate parent) and Liberty International Group Treasury Limited (a fellow member of the Group and the Company's principal source of funding) also entered administration.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company is a wholly owned subsidiary of the Intu Properties Plc Group (the "Group"), the Company faces largely those risks and uncertainties faced by the Group. The development of the Covid-19 pandemic since the year end has heightened some of the Group's principal risks, including those relating to the investment property market, which is influenced by both macroeconomic and retail specific factors, and the Group's operational risk, particularly in respect of health and safety. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the Intu Properties Plc Group financial statements.

On behalf of the Board

DocuSigned by:


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Carol Ann Rotsey

Director

Date: 18th January 2022

Staffordshire Property Management Limited

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors submit their report and financial statements of Staffordshire Property Management Limited ("the Company") for the year ended 31 December 2020.

The Company is incorporated and registered in England and Wales (Company number: 08082061). The Company's registered office is 8 Sackville Street, London W1S 3DG.

DIVIDEND

The Directors do not recommend a dividend for the year (2019 £nil).

FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks arising from the Company's operations being principally liquidity risk and credit risk.

The Company's financial risk management is carried out by Intu Properties Plc's treasury department and the Group's policies for managing risks along with further details of Intu Properties Plc's financial risk management are disclosed in the Group's publicly available financial statements.

CAPITAL MANAGEMENT

The Directors consider the capital of the Company to be the ordinary share capital of £175,000 (2019: £175,000). Management of this capital is performed at a Group level.

GOING CONCERN

Full detail in respect of going concern is set out in note 1. The going concern disclosure details that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Having carefully considered the material uncertainty, the Directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

DIRECTORS AND SECRETARIES:

The Directors and Secretaries who served during the year and up until the date of this report are as follows:

Directors:

Carol Ann Rotsey	appointed 19 July 2021
Paul Windsor	appointed 19 July 2021
Colin Flinn	appointed 4 September 2018
Kathryn Grant	appointed 4 September 2018 and resigned 20 May 2021
Martin Breeden	appointed 8 September 2015 and resigned 19 November 2020
Sean Crosby	appointed 14 August 2019 and resigned 15 April 2020
Trevor Pereira	appointed 8 September 2015 and resigned 31 January 2020
Matthew Roberts	appointed 8 September 2015 and resigned 15 April 2020
Nick Round	appointed 4 September 2018 and resigned 15 April 2020
Minakshi Kidia	appointed 14 August 2019 and resigned 15 April 2020
Rebecca Ryman	appointed 4 September 2018 and resigned 19 November 2020
Julian Wilkinson	appointed 4 September 2018 and resigned 31 January 2020

Secretaries:

Crestbridge UK Limited	appointed 19 July 2021
Intu Secretariat Limited	appointed 14 August 2019 and resigned 19 July 2021
Susan Marsden	appointed 8 September 2015 and resigned 31 December 2020

DIRECTORS' INDEMNITY PROVISION

A qualifying indemnity provision (as defined in S234 of the Companies Act 2006) is in force for the benefit of the Directors of the Company during the financial year and at the date of the approval of the financial statements. The Company's ultimate parent, Intu Properties Plc, maintains Directors' and officers' insurance on behalf of the Company, which is reviewed annually.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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:

Staffordshire Property Management Limited

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (continued)

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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 statement; 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.

DIRECTORS' CONFIRMATIONS

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance.

On behalf of the Board

DocuSigned by:


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Carol Ann Rotsey

Director

Date: 18th January 2022

Staffordshire Property Management Limited

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

		31 Dec 20 £	31 Dec 19 £
ASSETS			
NON-CURRENT ASSETS			
Investments property	6	<u>1,575,000</u>	<u>1,700,000</u>
		1,575,000	1,700,000
CURRENT ASSETS			
Trade and other receivables	7	-	7,233
Cash and cash equivalents		<u>344,056</u>	<u>280,969</u>
		344,056	288,202
TOTAL ASSETS		<u><u>1,919,056</u></u>	<u><u>1,988,202</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trades and other payables	8	<u>(3,163,323)</u>	<u>(3,152,082)</u>
		(3,163,323)	(3,152,082)
TOTAL LIABILITIES		<u><u>(3,163,323)</u></u>	<u><u>(3,152,082)</u></u>
NET LIABILITIES		<u><u>(1,244,267)</u></u>	<u><u>(1,163,880)</u></u>
EQUITY AND RESERVES			
Share capital	9	175,000	175,000
Accumulated losses		<u>(1,419,267)</u>	<u>(1,338,880)</u>
TOTAL EQUITY		<u><u>(1,244,267)</u></u>	<u><u>(1,163,880)</u></u>

For the year ending 31 December 2020, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The notes on pages 8 to 12 form part of these financial statements.

The financial statements of Staffordshire Property Management Limited (company number: 08082061) on pages 4 to 12 have been approved by the Board of Directors on 13/01/2022 and signed on its behalf by:

DocuSigned by:

Carol Ann Rotsey

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Carol Ann Rotsey

Director

Date: 18th January 2022

Staffordshire Property Management Limited

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

		1 Jan 20 to 31 Dec 20 £	1 Jan 19 to 31 Dec 19 £
Property related income	2	27,728	66,452
Revaluation loss on investment property		-	(13,468)
Loss on sale of investment property		(61,620)	-
Administrative expenses		(6,203)	(350)
Operating loss/(profit)		<u>(40,095)</u>	<u>52,634</u>
Loss/(profit) before tax for the year		<u>(40,095)</u>	<u>52,634</u>
COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR		<u>(40,095)</u>	<u>52,634</u>
Prior period adjustment		(40,292)	-
COMPREHENSIVE (LOSS)/PROFIT CARRIED FORWARD		<u><u>(80,387)</u></u>	<u><u>52,634</u></u>

All items dealt with in arriving at the results for the year ended 31 December 2020 relate to continuing operations.

Staffordshire Property Management Limited

STATEMENT OF CHANGES IN EQUITY
As at 31 December 2020

	Share capital £	Accumulated losses £	Total £
Balance as at 1 January 2020	175,000	(1,338,880)	(1,163,880)
Comprehensive loss for the year	-	(80,387)	(80,387)
Balance as at 31 December 2020	<u>175,000</u>	<u>(1,419,267)</u>	<u>(1,244,267)</u>

	Share capital £	Accumulated losses £	Total £
Balance as at 1 January 2019	175,000	(1,391,514)	(1,216,514)
Comprehensive profit for the year	-	52,634	52,634
Balance as at 31 December 2019	<u>175,000</u>	<u>(1,338,880)</u>	<u>(1,163,880)</u>

Staffordshire Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2020

1 Accounting convention, basis of preparation and accounting policies

Staffordshire Property Management Limited ('the Company') is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 2.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The Company has taken advantage of certain disclosure exemptions in FRS 101 as its financial statements are included in the publicly available consolidated financial statements of Intu Properties Plc. Copies of those consolidated financial statements can be obtained from Intu Properties Plc, 10 Fleet Place, London, EC4M 7QS or from the Group's website IntuGroup.co.uk.

In preparing the Company financial statements the Company has taken advantage of the following disclosure exemptions available under FRS 101, and therefore the Company financial statements do not include:

- certain comparative information as otherwise required by IFRS
- disclosures regarding the Company's management of capital
- a statement of cash flows
- disclosures in respect of financial instruments
- disclosures in respect of IFRS 13 fair value measurement
- disclosure of related party transactions
- the effect of future accounting standards not yet adopted

The above disclosure exemptions have been adopted because equivalent disclosures are included in the Group consolidated financial statements into which the Company is consolidated. A summary of the significant accounting policies as applied to the Company is set out below.

The financial statements have been prepared under the historical cost convention as modified by investment property.

Except as described above, the accounting policies used are consistent with those applied in the last annual 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 a material impact on the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with the Company's accounting policies requires management to make judgements and use estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those judgements and estimates.

Key sources of estimation uncertainty

Valuation of investment property – see investment property accounting policy in note 1 as well as the Group's publicly available financial statements for further detail on the valuation process.

Prior year adjustment

On the statement of comprehensive income for the current year an amount of £40,292 has been debited for the historical difference in the carried forward accumulated losses. As a result, the comprehensive loss for the year has increased by the same amount.

Critical accounting judgements

Going concern – when preparing the financial statements, management is required to make an assessment of the entity's ability to continue as a going concern and prepare the financial statements on this basis unless it either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. As set out in going concern, there are events or conditions that indicate a material uncertainty exists in relation to going concern.

Having carefully considered the material uncertainty, the Directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

Staffordshire Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 As at 31 December 2020
1 Accounting convention, basis of preparation and accounting policies (continued)**Going concern****Introduction and material uncertainty**

The Company's business activities are set out in the principal activities section of the strategic report on page 1. The Company's funding is provisioned through intercompany arrangements with Liberty International Group Treasury Limited – in administration. This funding is unsecured and repayable on demand as disclosed in note 8.

On 26 June 2020, following unsuccessful negotiations for a group-wide standstill with lenders to Group entities and a resulting inability to agree a standstill with its lenders, Intu Properties Plc (the ultimate parent company of the Company) entered administration. On the same date, Liberty International Group Treasury Limited also entered administration.

The Directors have considered the liquidity requirements of the Company and its ability to meet its obligations as they fall due throughout the going concern period. This includes the likelihood of Intu Properties Plc – in administration, and Liberty International Group Treasury Limited – in administration, continuing to fund the Company at current levels during the going concern period (including not seeking repayment of amounts already advanced, which are repayable on demand). The Directors have obtained written assurances from the administrators that they do not intend to recall any of the Company's existing funding during the going concern period.

Additionally, as a result of Intu Properties Plc's administration the strategic priorities of the Board could be subject to significant change during the going concern period. If the Board chose to make arrangements for the sale of the Company's assets there may be no requirement for the Company to continue in operation.

Conclusion

The events or conditions described above indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Having carefully considered the material uncertainty, the Directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

Investment property

Investment property is owned or leased by the Company and held for long-term rental income and capital appreciation.

The Company has elected to use the fair value model. Property is initially recognised at cost and subsequently revalued at the balance sheet date to fair value as determined by professionally qualified external valuers on the basis of market value. Valuations conform with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2017 incorporating the International Valuation Standards and the UK National Supplement 2018 (the Red Book).

Further detail in respect of the valuation process is provided in note 6.

The cost of investment property includes capitalised interest and other directly attributable outgoings incurred during development. Interest is capitalised on the basis of the average interest rate on the relevant debt outstanding. Interest ceases to be capitalised on the date of practical completion.

Gains or losses arising from changes in the fair value of investment property are recognised in the income statement.

Depreciation is not provided in respect of investment property.

Sales and purchases of investment property are recognised when control passes on completion of the contract. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of assets

The Company's assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows.

At each balance sheet date the Company reviews whether there is any indication that an impairment loss recognised in previous periods may have decreased. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount. In this case the asset's carrying amount is increased to its recoverable amount but not exceeding the carrying amount that would have been determined had no impairment loss been recognised. The reversal of an impairment loss is recognised in the income statement.

Staffordshire Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2020

1 Accounting convention, basis of preparation and accounting policies (continued)**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and deposits with banks.

Taxation

Current tax is the expected tax payable on the taxable income for the year and any adjustment in respect of prior years. It is calculated using rates applicable at the balance sheet date.

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 within one year of the reporting date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes and expected to be settled within one year from the reporting date. All other liabilities are classified as non-current liabilities.

Trade receivables

Trade receivables are recognised initially at their transaction price and subsequently measured at amortised cost less loss allowance for expected credit losses.

When applying a loss allowance for expected credit losses, judgement is exercised as to the collectability of trade receivables and to determine if it is appropriate to impair these assets. When considering expected credit losses, management has taken into account days past due, credit status of the counterparty and historical evidence of collection.

Trade payables

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2 Property related income/(expense)	2020	2019
	£	£
Other non-recoverable costs	27,728	66,452
Property related expenses	<u>27,728</u>	<u>66,452</u>

Other non-recoverable costs relate to business rates charges in respect of premises owned by the Company but which are not occupied by tenants. The net credit recognised in 2019 is as a result of rebates received from the local council in respect of charges incurred in previous years.

3 Operating loss

The operating loss for the year ended 31 December 2020 of £80,387 (2019: profit £52,634) does not include auditor's remuneration (2019: £17,812) in respect of the audit of the financial statements, which was settled on behalf of the Company by its ultimate parent, Intu Properties Plc - in administration, and has not been recharged. No non-audit services were provided during the current or prior year.

The Directors did not receive or waive any emoluments (2019: £nil) in respect of their services to the Company.

There were no employees during the year (2019: none).

4 Finance costs	2020	2019
	£	£
Interest on bank overdrafts and loans	<u>-</u>	<u>-</u>

Staffordshire Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2020

5 Taxation

The tax expense for the year is as below:

	2020 £	2019 £
(Loss) /profit before taxation	<u>(40,095)</u>	<u>52,634</u>
Loss before tax multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	(7,618)	10,000
Group relief	-	67
Exempt property rental losses and revaluations in the year		(10,067)
Disallowed	7,618	-
Tax expense	<u>-</u>	<u>-</u>

6 Investments property**Freehold property**

	2020 £	2019 £
At 1 January	1,700,000	1,700,000
Additions	-	13,468
Deficit on revaluation	-	(13,468)
Sale of 13 Birch Terrace	(125,000)	-
At 31 December	<u>1,575,000</u>	<u>1,700,000</u>

The fair value of the Company's investment property at 31 December 2020 was determined by the Directors of the Company. However, in 2019 the fair value of the Company's investment property was determined by Knight Frank, an independent external valuer at that date. The valuations are in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2017 incorporating the International Valuation Standards and the UK National Supplement 2018 (the Red Book) and were arrived at by reference to market transactions for similar properties and rent profiles. Fair values for investment properties are calculated using the present value income approach.

7 Trade and other receivables

	2020 £	2019 £
Other receivables	-	392
Prepayments and accrued income	-	6,841
	<u>-</u>	<u>7,233</u>

8 Trade and other payables

	2020 £	2019 £
Amounts owed to related parties	3,156,773	3,149,310
Accruals	4,703	2,622
Inter-Company payables	1,847	150
	<u>3,163,323</u>	<u>3,152,082</u>

Amounts owed to Group undertakings are unsecured, non-interest bearing and payable on demand.

Staffordshire Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2020

9 Share capital	2020	2019
	£	£
Issued, called up and fully paid		
175,000 (2019: 175,000) ordinary shares of £1 each	<u>175,000</u>	<u>175,000</u>

10 Ultimate parent company

The ultimate parent company is Intu Properties Plc - in administration, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the company, 10 Fleet Place, London, EC4M 7QS. The immediate parent company is Intu Shopping Centres plc - in administration, a company incorporated in England and Wales, copies of whose financial statements may be obtained as above.

11 Events after the reporting date

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some companies having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases "lockdowns" have been applied to varying degrees in response to further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact especially after the roll out of the vaccines.