Metrocentre Lancaster No.1 Limited
Company number 08160413

Unaudited Financial Statements

For the year ended 31 December 2021

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 December 2021

The Directors submit their report and unaudited financial statements of Metrocentre Lancaster No. 1 Limited (the "Company") for the year ended 31 December 2021.

INCORPORATION AND PRINCIPAL ACTIVITIES
The Company is incorporated and registered in England and Wales (Company number: 08160413). The Company's registered office is 8 Sackville Street, London W1S 3DG.

The Company is exempt from the requirement to prepare a Strategic Report in accordance with Section 414B of the Companies Act 2006.

The principal activity of the Company is to act as a member of Metrocentre Lancaster LLP, a limited liability partnership incorporated on 3 August 2012 which owns, manages and develops land and buildings at Dunston, Gateshead, Tyne and Wear.

RESULTS AND DIVIDENDS
The results for the year are set out on page 5. The Directors do not recommend the payment of a dividend for the year (2020: £nil).

CAPITAL MANAGEMENT
The Directors consider the capital of the Company to be the ordinary share capital of £1 (2020: £1). Management of this capital is performed by the Directors.

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

Directors:	
Barry Hindmarch	appointed 31 March 2022
Carol Ann Rotsey	appointed 19 July 2021
Paul Justin Windsor	appointed 19 July 2021 and resigned 31 March 2022
Colin Flinn	appointed 20 May 2021

Secretaries:	
Crestbridge UK Limited	appointed 19 July 2021
Intu Secretariat Limited	resigned 19 July 2021

DIRECTORS' INDEMNITY PROVISION
A qualifying third party 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.

GOING CONCERN
Further details are disclosed in note 3 of the financial statements. The Directors have formed the judgement that it is appropriate to prepare the financial statements on a basis other than going concern.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The Directors are responsible for preparing the financial statements 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 group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law, 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 group and company and of the profit or loss of the group for that year. In preparing the 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 United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 December 2021

STATEMENT OF DIRECTORS RESPONSIBILITIES (continued)

The Directors of the Company intend to liquidate the Company as soon as practicable thus these accounts are prepared on a basis other than going concern.

On behalf of the Board

DocuSigned by:
Barry Hindmarch Barry Hindmarch
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Director

Date: 13 December 2022

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 December 2021

	Note	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Investment in subsidiaries	8	60	60
Trade and other receivables	9	1,655,775	1,823,775
Loan interest receivable		4,943	8,049
		1,660,778	1,831,884
TOTAL ASSETS		1,660,778	1,831,884
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	(1,570,085)	(1,564,021)
TOTAL LIABILITIES		(1,570,085)	(1,564,021)
NET ASSETS		90,693	267,863
CAPITAL AND RESERVES			
Share capital	11	1	1
Retained earnings		90,692	267,862
TOTAL CAPITAL AND RESERVES		90,693	267,863

For the year ending 31 December 2021, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The shareholders have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements on pages 4 to 10 were authorised for issue by the Board of Directors on 13 December 2022 and were signed on its behalf.

DocuSigned by:
Barry Hindmarch Barry Hindmarch
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Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 December 2021

	Note	2021 £	2020 £
Finance income	6	8,458	187,617
Finance costs		(111)	-
Other expenses		(13,011)	(3,351)
(Loss) / profit before taxation		(4,664)	184,266
Taxation	7	(4,506)	-
Total comprehensive (loss) / profit for the year		(9,170)	184,266

All items dealt with in arriving at the results for the year ended 31 December 2021 relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 December 2021

	Share capital £	Retained earnings £	Total £
Balance as at 1 January 2021	1	267,862	267,863
Total comprehensive loss for the year	-	(9,170)	(9,170)
Reclassification of prior year dividend	-	(168,000)	(168,000)
Balance as at 31 December 2021	1	90,692	90,693

	Share capital £	Retained earnings £	Total £
Balance as at 1 January 2020	1	83,596	83,597
Total comprehensive profit for the year	-	184,266	184,266
Balance as at 31 December 2020	1	267,862	267,863

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2021

1 General information

Metrocentre Lancaster No.1 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 Directors' 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.

2 Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3 Accounting policies and basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies, refer to note 4 for further details.

The Company is not required to produce a Statement of Cash Flows under section 1A.

Going concern

The Company's business activities are set out in the Directors' report on page 2. The principal activity of the Company is to act as a member of Metrocentre Lancaster LLP ('the Partnership'), a limited liability partnership that owns, manages and develops land and buildings at Dunston, Gateshead, Tyne and Wear.

The Company's funding is provisioned through loans provided by Liberty International Group Treasury Limited – in administration (a wholly owned, indirect subsidiary of Intu Properties Plc – in administration). 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 immediate parent company of the Company) and Liberty International Group Treasury Limited also entered administration.

The events or conditions described above indicate that uncertainty exists on the Company's ability to continue as a going concern. On 11 November 2021 the Partnership disposed of c. 40% of its investment properties and at 31 December 2021 the intention is to sell the remaining properties and liquidate the Partnership as soon as practically possible.

As such, the Directors have formed the judgement that it is appropriate to prepare the financial statements on a basis other than going concern.

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

3 Accounting policies and basis of preparation (continued)

Financial liabilities

Basic financial liabilities, including trade and other payables and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Interest income
Interest income is accrued on a time basis, by reference to the interest bearing advance as defined by the loan agreements in place.

Investments
Investments in Limited Liability Partnerships are carried on the balance sheet at historical cost.

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 years may have decreased. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss recognised in prior years 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.

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.

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.

4 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Company has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Key sources of estimation uncertainty
There are no key sources of estimation uncertainty in the preparation of these financial statements.

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.

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

5 Profit before tax

The loss before taxation was £4,664 (2020: profit before taxation of £184,266). The Directors' remuneration for services to the Company has been borne by other entities that are part of the Group.

There are no employees during the year (2020: none).

6 Investment income

	2021	2020
	£	£
Interest income		
Interest on shareholder loan	8,458	19,617
Dividend income		
Dividend from investment in subsidiary	-	168,000

7 Taxation

The Company is subject to standard rate of corporation tax in UK. The tax charge for the year is as below:

	2021	2020
	£	£
Profit before taxation	(4,664)	184,266
Profit before tax multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	(886)	35,011
Disallowed income / (expenses)	5,392	(35,011)
Tax expense	4,506	-

8 Investments in subsidiaries

	2021	2020
	£	£
Cost and net book value	60	60

The Company holds a 60 per cent interest in Metrocentre Lancaster LLP*, a limited liability partnership incorporated in England and Wales which owns, manages and develops land and buildings at Dunston, Gateshead, Tyne and Wear.

*The Partnership's registered office is 8 Sackville Street, London, England, W1S 3DG.

9 Trade and other receivables

	2021	2020
	£	£
Amounts owed by Group undertakings	1,655,775	1,823,775
	1,655,775	1,823,775

Interest due on amounts owed by subsidiary undertakings are unsecured, repayable on demand and interest bearing at LIBOR plus a margin of 0.5 percent.

10 Trade and other payables

	2021	2020
	£	£
Amounts owed to Group undertakings	1,552,458	1,564,021
Accruals	13,121	-
Tax liability	4,506	-
	1,570,085	1,564,021

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

11 Share capital

	2021	2020
	£	£
Issued, called up and fully paid		
1,000,000 (2020 1,000,000) ordinary shares of £1 each	1	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 December 2021

12 Related party transactions

Transaction in the year with related parties:

	2021 £	2020 £
Metrocentre Lancaster LLP - reclassification of dividend received in 2020	(168,000)	-
Liberty International Group Treasury Limited - in administration	11,563	179,568
	(156,437)	179,568

Balances with related parties as at year end:

	2021 £	2020 £
Metrocentre Lancaster LLP	1,655,775	1,823,775
Liberty International Group Treasury Limited - in administration	(1,552,458)	(1,564,021)
	103,317	259,754

For the year administration fees of £12,810 (2020: £nil) and estimated liquidation costs of £3,000 (2020: £nil) will be paid on behalf of the Company by its ultimate parent company Intu Properties Plc - in administration.

Crestbridge UK Limited ("CUKL") acted as administrator to the Company during the year and was a related party as Directors of the Company were also employees and / or directors of CUKL. Administration fees of £12,810 (2020: £nil) were charged during the year, the full balance is outstanding at the end of the year (2020: £nil).

14 Ultimate parent company

The ultimate parent company is Intu Properties Plc – in administration, a company incorporated and registered in England and Wales, for which financial statements are not prepared because it is in administration.

The immediate parent company is Intu Shopping Centres plc - in administration, a company incorporated in England and Wales, for which financial statements are not prepared because it is in administration.