REGISTERED NUMBER: 04044442 (England and Wales)

Intu Metrocentre Limited

Directors' Report and Financial Statements

for the year ended 31 December 2022

Intu Metrocentre Limited

Contents of the Financial Statements for the year ended 31 December 2022

Intu Metrocentre Limited

Company Information
for the year ended 31 December 2022

DIRECTORS:	CSC Corporate Services (UK) Limited	Appointed 18 August 2022
	M W O Healy	Appointed 18 August 2022
	T Haden-Scott	Appointed 18 August 2022
	Crestbridge UK Limited	Resigned 18 August 2022
	Barry Hindmarch	Resigned 18 August 2022
	Carol Rotsey	Resigned 18 August 2022
	Paul Windsor	Resigned 31 March 2022

SECRETARY: CSC Corporate Services (UK) Limited

REGISTERED OFFICE:
5 Churchill Place
10th Floor
London
E14 5HU

REGISTERED NUMBER: 04044442 (England and Wales)

AUDITORS:
Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Directors' Report
for the year ended 31 December 2022

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

Intu Metrocentre Limited (the 'Company') was incorporated on 1 August 2000 as a private limited company. The principal activity of the Company is as a limited partner of The Metrocentre Partnership ('the Partnership'), a limited partnership which owns, manages and develops the Metrocentre shopping centre and retail park in Gateshead.

REVIEW OF BUSINESS

The Company's results and financial position for the year ended 31 December 2022 are set out in full in the income statement, the statement of financial position, the statement of changes in equity, the cash flow statement and the notes to the financial statements.

The Company recorded a loss before tax of £8.7m compared with a loss before tax of £8.6m for the previous year. Net liabilities at 31 December 2022 were £0.3m (2021: £439.3m).

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.

Under the terms of a Global Settlement Deed dated 18 August 2022, the Company has waived the outstanding loan balance and accrued interest owed to it by the Metrocentre Partnership (which had been impaired to nil), and Liberty International Group Treasury Limited has waived the balance (£447.7m) due to it by the Company. As a result, there are no longer any intercompany assets or liabilities as at the date of these financial statements.

DIVIDENDS

The directors do not recommend a dividend for the year (2021: £nil).

FINANCIAL RISK MANAGEMENT

The Company's approach to financial risk management is explained in note 15 to the financial statements.

CAPITAL MANAGEMENT

The directors consider the capital of the Company to be the ordinary share capital of £1.0m (2021: £1.0m).

GOING CONCERN - BASIS OTHER THAN GOING CONCERN

The directors intend to liquidate the Company within the next 12 months and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the Financial Statements have been prepared on a basis other than going concern.

The investment in The Metrocentre Partnership will be transferred to a related company.

The Financial Statements do not include any amendments as a result of being prepared on a basis other than going concern.

DIRECTORS

The directors who have held office during the period from 1 January 2022 to the date of this report are as follows:

M W O Healy	Appointed 18 August 2022
T Haden-Scott	Appointed 18 August 2022
Crestbridge UK Limited	Resigned 18 August 2022
Barry Hindmarch	Resigned 18 August 2022
Carol Rotsey	Resigned 18 August 2022
Paul Windsor	Resigned 31 March 2022

COMPANY SECRETARY

CSC Corporate Services (UK) Limited	Appointed on 18 August 2022
Crestbridge UK Limited	Resigned 18 August 2022

DIRECTORS' INDEMNITY PROVISION

A qualifying indemnity provision (as defined in S234 of the Companies Act 2006) was 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.

STRATEGIC REPORT

The directors have taken advantage of the small companies' exemption available to them under s414b of the Companies Act 2006 and have not prepared a strategic report.

FUTURE DEVELOPMENT

The directors intend to liquidate the company in the next 12 months.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the United Kingdom adopted International accounting standards. The financial statements also comply with the International Financial Reporting Standards ('IFRS') as issued by the IASB. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors.

ON BEHALF OF THE BOARD:

DocuSigned by:
Martin Healy
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M W O Healy - Director

Date: 29 June 2023

Independent Auditor's report to the members of Intu Metrocentre Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Intu Metrocentre Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement and statement of other comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and 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 Financial Reporting Council's (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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Independent Auditor's report to the members of Intu Metrocentre Limited

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

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

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.

DocuSigned by:
Philip Doherty
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Philip Doherty, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 June 2023

Intu Metrocentre Limited

Income Statement
for the year ended 31 December 2022

	Note	2022 £m	2021 £m
Expected credit losses on amounts owed by Group undertakings		-	(0.3)
Impairment of investments		-	(0.1)
New business expenses write-off		-	(0.1)
OPERATING LOSS	5	-	(0.5)
Finance costs	6	(8.4)	(7.3)
Finance income	7	-	(0.8)
LOSS BEFORE INCOME TAX		(8.4)	(8.6)
Taxation	8	(0.3)	-
LOSS FOR THE YEAR		(8.7)	(8.6)

The notes on pages 12 to 22 form part of these financial statements

Intu Metrocentre Limited

Statement of Other Comprehensive Income
for the year ended 31 December 2022

	2022 £m	2021 £m
Loss for the year	(8.7)	(8.6)
	(8.7)	(8.6)
OTHER COMPREHENSIVE INCOME/(LOSS)	-	-
ITEMS THAT MAY BE RECLASSIFIED TO INCOME/(LOSS)	-	-
Revaluation of investments	-	-
TOTAL ITEMS THAT MAY BE RECLASSIFIED TO INCOME/(LOSS)	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	(8.7)	(8.6)

The result for the financial year relates entirely to discontinued operations. All total comprehensive income for the year is attributable to the owners of the Company.

Intu Metrocentre Limited (Registered number: 04044442)

Statement of Financial Position
31 December 2022

	Note	2022 £m	2021 £m
ASSETS			
NON-CURRENT ASSETS			
Fair value investments	10	-	-
		-	-
LIABILITIES			
CURRENT LIABILITIES			
Trades and other payables	11	(0.3)	(439.3)
		(0.3)	(439.3)
NET CURRENT LIABILITIES		(0.3)	(439.3)
NET LIABILITIES		(0.3)	(439.3)
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	1.0	1.0
Retained earnings	13	(1.3)	(440.3)
TOTAL EQUITY		(0.3)	(439.3)

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2023 and were signed on its behalf by:

DocuSigned by:
Martin Healy
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M W O Healy - Director

The notes on pages 12 to 22 form part of these financial statements

Intu Metrocentre Limited

Statement of Changes in Equity
for the year ended 31 December 2022

	Note	Called up share capital £m	Retained earnings £m	Total equity £m
Unaudited balance as at 31 December 2020		1.0	(431.7)	(430.7)
Results and total comprehensive income for the year		-	(8.6)	(8.6)
Balance as at 31 December 2021		**1.0**	**(440.3)**	**(439.3)**
Loss for the year		-	(8.7)	(8.7)
Total comprehensive income for the year		**-**	**(8.7)**	**(8.7)**
Forgiveness of debt owed to group company treated as capital contribution	9	-	447.7	447.7
Balance as at 31 December 2022		**1.0**	**(1.3)**	**(0.3)**

The notes on pages 12 to 22 form part of these financial statements

1. STATUTORY INFORMATION

Intu Metrocentre Limited ("the Company") is a private company, limited by shares, registered in England and Wales.

2. ACCOUNTING POLICIES

Basis of preparation
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 has not prepared consolidated financial statements which include the Partnership as the Company does not have control of the Partnership. Under IFRS 10, control of the Partnership rests with the General Partner and not the Company (which is a Limited Partner).

Statement of compliance
These Financial Statements have been prepared in accordance with UK adopted international accounting standards and with International Financial Reporting Standards as issued by the IASB in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified for the revaluation of fair value investments. The Company has no cash and therefore has not produced a cashflow statement.

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and with International Financial Reporting Standards (IFRS) as issued by the IASB.

The following new and revised Standards and Interpretations have been issued:

Issued, and effective:
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018–2020

None of the above standards has had a material impact on the Company's financial statements for the year ended 31 December 2022.

The following standards were issued, but not yet effective, we have not considered the impact on the financial statements:

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024 or later, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

2. ACCOUNTING POLICIES - continued

GOING CONCERN - BASIS OTHER THAN GOING CONCERN

The directors intend to liquidate the Company within the next 12 months and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the Financial Statements have been prepared on a basis other than going concern.

The investment in The Metrocentre Partnership will be transferred to a related company.

The Financial Statements do not include any amendments as a result of being prepared on a basis other than going concern.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Finance income
Interest income is accrued on a time basis, by reference to the interest-bearing advance as defined by the loan agreements originally made with intu group treasury.

Finance Cost
Interest expense is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

Investments
Fair value investments, being investments intended to be held for an indefinite period, are initially and subsequently measured at fair value through profit or loss. Fair value is determined via reference to the Company's share of the net assets of the investment, as set out in the publicly available financial statements of that investment.

The fair value investment is measured at fair value and is categorised as Level 3 in the fair value hierarchy as one or more significant inputs to the valuation (including rent profiles and yields) are partly based on unobservable market data. Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of Level 3 for investment property during the year.

Gains or losses arising from changes in fair value of equity instruments are recognised in the profit and loss account under IFRS 9.

Investments in subsidiaries
Investments in subsidiaries are held on the balance sheet at cost less any provision for impairment.

2. ACCOUNTING POLICIES – continued

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.

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.

Current/non-current classification
Current liabilities include liabilities held primarily for trading purposes, cash and cash equivalents, and liabilities expected to be realised in, or intended for sale or consumption within one year of the reporting date. All other assets and liabilities are classified as non-current.

Share capital
Ordinary shares are classified as equity.

3. CRITICAL ACCOUNTING JUDGEMENTS & KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the Company's accounting policies requires the 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.

There were no critical accounting judgements or key sources of estimation uncertainty used in the preparation of these financial statements.

4. EMPLOYEES AND DIRECTORS

There were no employees or staff costs for the year ended 31 December 2022 or for the year ended 31 December 2021.

Under the provisions of the Limited Partnership Deed, costs of the directors' services are borne by the Metrocentre Partnership. The directors did not receive or waive any emoluments (2021: £nil) in respect of their services to the Company.

Directors' remuneration was as follows:

	2022	2021
	£m	£m
Remuneration for qualifying services	0.6	0.8
Of which was paid to the highest paid director	0.3	0.6

5. OPERATING EXPENSES

The cost of the Company's independent auditors totalling £18,600 (2021: £25,100) were paid for by the Metrocentre Partnership and not recharged. Fees payable to the Company's auditors are solely for the audit of the financial statements. No non-audit services were provider by the auditors in the current or prior year.

6. FINANCE COSTS

	2022	2021
	£m	£m
Interest on amounts owed to Group undertakings	8.4	7.3
	8.4	7.3

Costs of £8.4m accrued in the period 1 January 2022 to 18 August 2022, and were then waived as part of the Global Settlement Deed. Finance costs in 2021 include a £1.5m credit relating to an adjustment in respect of over accrued finance costs in 2020.

7. FINANCE INCOME

	2022 £m	2021 £m
On amounts owed by Group undertakings	-	(0.8)
	-	(0.8)

Finance income in 2021 shows a charge of £0.8m, this relates exclusively to an over accrual of income on amounts owed by group undertakings in 2020.

8. TAXATION

	2022 £m	2021 £m
Analysis of charge for the year		
UK Corporation tax on profit/(loss) for the year	0.3	-
	0.3	-
Factors affecting tax charge for the year		
Profit/(loss) on ordinary activities before taxation	(8.4)	(8.6)
Profit/(loss) before tax multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	(1.6)	(1.6)
Amounts not tax allowable	1.6	1.6
Tax on Company share of Metrocentre Partnership profit	0.3	
Current tax charge for the year	0.3	-

From 1 April 2023, there is no longer a single Corporation Tax rate for non-ring fence profits. At the Spring Budget 2021, the government announced that the Corporation Tax main rate for non-ring fence profits would increase to 25% for profits above £250,000. A small profits rate of 19% was also announced for companies with profits of £50,000 or less. The effect of the change in rates would be £nil if enacted at the time of the accounts.

Uncertain tax provision relating to potential interest disallowance
Following the onset of the COVID-19 pandemic and the mandatory lockdown imposed across the UK in early 2020, the former parent group, intu, entered into formal insolvency proceedings in June 2020. The Intu group was a large and complex organisation, and it has taken a substantial period of time to progress certain administrative matters, including group taxation matters and more specifically, potential interest disallowance under the Corporate Interest Restriction rules.

When estimating the provision required for uncertain tax items the company follows the guidelines in IFRIC23 and consults reputable tax advisers in order to establish the range of likely outcomes. It has also consulted with the administrators of intu, the former parent company.

8. TAXATION (continued)

Uncertain tax provision relating to potential interest disallowance (continued)
The company's current tax provision of £0.3m relates to management's judgement of the amount of tax that will be payable in respect of the unsubmitted computation for FY21 and the provision necessary for FY22. The provision is based on the information received about the tax group to date from the administrators of intu and an estimate of the most likely outcome of the current open discussions with HMRC, noting that there is considerable uncertainty with respect to several factors that would affect the calculation of any liability. These factors include but are not limited to; uncertainty over the composition of the group for CIR purposes, practical difficulties in obtaining the necessary tax information from other members of the group, the progress made by the administrators in appointing a reporting company for the periods in question and uncertainty over the likely HMRC protocol for dealing with the issue, given the lack of suitable precedent.

This judgement is based on the assumption that that it is probable that HMRC will accept the representations made by the company and the administrators of the former intu group with respect to the appointment of a reporting company for the CIR group and that the fixed ratio method will be used to calculate any interest restriction for the members of the group. However, given the uncertainty inherent in this matter the company has also evaluated a range of potential alternative outcomes.

The company estimates that the most favourable outcome would result in a liability of nil, if HMRC were to accept the arguments submitted by the company in full and permit the use of a group ratio calculation for CIR purposes. The most unfavourable outcome, arrived at by assuming that all of the interest would be disallowed, would require a provision of £2.8m, covering the liabilities for FY21 and FY22.

9. FORGIVENESS OF DEBT TREATED AS CAPITAL CONTRIBUTION

	2022 £m	2021 £m
Waiver of intercompany loan (taken to reserves)	447.7	-
	447.7	-

Under the terms of a Global Settlement Deed dated 18 August 2022, Liberty International Group Treasury Limited ('LIGT') has waived the entirety of the balance (£447.7m) due to it by the Company. No gain or loss has been recognised on the derecognition of this liability, as the carrying value of the creditor was the same as its fair value at the point when it was waived. This treats the waiver of the loan as being the exchange of a financial liability for equity of nil value, i.e. analogous to a capital contribution.

In addition, the Company has waived the outstanding loan balance and accrued interest owed to it by the Metrocentre Partnership, which was previously impaired to nil in these financial statements.

10. FAIR VALUE INVESTMENTS

	2022	2021
Net book value	£m	£m
At 1 January	-	-
Revaluation	-	-
At 31 December	-	-

The Company's investment is a fair value investment which reflects its interest in The Metrocentre Partnership, which owns the Metrocentre shopping centre and retail park, Gateshead.

During 2020, the fair value investment was fair valued to £nil as a result of the lockdowns imposed in England due to the pandemic, which prevented the underlying asset from trading. Those impacts were still being seen in 2021 hence the investment fair value remained £nil. For the year ended 31 December 2022, although the immediate effect of the pandemic has greatly lessened and the asset is able to trade normally, the valuation of the asset remains substantially less than the outstanding debt which is secured on the asset. As a result, the fair value of the investment remains at £nil for the year (2021: £nil).

Fair value investments are categorised as Level 3 in the fair value hierarchy.

Fair value hierarchy

Level 1: Valuation based on quoted market prices traded in active markets.

Level 2: Valuation techniques are used, maximising the use of observable market data, either directly from market prices or derived from market prices.

Level 3: Where one or more inputs to valuation are un-observable. Valuations at this level are more subjective and therefore more closely managed, including sensitivity analysis of inputs to valuation models. Such testing has not indicated that any material difference would arise due to a change in input variables.

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of the fair value hierarchy levels for the above financial assets and liabilities during the year.

Valuation techniques for Level 3 hierarchy financial assets and liabilities are presented in the accounting policies.

Contingent Right
The Company is party to an agreement which provides that, in the event of a share sale of an entity within the group headed by Tynehawk Investments (Jersey) Purpose Trust that holds a direct or indirect interest in the Metrocentre Property, the seller of those shares will have an obligation to pay a sum known as the Contingent Right. If the Company were to sell its holding in the Partnership then it would become liable to pay its share of the Contingent Right. This would be calculated as 1% of the gross asset value of the Metrocentre Property, pro-rated to the Company's effective ownership of the Property (59.994%), and would be payable to Europe Realty Holdings Private Limited, Intu Shopping Centres PLC (in administration) and Intu Properties PLC (in administration). No such sale is contemplated at the date of these financial statements.

11. TRADE AND OTHER PAYABLES

	2022 £m	2021 £m
Amounts owed to Group undertakings	-	439.3
Corporation tax payable	0.3	-
	0.3	439.3

Under the terms of a Global Settlement Deed dated 18 August 2022, the Company has waived the outstanding loan balance and accrued interest owed to it by the Metrocentre Partnership (which had been impaired to nil), and Liberty International Group Treasury Limited ('LIGT') has waived the balance (£447.7m) due to it by the Company as shown at note 7.

Amounts owed to Group undertakings were unsecured, repayable on demand and bore interest at LIBOR plus 2.0% for the year ended 31 December 2022 (2021: LIBOR plus 2.0%).

12. CALLED UP SHARE CAPITAL

Issued, called up and fully paid	2022 £m	2021 £m
1,000,000 (2021: 1,000,000) ordinary shares of £1 each	1.0	1.0
	1.0	1.0

13. RESERVES

	Retained earnings £m
At 1 January 2022	(440.3)
Loss for the year	(8.7)
Intercompany loan write-off	447.7
At 31 December 2022	(1.3)

14. ULTIMATE PARENT COMPANY / ULTIMATE CONTROLLING PARTY

The ultimate parent company and ultimate controlling party until 18 August 2022 was Intu Properties Plc - in administration, a company incorporated and registered in England and Wales, with a registered office address at 10 Fleet Place, London, EC4M 7QS.

From 18 August 2022, the ultimate controlling party is Tynehawk Investments (Jersey) Purpose Trust, with a registered office address at 12 Castle Street, St Helier, Jersey, JE2 3RT. Tynehawk Investments (Jersey) Purpose Trust has confirmed that it will not be producing any consolidated accounts.

The immediate parent company is Tynehawk Bidco (Jersey) Limited, a company incorporated in Jersey, copies of whose financial statements may be obtained from 12 Castle Street, St Helier, Jersey, JE2 3RT.

15. FINANCIAL RISK MANAGEMENT

The Company is exposed to liquidity risk arising from the operations of the Metrocentre Partnership, in so far as the going concern assumption for the company rests upon that of the Partnership.

The Company's financial risk management is carried out by the Directors and the policies for managing each of these risks as they apply to the Company and their impact on the results for the year are summarised below.

Interest rate risk
Interest rate risk comprises of both cash flow and fair value risks.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market interest rates.

As at 31 December 2022 there are no borrowings with parties outside of those related to the Company (31 December 2021: £Nil). Interest on amounts due to related parties is charged at rates agreed between the Company and the related parties and has not varied.

Liquidity risk
Liquidity risk is managed to enable the Company to meet future payment obligations when financial liabilities fall due. During the year there has been no requirement to make payments of interest to LIGT and hence no cash outflows.

The liquidity risk associated with the amount owed to LIGT has been mitigated in full under the terms of a Global Settlement Deed dated 18 August 2022. The Company has waived the outstanding loan balance and accrued interest owed to it by the Metrocentre Partnership and LIGT has waived the balance (£447.7m) due to it by the Company.

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 £m	Total £m
At December 2022		
Amount owed to Group undertakings	-	-
At December 2021		
Amount owed to Group undertakings	(439.3)	(439.3)

Credit risk
Expected credit losses on amounts due from fellow undertakings is £nil during the year (2021: £0.3m). As part of the Global Settlement Deed dated 18 August 2022 the balance owed to the Company by the Metrocentre Partnership has been waived in its entirety.

16. FINANCIAL RISK MANAGEMENT - continued

Classification of financial assets and liabilities
The Company's accounting classification of each class of financial assets and liabilities, and their fair values, may be summarised:

	Carrying value £m	Fair value £m	Loss to other comprehensive income £m
2022			
Fair value investment	-	-	-
Total financial assets at fair value through other comprehensive income	-	-	-
Trade and other payables	(0.3)	(0.3)	-
Total financial liabilities - amortised cost	(0.3)	(0.3)	-

	Carrying value £m	Fair value £m	Loss to other comprehensive income £m
2021			
Fair value investment	-	-	-
Total financial assets at fair value through other comprehensive income	-	-	-
Trade and other payables	(439.3)	(439.3)	-
Total financial liabilities - amortised cost	(439.3)	(439.3)	-

There are no financial assets or liabilities for which fair value differs to carrying value.

There were no gains or losses arising on financial assets or liabilities recognised in either the income statement or direct to equity (2021: £nil).

17. RELATED PARTY TRANSACTIONS

Under the terms of a Global Settlement Deed dated 18 August 2022, the Company has waived the outstanding loan balance and accrued interest owed to it by the Metrocentre Partnership (which had been impaired to nil), and Liberty International Group Treasury Limited has waived the balance (£447.7m) due to it by the Company. As a result, there are no longer any intercompany assets or liabilities as at the date of these financial statements.

18. POST BALANCE SHEET EVENTS

There are no post balance sheet events.