

Registration number: 04276642

# Meadowhall Shopping Centre Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2019



**Meadowhall Shopping Centre Limited**

**Contents**

Strategic Report	1 to 2
Directors' Report	3 to 4
Independent Auditors' Report	5 to 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 20

## **Meadowhall Shopping Centre Limited**

### **Strategic Report for the Year Ended 31 March 2019**

The directors present their Strategic Report for the year ended 31 March 2019.

#### **Business review and principal activities**

Meadowhall Shopping Centre Limited ("the company") is a wholly owned subsidiary of Meadowhall Shopping Centre Property Holdings Limited. The ultimate holding company, MSC Property Intermediate Holdings Limited and its subsidiaries ("the group") operate as a joint venture between The British Land Company PLC and NBIM Victoria Partners LP.

The company's principal activity is to act as a Limited Partner to the Meadowhall Limited Partnership ('the partnership'), a partnership involved in property investment in the United Kingdom (UK). A Partnership Agreement has been established to determine the respective roles and responsibilities of each partner as well as the profit share. The effective stake in the partnership is 99.99%.

As shown in the company's Profit and Loss Account on page 8, the company's turnover of £41,178,589 has increased £476,634 compared with turnover of £40,701,955 in the prior year. The share of partnership income, as detailed in note 4, is determined by the Partnership Agreement. In the case of the company, the share is directly proportional to the amount of underlying profit available in the partnership following priority distributions to other members. The priority distributions to other members in the year were lower resulting in an increased share of partnership income available to the company compared to last year. Loss on ordinary activities before taxation is £139,476,498 compared to a profit on ordinary activities before taxation of £58,323,305 in the prior year. An impairment of the investment in the partnership, as detailed in note 10, has also been recorded, this was driven by a revaluation deficit generated on the investment properties held in the partnership in the year.

Dividends of £nil (2018: £nil) were paid in the year.

The Balance Sheet on page 10 shows that the company's financial position at the year end has, in net assets terms, decreased compared with the prior year. The decrease in net assets is largely due to the impairment of investment in the partnership as discussed within this report.

The value of investments held as at 31 March 2019 has decreased by 21.8% from 31 March 2018, due to impairment of investments during the year as discussed within this report and detailed in note 10 to the company's Balance Sheet. This is entirely due to the decrease of the net asset position of the partnership, largely driven by a revaluation deficit generated on investment properties in the year.

The impairment of investments in the year was £147,532,858 (2018: write back of £47,789,118). This was based upon the underlying net asset value compared to the carrying value of investments held as detailed in the accounting policies of the company on page 14. Details of the movement can be found in note 10 to the company's balance sheet.

The expected future developments of the company are determined by the strategy of the group. There are no future developments outside of the company's current operations planned.

For more information also see MSC Property Intermediate Holdings Limited group annual report, which can be obtained per the details as listed in note 18.

The performance of the group, which includes the company, is discussed in the group's annual report which does not form part of this report.

**Meadowhall Shopping Centre Limited**

**Strategic Report for the Year Ended 31 March 2019 (continued)**

**Principal risks and uncertainties**

This company is part of a large property investment group. As such, the fundamental underlying risks for this company are those of the property group as discussed below.

The group generates returns to shareholders through long-term investment decisions requiring the evaluation of opportunities arising in the following areas:

- demand for space from occupiers against available supply;
- identification and execution of investment and development strategies which are value enhancing;
- availability of financing or refinancing at an acceptable cost;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- legislative changes, including planning consents and taxation;
- engagement of development contractors with strong covenants;
- key staff changes; and
- environmental and health and safety policies.

These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to directors and is considered and managed on a continuous basis. Directors use their knowledge and experience to knowingly accept a measured degree of market risk.

The group's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents lower risks than many other property portfolios.

The financial and political risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group financial statements. The general risk environment in which the group operates has heightened over the course of the year, which is largely due to the continued level of uncertainty associated with the future impact of the UK's exit from the EU, the significant deterioration in the UK retail market and weaker investment markets.

The company has loans from joint venture partners as described in note 13. Interest is charged at fixed rates, consequently the company has no interest rate exposure.

Approved by the Board on 25 July 2019 and signed on its behalf by:



British Land Company Secretarial Limited  
Company secretary

## **Meadowhall Shopping Centre Limited**

### **Directors' Report for the Year Ended 31 March 2019**

The directors present their report and the audited financial statements for the year ended 31 March 2019.

#### **Directors of the company**

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

C A Barber (alternate: H Shah)

J Patel

E Stryse (resigned 10 June 2019)

P Case

The following director was appointed after the year end:

R Peel (appointed 10 June 2019)

#### **Directors' responsibilities statement**

The directors acknowledge their responsibilities 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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

#### **Environmental matters**

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities. The company operates in accordance with best practice policies and initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

#### **Going concern**

The directors consider the company to be a going concern and the financial statements are prepared on this basis. Details of this are shown in note 2 of the financial statements.

#### **Subsequent Events**

Details of significant events since the Balance Sheet date, if any, are contained in note 17.

**Meadowhall Shopping Centre Limited**

**Directors' Report for the Year Ended 31 March 2019 (continued)**

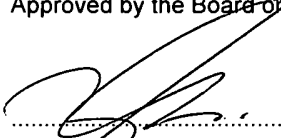
**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

**Reappointment of independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

Approved by the Board on 25 July 2019 and signed on its behalf by:



British Land Company Secretarial Limited  
Company secretary

## **Meadowhall Shopping Centre Limited**

### **Independent Auditors' Report to the Members of Meadowhall Shopping Centre Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Meadowhall Shopping Centre Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2019; the Profit and Loss Account, the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

**Meadowhall Shopping Centre Limited**

**Independent Auditors' Report to the Members of Meadowhall Shopping Centre Limited (continued)**

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

*Responsibilities of directors for the financial statements*

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



**Meadowhall Shopping Centre Limited**

**Independent Auditors' Report to the Members of Meadowhall Shopping Centre Limited (continued)**

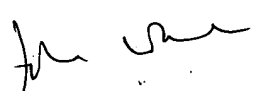
**Other required reporting**

**Companies Act 2006 exception reporting**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

  
.....  
John Waters (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London

Date: 25 July 2015

**Meadowhall Shopping Centre Limited**

**Profit and Loss Account for the Year Ended 31 March 2019**

	Note	2019 £	2018 £
<b>Turnover</b>	4	<u>41,178,589</u>	<u>40,701,955</u>
<b>Operating profit</b>		<u>41,178,589</u>	<u>40,701,955</u>
(Impairment)/write back of investments	10	<u>(147,532,858)</u>	<u>47,789,118</u>
<b>(Loss)/profit on ordinary activities before interest and taxation</b>		<b>(106,354,269)</b>	88,491,073
Interest receivable and similar income	5	902	475
Interest payable and similar expenses	6	<u>(33,123,131)</u>	<u>(30,168,243)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(139,476,498)</b>	58,323,305
Taxation	9	<u>(2,739,445)</u>	<u>(2,542,669)</u>
<b>(Loss)/profit for the year</b>		<u><b>(142,215,943)</b></u>	<u>55,780,636</u>

Turnover and results were derived from continuing operations within the United Kingdom.

The notes on pages 12 to 20 form an integral part of these financial statements.

**Meadowhall Shopping Centre Limited**

**Statement of Comprehensive Income for the Year Ended 31 March 2019**

	2019 £	2018 £
(Loss)/profit for the year	<u>(142,215,943)</u>	<u>55,780,636</u>
Total comprehensive (expense)/income for the year	<u><u>(142,215,943)</u></u>	<u><u>55,780,636</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements.

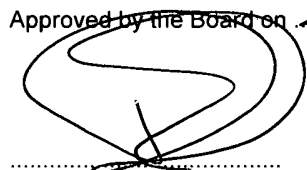
**Meadowhall Shopping Centre Limited**

(Registration number: 04276642)

**Balance Sheet as at 31 March 2019**

	Note	31 March 2019 £	31 March 2018 £
<b>Fixed assets</b>			
Investments	10	<u>529,707,328</u>	<u>677,240,186</u>
		<u>529,707,328</u>	<u>677,240,186</u>
<b>Current assets</b>			
Debtors	11	<u>376,880,366</u>	<u>349,598,481</u>
		<u>376,880,366</u>	<u>349,598,481</u>
Creditors due within one year	12	<u>(1,397,866)</u>	<u>(1,394,068)</u>
<b>Net current assets</b>		<u>375,482,500</u>	<u>348,204,413</u>
<b>Total assets less current liabilities</b>		<u>905,189,828</u>	<u>1,025,444,599</u>
Creditors due after more than one year	13	<u>(374,138,108)</u>	<u>(352,176,936)</u>
<b>Net assets</b>		<u>531,051,720</u>	<u>673,267,663</u>
<b>Capital and reserves</b>			
Called up share capital	14	<u>1</u>	<u>1</u>
Profit and loss account		<u>531,051,719</u>	<u>673,267,662</u>
<b>Total shareholders' funds</b>		<u>531,051,720</u>	<u>673,267,663</u>

Approved by the Board on 25 July 2019 and signed on its behalf by:



PAUL CASE

Director

The notes on pages 12 to 20 form an integral part of these financial statements.

**Meadowhall Shopping Centre Limited**

**Statement of Changes in Equity for the Year Ended 31 March 2019**

	Share capital £	Profit and loss account £	Total £
<b>Balance at 1 April 2017</b>	1	617,487,026	<b>617,487,027</b>
Profit for the year	-	55,780,636	<b>55,780,636</b>
Total comprehensive income for the year	-	55,780,636	<b>55,780,636</b>
<b>Balance at 31 March 2018</b>	<b>1</b>	<b>673,267,662</b>	<b>673,267,663</b>
<b>Balance at 1 April 2018</b>	1	673,267,662	<b>673,267,663</b>
Loss for the year	-	(142,215,943)	<b>(142,215,943)</b>
Total comprehensive expense for the year	-	(142,215,943)	<b>(142,215,943)</b>
<b>Balance at 31 March 2019</b>	<b>1</b>	<b>531,051,719</b>	<b>531,051,720</b>

The notes on pages 12 to 20 form an integral part of these financial statements.

## **Meadowhall Shopping Centre Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

York House  
45 Seymour Street  
London  
W1H 7LX

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

These financial statements are separate financial statements. In accordance with section 400 of the Companies Act 2006, the company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of MSC Property Intermediate Holdings Limited.

##### **Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments; and

## **Meadowhall Shopping Centre Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **2 Accounting policies (continued)**

- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group financial statements of MSC Property Intermediate Holdings Limited. The group financial statements of MSC Property Intermediate Holdings Limited are available to the public and can be obtained as set out in note 18.

#### **Adoption status of relevant new financial reporting standards and interpretations**

During the period the company adopted the following standards:

##### *IFRS 9 – Financial instruments*

The new standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It simplifies the existing categories of financial instruments, redefines the criteria required for hedge effectiveness and introduces an expected credit loss model requiring expected credit loss to be recognised on all financial assets held at amortised cost. Adoption of IFRS 9 has not had a material impact on the financial statements of the company. The standard was applied using the modified retrospective approach.

##### *IFRS 15 – Revenue from contracts with customers*

The new standard sets out a five-step model for the recognition of revenue and establishes principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenues and cash flows arising from an entity's contracts with customers. The new standard does not apply to rental income which is in the scope of IAS 17, but does apply to service charge income, management and performance fees and trading property disposals. Adoption of IFRS 15 has not had a material impact on the financial statements of the company. The standard was applied using the full retrospective approach.

Apart from the changes in the standards highlighted above, no other standards, interpretations and amendments effective for the first time from 1 April 2018 have had a material effect on the financial statements.

#### **Going concern**

The directors consider that the company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this the directors feel that the company is well placed to manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern basis is an appropriate one.

#### **Turnover**

##### *Share in partnership profits*

Turnover is derived from the share of partnership profits from the partnership in which the company is a corporate member. Turnover is recognised in the period in which the profits arose and is recorded at the value of the consideration due.

#### **Finance income and costs policy**

Interest payable and receivable is recognised as incurred under the accruals concept. Interest payable includes financing charges which are spread over the period to redemption, using the effective interest method. Commitment fees on non-utilised facilities are also included within interest payable.

## **Meadowhall Shopping Centre Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Taxation**

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are not taxable (or tax deductible).

Deferred tax is provided on items that may become taxable at a later date, on the difference between the balance sheet value and tax base value, on an undiscounted basis.

##### **Investments**

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments.

##### **Debtors**

Trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate. The Company calculates the expected credit loss for debtors based on lifetime expected credit losses under the IFRS 9 simplified approach.

##### **Creditors**

Trade and other creditors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate.

##### **Borrowings**

Shareholder loans are measured at amortised cost. Interest expense is recognised on an accruals basis.

##### **Share in group undertakings**

Shares in group undertakings, including dividends received from group subsidiaries, are recognised in the profit and loss account in the year to which they relate.

#### **3 Significant accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider the key source of estimation uncertainty to relate to the carrying value of the company's investments. In estimating the requirement for impairment of these investments, management make assumptions and judgements on the value of these investments using inherently subjective underlying asset valuations, supported by external valuers.

#### **4 Turnover**

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019 £	2018 £
Share of partnership income	<u>41,178,589</u>	<u>40,701,955</u>
	<u>41,178,589</u>	<u>40,701,955</u>



**Meadowhall Shopping Centre Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2019  
(continued)**

**5 Interest receivable and similar income**

	2019 £	2018 £
Interest receivable - external	902	475
	<u>902</u>	<u>475</u>

**6 Interest payable and similar expenses**

	2019 £	2018 £
Interest on loans from joint venture partners (see note 13)	33,123,131	30,168,243
	<u>33,123,131</u>	<u>30,168,243</u>

**7 Auditors' remuneration**

A notional charge of £2,979 (2018 : £3,091) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2019. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by MSC Property Intermediate Holdings Limited.

No non-audit fees (2018 : £nil) were paid to PricewaterhouseCoopers LLP.

**8 Staff costs**

No director (2018: £nil) received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company, for which no apportionment or recharges were made. The value of this service was negligible.

Average number of employees, excluding directors, of the company during the year was nil (2018: nil)

**Meadowhall Shopping Centre Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2019  
(continued)**

**9 Taxation**

	2019 £	2018 £
<b>Current taxation</b>		
UK corporation tax	<u>2,739,445</u>	<u>2,542,669</u>
Tax charge in the profit and loss account	<u><u>2,739,445</u></u>	<u><u>2,542,669</u></u>
	2019 £	2018 £
<b>Tax reconciliation</b>		
(Loss)/profit on ordinary activities before taxation	<u>(139,476,498)</u>	<u>58,323,305</u>
Tax on (loss)/profit on ordinary activities at UK corporation tax rate of 19% (2018: 19%)	<u>(26,500,535)</u>	<u>11,081,428</u>
<b>Effects of:</b>		
REIT exempt income and gains	(4,073,165)	(3,897,106)
Capital allowances	(1,040,592)	(1,172,847)
Decrease in fair value of investments	28,031,243	-
Expenses not allowable/(Income not taxable)	6,800,617	(2,896,911)
Group relief	(433,277)	(382,650)
Prior period adjustment	<u>(44,846)</u>	<u>(189,245)</u>
<b>Total tax charge</b>	<u><u>2,739,445</u></u>	<u><u>2,542,669</u></u>

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. This rate reduction has been reflected in the calculation of deferred tax on the Balance Sheet date, where relevant.

**10 Investments**

	Shares in subsidiaries £	Total £
<b>Underlying net asset value of investment</b>		
1 April 2018	677,240,186	677,240,186
Impairment of investments	<u>(147,532,858)</u>	<u>(147,532,858)</u>
31 March 2019	<u><u>529,707,328</u></u>	<u><u>529,707,328</u></u>

**Meadowhall Shopping Centre Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2019  
(continued)**

**10 Investments (continued)**

	Shares in subsidiaries £	Total £
<b>Underlying net asset value of investment</b>		
1 April 2017	629,451,068	629,451,068
Write back of investments	<u>47,789,118</u>	<u>47,789,118</u>
31 March 2018	<u>677,240,186</u>	<u>677,240,186</u>
<b>Provision for underlying net asset change</b>		
1 April 2018	(110,633,193)	(110,633,193)
Impairment of investments	<u>(147,532,858)</u>	<u>(147,532,858)</u>
31 March 2019	<u>(258,166,051)</u>	<u>(258,166,051)</u>
<b>Provision for underlying net asset change</b>		
1 April 2017	(158,422,311)	(158,422,311)
Write back of investments	<u>47,789,118</u>	<u>47,789,118</u>
31 March 2018	<u>(110,633,193)</u>	<u>(110,633,193)</u>
<b>At cost</b>		
<b>31 March 2019</b>	<u><b>787,873,379</b></u>	<u><b>787,873,379</b></u>
31 March 2018	<u>787,873,379</u>	<u>787,873,379</u>

Details of the subsidiaries as at 31 March 2019 are as follows:

<b>Subsidiary</b>	<b>Principal activity</b>	<b>Interest</b>	<b>Country</b>
Meadowhall Limited Partnership	Property Investment	99.99%	Jersey
Meadowhall Finance PLC	Financing	99.99%	United Kingdom
Meadowhall HoldCo Limited	Dormant	99.99%	United Kingdom
Meadowhall SubCo Limited	Dormant	99.99%	United Kingdom
Meadowhall Nominee 1 Limited	Dormant	99.99%	United Kingdom
Meadowhall Nominee 2 Limited	Dormant	99.99%	United Kingdom
MSC (Cash Management) Limited	Cash Management	99.99%	United Kingdom

All investments based in the United Kingdom have a registered address of York House, 45 Seymour Street, London, W1H 7LX.

All investments based in Jersey have a registered address of 47 Esplanade, St Helier, Jersey, JE1 0BD.

**Meadowhall Shopping Centre Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2019  
(continued)**

**11 Debtors**

	<b>31 March 2019 £</b>	<b>31 March 2018 £</b>
Amounts due from related parties	<u>376,880,366</u>	<u>349,598,481</u>
	<u><b>376,880,366</b></u>	<u><b>349,598,481</b></u>

Debtors from related parties relate to amounts due from the partnership which are repayable on demand. There is no interest charged on these balances.

**12 Creditors due within one year**

	<b>31 March 2019 £</b>	<b>31 March 2018 £</b>
Amounts due to related parties	<b>103,484</b>	103,484
Corporation tax liability	<u>1,294,382</u>	<u>1,290,584</u>
	<u><b>1,397,866</b></u>	<u><b>1,394,068</b></u>

Amounts due to related parties relate to amounts owed to group companies which are repayable on demand. Interest is charged on these balances in accordance with the group policy on intercompany loan accounts.

**13 Creditors due after more than one year**

	<b>31 March 2019 £</b>	<b>31 March 2018 £</b>
<b>Non-current loans and borrowings</b>		
Other borrowings - Loans from joint venture partners	<u>374,138,108</u>	<u>352,176,936</u>

**Meadowhall Shopping Centre Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2019  
(continued)**

**13 Creditors due after more than one year (continued)**

	31 March 2019 £	31 March 2018 Restated £
<b>Borrowings repayment analysis</b>		
Repayments due:		
1-2 years	286,061,986	-
2-5 years	<u>-</u>	<u>268,946,458</u>
	286,061,986	268,946,458
After 5 years	<u>88,076,122</u>	<u>83,230,478</u>
Total borrowings	<u><u>374,138,108</u></u>	<u><u>352,176,936</u></u>

Of the loan from joint venture partners, £187,069,054 (2018 : £176,088,468) is due to The British Land Company PLC and £187,069,054 (2018 : £176,088,468) is due to NBIM Victoria Partners LP. Interest is charged at 10% per annum on £286,061,986 (2018: £268,946,458) and 6.5% per annum on £88,076,122 (2018: £83,230,478). No security has been given against these loans. The portion of the loan from joint ventures attracting interest at 10% is repayable on the earlier of 5 October 2020 or the date on which the joint venture partner sells their interest in the joint venture.

**Restatement**

In the prior year the ageing profile did not take into account that the portion of the loan attracting interest at 10% is in fact payable no later than 5 October 2020. We have therefore moved this portion of the loan from the after five years category to the 2-5 years category in the comparatives. This portion of the loan has been treated correctly in the current year.

**14 Share capital**

**Allotted, called up and fully paid shares**

	No.	31 March 2019 £	No.	31 March 2018 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**15 Capital commitments**

The total amount contracted for but not provided in the financial statements was £nil (2018: £nil)

**16 Contingent liabilities**

The company is jointly and severally liable with MSC Property Intermediate Holdings Limited and fellow subsidiaries for all monies falling due under the group VAT registration.

**Meadowhall Shopping Centre Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2019  
(continued)**

**17 Subsequent events**

There have been no significant events since the year end.

**18 Parent and ultimate parent undertaking**

The immediate parent company is Meadowhall Shopping Centre Property Holdings Limited.

MSC Property Intermediate Holdings Limited is the smallest and largest group for which group accounts are available and which include the company. The ultimate holding company and controlling party is MSC Property Intermediate Holdings Limited, a joint venture between The British Land Company PLC and NBIM Victoria Partners LP. Group accounts for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.