Registration number: 04276642

Meadowhall Shopping Centre Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020

Meadowhall Shopping Centre Limited

Contents

Strategic Report for the Year Ended 31 March 2020

The directors present their Strategic Report for the year ended 31 March 2020.

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 £39,612,340 has decreased £1,566,249 compared with turnover of £41,178,589 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 which has been lower in the current year due to weaker market conditions resulting in a number of administrations and rent concessions. Loss on ordinary activities before taxation is £525,257,118 compared to a loss on ordinary activities before taxation of £139,476,498 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 fall in the value of investment properties held in the partnership in the year. This has partly been due to weaker market conditions and finally due to the impact of Covid-19 on retail property values.

Dividends of £nil (2019: £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 impairment of investments in the year was £529,707,328 (2019: impairment of £147,532,858). 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 13. This reflects weaker market conditions and the impact of Covid-19 on retail property values which represents the core activity of the group. 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.

Strategic Report for the Year Ended 31 March 2020 (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:

- differential pricing for premium locations and buildings;
- demand for returns from investors in property, compared to other asset classes;
- price differentials for capital to finance the business;
- legislative initiatives, including planning consents and taxation;
- economic cycles, including the impact on tenant covenant quality, interest rates and inflation; and
- consumer demand for out of town shopping centres versus other forms of retailing.

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 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 and the significant deterioration in the UK retail market, UK economy and wider global investment markets as a result of the Covid-19 global pandemic.

The outbreak of Covid-19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, creates an unprecedented degree of uncertainty over both the severity of the above risks and the effectiveness of the above mitigating actions. The decline in economic activity resulting from the pandemic is expected to heighten the risk of tenants becoming financially distressed, this will directly impact the degree of certainty around the valuation of investment properties at year-end which in turn will directly impact the degree of certainty around the carrying value of investments in subsidiaries.

The company has loans from joint venture partners as described in notes 12 and 13. Interest is charged at fixed rates, consequently the company has no interest rate exposure.

Approved by the Board on 07/12/2020 and signed on its behalf by:

DocuSigned by:
Hursh Shah
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H Shah
Director

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

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:

J Patel

H Shah (appointed 29 November 2019)

P Case

R Peel (appointed 10 June 2019)

J Brookes (appointed 29 November 2019)

C A Barber (alternate H Shah) (resigned 29 November 2019)

E Strysse (resigned 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 that the company has adequate resources to continue trading for the foreseeable future, with no external borrowings and sufficient expected income to meet 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 despite the current economic climate and the uncertainty resulting from the outbreak of Covid-19. Accordingly, they believe the going concern basis is an appropriate one.

Directors' Report for the Year Ended 31 March 2020 (continued)

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

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 07/12/2020 and signed on its behalf by:

DocuSigned by:
Hursh Shah
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H Shah
Director

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 2020 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 2020; the Profit and Loss Account, the Statement of Comprehensive Income, 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.

Emphasis of matter - Significant estimation uncertainty in relation to the valuation of investments

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in notes 3 (Significant accounting judgements and key sources of estimation uncertainty) and 10 (Investments) to the financial statements. These notes explain that there is significant estimation uncertainty in relation to the valuation of underlying investment properties held by Meadowhall Limited Partnership included in Investments on the balance sheet as at 31 March 2020. The third-party valuers engaged by the general partner of Meadowhall Limited Partnership have included a material valuation uncertainty clause in their report. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the valuation as a result of the COVID-19 pandemic.

Conclusions relating to going concern

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

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

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.

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

Independent auditors' report to the members of Meadowhall Shopping Centre Limited (continued)

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.

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 2020 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 the 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. 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.

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.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 December 2020

Meadowhall Shopping Centre Limited

Profit and Loss Account for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	**39,612,340**	41,178,589
Operating profit		**39,612,340**	41,178,589
Impairment of investments	10	**(529,707,328)**	(147,532,858)
Loss on ordinary activities before interest and taxation		**(490,094,988)**	(106,354,269)
Interest receivable and similar income	5	**-**	902
Interest payable and similar expenses	6	**(35,162,130)**	(33,123,131)
Loss on ordinary activities before taxation		**(525,257,118)**	(139,476,498)
Taxation	9	**(2,749,017)**	(2,739,445)
Loss for the year		**(528,006,135)**	(142,215,943)

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.

Statement of Comprehensive Income for the Year Ended 31 March 2020

	2020 £	2019 £
Loss for the year	**(528,006,135)**	(142,215,943)
Total comprehensive expense for the year	**(528,006,135)**	(142,215,943)

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 2020

	Note	31 March 2020 £	31 March 2019 *Restated £
Fixed assets			
Investments	10	-	529,707,328
		-	529,707,328
Current assets			
Debtors	11	**415,355,973**	376,880,366
Corporation Tax asset		**107,741**	-
		415,463,714	376,880,366
Creditors due within one year	12	**(412,418,129)**	(89,473,988)
Net current assets		**3,045,585**	287,406,378
Total assets less current liabilities		**3,045,585**	817,113,706
Creditors due after more than one year	13	-	(286,061,986)
Net assets		**3,045,585**	531,051,720
Capital and reserves			
Called up share capital	14	**1**	1
Profit and loss account		**3,045,584**	531,051,719
Total shareholders' funds		**3,045,585**	531,051,720

* See note 19 for details regarding the restatement. This is as a result of the reclassification of the shareholder loans from non-current liabilities to current liabilities for value in the prior year of £88,076,122.

07/12/2020
Approved by the Board on .... and signed on its behalf by:

DocuSigned by:
Harsh Shah
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H Shah

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 2020

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2018	1	673,267,662	**673,267,663**
Loss for the year	-	(142,215,943)	**(142,215,943)**
Total comprehensive expense for the year	-	(142,215,943)	**(142,215,943)**
Balance at 31 March 2019	1	531,051,719	**531,051,720**

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2019	1	531,051,719	**531,051,720**
Loss for the year	-	(528,006,135)	**(528,006,135)**
Total comprehensive expense for the year	-	(528,006,135)	**(528,006,135)**
Balance at 31 March 2020	**1**	**3,045,584**	**3,045,585**

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

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 financial statements 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

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 year the company adopted the following standards:

IFRS 16 - Leases
The new standard results in lessees bringing almost all operating leases on balance sheet as the distinction between operating and finance leases is removed. The accounting for lessors has not significantly changed. The Company does not hold any material leases as lessee therefore adoption of IFRS 16 has not had a material impact on the financial statements of the Company. The standard was applied using the modified 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 2019 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 sufficient expected income to meet 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 despite the current economic climate and the uncertainty resulting from the outbreak of Covid-19. 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.

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
Investments in subsidiaries are stated at the lower of cost and the underlying net asset value of the investments held. Where the carrying value of investments increase/decrease under this definition, this will result in an impairment write back / write off to the investment carrying value.

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

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. Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments. In the year ended 31 March 2020, less certainty - and a higher degree of caution - can be attached to the underlying net asset value of the company's investments which hold investment property, than would normally be the case. The third party valuers for properties recognised at 31 March 2020 include a material valuation uncertainty clause in their reports. The clause highlights significant estimation uncertainty regarding the valuation of investment property due to the Covid-19 pandemic. The valuations as at the current balance sheet date should therefore be treated with additional caution. The significant estimation uncertainty regarding the valuation of investment property results in estimation uncertainty in the underlying net asset value of the investments which carry investment property.

4 Turnover

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

	2020 £	2019 £
Share of partnership income	**39,612,340**	41,178,589
	39,612,340	41,178,589

5 Interest receivable and similar income

	2020 £	2019 £
Interest receivable - external	-	902
	-	902

6 Interest payable and similar expenses

	2020 £	2019 £
Interest on loans from joint venture partners (see note 13)	**35,162,130**	33,123,131
	35,162,130	33,123,131

7 Auditors' remuneration

A notional charge of £3,380 (2019 : £2,979) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2020. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by MSC Property Intermediate Holdings Limited.

No non-audit fees (2019 : £nil) were paid to PricewaterhouseCoopers LLP.

8 Staff costs

No director (2019: 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 (2019: nil).

9 Taxation

	2020 £	2019 £
Current taxation		
UK corporation tax	**2,749,017**	2,739,445
Tax charge in the profit and loss account	**2,749,017**	2,739,445

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

9 Taxation (continued)

	2020 £	2019 £
Tax reconciliation		
Loss on ordinary activities before taxation	**(525,257,118)**	(139,476,498)
Tax on loss on ordinary activities at UK corporation tax rate of 19% (2019: 19%)	**(99,798,853)**	(26,500,535)
Effects of:		
REIT exempt income and gains	**(4,163,210)**	(4,073,165)
Capital allowances	**(912,781)**	(1,040,592)
Decrease in fair value of investments	**100,644,392**	28,031,243
Expenses not allowable	**7,498,810**	6,800,617
Group relief	**(493,020)**	(433,277)
Prior period adjustment	**(26,321)**	(44,846)
Total tax charge	**2,749,017**	2,739,445

On 17 March 2020 legislation was substantially enacted confirming that the tax rate would not be reduced from 1 April 2020 but would remain at 19%. Where relevant this has been reflected in the deferred tax calculation.

10 Investments

	Shares in subsidiaries £	Total £
Underlying net asset value of investment		
1 April 2019	**529,707,328**	**529,707,328**
Impairment of investments	**(529,707,328)**	**(529,707,328)**
31 March 2020	**-**	**-**
Underlying net asset value of investment		
1 April 2018	677,240,186	677,240,186
Impairment of investments	(147,532,858)	(147,532,858)
31 March 2019	529,707,328	529,707,328
Provision for underlying net asset change		
1 April 2019	**(258,166,051)**	**(258,166,051)**
Impairment of investments	**(529,707,328)**	**(529,707,328)**
31 March 2020	**(787,873,379)**	**(787,873,379)**

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Investments (continued)

	Shares in subsidiaries £	Total £
Provision for underlying net asset change		
1 April 2018	(110,633,193)	(110,633,193)
Impairment of investments	(147,532,858)	(147,532,858)
31 March 2019	(258,166,051)	(258,166,051)
At cost		
31 March 2020	**787,873,379**	**787,873,379**
31 March 2019	787,873,379	787,873,379

The carrying value of investments have decreased under the accounting policy definition resulting in an impairment write off to the carrying value of £529,707,328. The carrying value of investments has fallen as a consequence of the fall in value of the investment properties held within the group as a result of a weaker retail environment and finally due to the Covid-19 pandemic.

Details of the subsidiaries as at 31 March 2020 are as follows:

Subsidiary	Principal activity	Interest	Country
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.

10 Investments (continued)

All investments based in Jersey have a registered address of 47 Esplanade, St Helier, Jersey, JE1 0BD. The carrying value of investments is the lower of cost and the underlying net asset value. Therefore, where the company's investments hold investment property, the underlying net asset value of those investments is dependent on the valuation of the investment property held. The outbreak of Covid-19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, the external valuers consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The current response to Covid-19 means that external valuers are faced with an unprecedented set of circumstances on which to base a judgment. The valuations across all asset classes are therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty - and a higher degree of caution - should be attached to the valuations provided than would normally be the case. The external valuers have confirmed, the inclusion of the "material valuation uncertainty" declaration does not mean that valuations cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that - in the current extraordinary circumstances - less certainty can be attached to valuations than would otherwise be the case.

As a result, less certainty can be attached to the carrying value of investments which hold investment property than would otherwise be the case.

11 Debtors

	31 March 2020 £	31 March 2019 £
Amounts due from related parties	**415,355,973**	376,880,366
Corporation tax asset	**107,741**	-
	415,463,714	376,880,366

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

	31 March 2020 £	31 March 2019 *Restated £
Amounts due to related parties	**14,200,058**	103,484
Corporation tax liability	**-**	1,294,382
Other borrowings - Loans from joint venture partners	**398,218,071**	88,076,122
	412,418,129	89,473,988

* See note 19 for details regarding the restatement. This is as a result of the reclassification of the shareholder loans from non-current liabilities to current liabilities for value in the prior year of £88,076,122.

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

	31 March 2020 £	31 March 2019 *Restated £
Non-current loans and borrowings		
Other borrowings - Loans from joint venture partners	-	286,061,986

* See note 19 for details regarding the restatement. This is as a result of the reclassification of the shareholder loans from non-current liabilities to current liabilities for value in the prior year of £88,076,122. The adjustment has resulted in a reclass in the prior year from after five years to within one year.

	31 March 2020 £	31 March 2019 *restated £
Borrowings repayment analysis		
Repayments due:		
Within one year	**398,218,071**	88,076,122
1-2 years	-	286,061,986
	398,218,071	374,138,108
After 5 years	-	-
Total borrowings	**398,218,071**	374,138,108

Of the loan from joint venture partners, £199,109,036 (2019 : £187,069,054) is due to The British Land Company PLC and £199,109,036 (2019 : £187,069,054) is due to NBIM Victoria Partners LP. Interest is charged at 10.0% per annum on £307,405,899 (2019: £286,061,986) and 6.5% per annum on £90,812,172 (2019: £88,076,122). No security has been given against these loans. The portion of the loan from joint ventures attracting interest at 10.0% was repayable on 5 October. The amount has not been recalled and discussions on repayment are now ongoing.

14 Share capital

Allotted, called up and fully paid shares

	No.	31 March 2020 £	No.	31 March 2019 £
Ordinary shares of £1 each	1	1	1	1

15 Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2019: £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.

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 financial statements 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 financial statements for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.

19 Prior year restatement

With the absence of a fixed repayment date in the shareholder agreement, there exists no clear right to defer settlement of the liability for at least twelve months after the reporting year end, and as such one of the shareholder loans in the prior year is to be reclassified from non-current liabilities to current liabilities. The amount reclassified is £88,076,122.