

Company Registration No. 4424007 (England and Wales)

**INTU BRAEHEAD LEISURE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# **INTU BRAEHEAD LEISURE LIMITED**

## **COMPANY INFORMATION**

---

<b>Directors</b>	D Duggins (Appointed 25 November 2020) J Heller (Appointed 15 June 2022)
------------------	---

<b>Secretary</b>	Ocorian Administration (UK) Limited
------------------	-------------------------------------

<b>Company number</b>	4424007
-----------------------	---------

<b>Registered office</b>	c/o APAM Ltd 4th Floor 84 Grosvenor Street London W1K 3JZ
--------------------------	--

<b>Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
----------------	---

---

# **INTU BRAEHEAD LEISURE LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 17

---

# **INTU BRAEHEAD LEISURE LIMITED**

## **STRATEGIC REPORT**

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

---

The directors present the strategic report for the year ended 31 December 2020.

### **Fair review of the business**

The company's results and financial position for the year ended 31 December 2020 are set out in full in the statement of comprehensive income, the balance sheet, the statement of changes in equity and the notes to the financial statements.

As a result of structural issues within the retail sector which have led to a deterioration in the results of certain Intu group entities. The company did not trade during the year however the £527,000 investment in the joint venture was fully impaired. Net liabilities at 31 December 2020 were £8,027,000 (2019 - £7,481,000).

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The directors have considered the future activity of the business below and within the going concern section.

### **Principal risks and uncertainties**

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

# **INTU BRAEHEAD LEISURE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **Future developments and events after the reporting date**

The ongoing volatility in the UK retail market was further exacerbated by the impact of Covid-19 during the year, with non-essential retail in the group's centres closed for long periods in order to comply with measures put in place by the UK Government to limit virus transmissions.

Rent and service charge collections from tenants were significantly reduced as a result of the enforced closures. Management are in discussions with tenants on the outstanding rents but at this time it is unclear whether these rents will be fully recovered at a later date.

Whilst the easing of restrictions since the year end has resulted in a significant improvement in the collection of rent and service charge the directors expect there to be continued downward pressure on the group's property valuations and net rental income in the short term, as retailers adapt to new operating procedures with social distancing measures in place and the long-term effects of the pandemic on the wider UK economy become clearer.

These factors have placed additional pressure on the company's ability to maintain specified financial ratios and comply with certain financial covenants, which were breached during the year. The debenture stock is currently secured on several properties including Intu Eldon Square, Intu Potteries and XSite at Braehead. As a consequence, the company placed £15.0 million of additional security in a charged account, which the stockholders agreed to make available to support the business during the period of difficulties created by Covid-19. £12.3 million has been drawn to date.


On 26 June 2020, following unsuccessful negotiations for a group-wide standstill with its lenders, Intu Properties Plc (the ultimate parent company of the group and company), along with certain Intu group entities that provided asset and facilities management services to several properties on which the debenture stock is secured, were placed into administration.

To enable continued uninterrupted delivery of asset and facilities management services to the above-mentioned properties, from the date of Intu Properties Plc's administration, the individual debenture property companies entered into a 6-month Transition Services Arrangement (TSA) with Intu Properties Plc's administrator. As part of the TSA, the property companies were required to pre-fund costs two months in advance to the administrators prior to delivery of services as well as settlement of existing arrears.

Independent directors were appointed to the boards of the company and its subsidiaries during the year, to replace the former Intu group directors, who had all resigned by the year end. Third party asset and property managers were appointed during the year, and the management of all properties was successfully migrated to them during October 2020. The group is now operated entirely independently of Intu Properties Plc. The final cost of services provided under the TSA has been agreed with the administrators, but the resulting refund has not yet been received.

Subsequent to the year end, an agreement in principle has been reached with the administrators of Intu Properties Plc to settle all intercompany balances outside the Debenture group and acquire the share capital of the company (the "restructuring transaction"). The documentation required to formally approve and execute the restructuring transaction is at an advanced stage, and the transaction is expected to complete in the near future.

On behalf of the board

  
.....  
D Duggins  
Director

Date: 27 September 2022.....

# INTU BRAEHEAD LEISURE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

The directors present their annual report and financial statements for the year ended 31 December 2020.

The company is incorporated and registered in England and Wales (company number 4424007). The company's registered office is c/o Apam Ltd, 4th Floor, 84 Grosvenor Street, London, W1K 3JZ.

#### Principal activities

The principal activity of the company is as an investor, as one of two partners, in the Braehead Leisure Partnership.

#### Results and dividends

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

#### Directors

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

D Duggins	(Appointed 25 November 2020)
M Breeden	(Resigned 4 December 2020)
S Marsden	(Resigned 7 October 2020)
S Crosby	(Resigned 15 April 2020)
C Finn	(Resigned 7 October 2020)
K Grant	(Resigned 7 October 2020)
M Kidia	(Resigned 15 April 2020)
T Pereira	(Resigned 31 January 2020)
E Roberts	(Resigned 15 April 2020)
N Round	(Resigned 15 April 2020)
R Ryman	(Resigned 7 October 2020)
J Wilkinson	(Resigned 31 January 2020)
S Cooke	(Appointed 4 December 2020 and resigned 15 June 2022)
J Heller	(Appointed 15 June 2022)

#### Qualifying third party indemnity provisions

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. The company's ultimate parent, Intu Properties Plc - in administration, maintains directors' and officers' insurance which is reviewed annually.

#### Financial risk management

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

The company's financial risk management is carried out by Intu Debenture Plc. Further details on the group's financial risks as well as policies for managing these risks are disclosed in the Intu Debenture Plc group's publicly available financial statements.

#### Capital management

The directors consider the capital of the company to be the ordinary share capital of £1 (2019 £1). Management of this capital is performed at an Intu Properties Plc group level.

#### Auditor

BDO LLP succeeded Deloitte LLP as the auditor for the financial year commencing 1 January 2020.

# INTU BRAEHEAD LEISURE LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

### Statement of disclosure to auditor

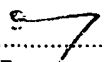
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### Going concern

Full detail in respect of going concern is set out in note 1.2

After reviewing the most recent projections and the sensitivity analysis and having carefully considered both the ongoing uncertainty in the retail and leisure sectors and the material uncertainty created by the breach of financial and other covenants, the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

On behalf of the board

  
.....  
D Duggins  
Director  
Date: 27 September 2022 .....

# INTU BRAEHEAD LEISURE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INTU BRAEHEAD LEISURE LIMITED

---

#### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Intu Braehead Leisure Limited ("the Company") for the year ended 31 December 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice)

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Material uncertainty related to going concern

We draw attention to note 1.2 to the financial statements which indicates the Directors' considerations over going concern. The forecasts prepared by the Directors show that this Company is dependent on the loan stockholders and through Intu Debenture plc, the wider Intu group for the funding of its current and future activities.

However as Intu Properties plc and certain other companies in the wider Intu group are in administration, they may not be able to provide the financial support required.

As stated in note 1.2, these events or conditions, along with other matters as set forth in note 1.2, indicate that material uncertainties exist, that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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



# **INTU BRAEHEAD LEISURE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF INTU BRAEHEAD LEISURE LIMITED**

---

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.

#### **Other Companies Act 2006 reporting**

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 have 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 material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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.

#### *Extent to which the audit was 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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and the other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the

# INTU BRAEHEAD LEISURE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF INTU BRAEHEAD LEISURE LIMITED

---

- appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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:

*Charles Ellis*

Charles Ellis (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

55 Baker Street

London

W1U 7EU

Date 28 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# INTU BRAEHEAD LEISURE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

---

	Notes	2020 £000	2019 £000
Revenue	3	-	5
Administrative expenses		-	(5,227)
		<hr/>	<hr/>
Operating profit/(loss)		-	(5,222)
Other gains and losses	6	(527)	-
		<hr/>	<hr/>
Loss before taxation		(527)	(5,222)
Tax on loss	7	(19)	-
		<hr/>	<hr/>
Loss and total comprehensive income for the financial year		(546)	(5,222)
		<hr/>	<hr/>


# INTU BRAEHEAD LEISURE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £000	£000	2019 £000	£000
<b>Non-current assets</b>					
Investments	8		-		527
<b>Current assets</b>					
<b>Current liabilities</b>		(8,008)		(8,008)	
<b>Net current liabilities</b>			(8,008)		(8,008)
<b>Total assets less current liabilities</b>			(8,008)		(7,481)
<b>Provisions for liabilities</b>					
Deferred tax liabilities	10		(19)		-
<b>Net liabilities</b>			(8,027)		(7,481)
<b>Equity</b>					
Retained earnings			(8,027)		(7,481)

The financial statements were approved by the board of directors and authorised for issue on 27 September 2021... and are signed on its behalf by:

  
D Duggins  
Director

Company Registration No. 4424007

# **INTU BRAEHEAD LEISURE LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

	<b>Retained earnings £000</b>
<b>Balance at 1 January 2019</b>	(2,259)
<b>Year ended 31 December 2019:</b>	
Loss and total comprehensive income for the year	(5,222)
	<hr/>
<b>Balance at 31 December 2019</b>	(7,481)
	<hr/>
<b>Year ended 31 December 2020:</b>	
Loss and total comprehensive income for the year	(546)
	<hr/>
<b>Balance at 31 December 2020</b>	<u>(8,027)</u>

# INTU BRAEHEAD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

#### Company information

Intu Braehead Leisure Limited ('the company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the company's registered office is shown on the contents page. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

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

Where required, equivalent disclosures are given in the group accounts of Intu Properties Plc. The group accounts of Intu Properties Plc are available to the public.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Intu Braehead Leisure Limited is a wholly owned subsidiary of Intu Properties Plc and the results of Intu Braehead Leisure Limited are included in the consolidated financial statements of Intu Properties Plc which are available from 40 Broadway, Westminster, London, SW1H 0BT or from the group's website [www.intugroup.co.uk](http://www.intugroup.co.uk).

#### 1.2 Going concern

When preparing the financial statements, the directors are required to make an assessment of the entity's ability to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements and to prepare them on this basis unless they either intend to liquidate the entity or to cease trading or have no realistic alternative but to do so.

The directors have prepared cashflow forecasts for the entity together with its subsidiaries (the "sub-group") which show that the sub-group is dependent on the wider Intu Debenture plc group.

As a result of the ongoing uncertainty in the retail and leisure sectors, and the breach of financial and other covenants during the year, Intu Properties plc (the ultimate parent company), along with certain Intu group entities were placed into administration on 26 June 2020.

Investment property held in Intu Debenture plc and its subsidiaries (the "group") is secured under the borrowing arrangements of Intu Debenture plc.

# INTU BRAEHEAD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1 Accounting policies

(Continued)

The directors have prepared cashflow forecasts for Intu Debenture plc and its subsidiaries (the "group") which show that the group is dependent on the loan stockholders of Intu Debenture plc not taking enforcement action as a result of covenant breaches and the Administrators of Intu Properties plc not demanding repayment of the loans, on which there is an agreement in principle as part of a restructuring transaction. Due to these conditions, the group may not be able to provide the financial support required by the sub-group.

These events and conditions indicate material uncertainties which may cast significant doubt on the entity's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

However, after reviewing the most recent projections, and in the expectation that the loan stockholders will take no enforcement action as a result of the covenant breaches before the restructuring transaction (which will include a waiver of all breaches and remove the breached covenants) the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

#### 1.3 Revenue

Revenue comprises management fee income. Revenue is recorded as income over time in the year in which the services are rendered and the performance obligations are satisfied.

#### 1.4 Non-current investments

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

#### 1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### ***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

##### ***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

# INTU BRAEHEAD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### 1.6 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### **Key sources of estimation uncertainty**

##### **Investment in subsidiary**

A key source of estimate uncertainty exists over the valuation of the investment in subsidiary due to the recognition of impairment provision. Please see the impairment accounting policy for further details.



# INTU BRAEHEAD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 3 Revenue

Revenue arose in the United Kingdom from continuing operations. In the opinion of the directors the company carries on only one class of business.

	2020 £000	2019 £000
Management fee	-	5
	<u>          </u>	<u>          </u>

#### 4 Profit/Loss before tax

The loss before tax for the year ended 31 December 2020 of £527,000 (2019 - £5,222,000) did not include any fees in respect of auditors remuneration in respect of the audit of the financial statements, which was settled on behalf of the company by its immediate parent company, Intu Debenture Plc, and has not been recharged. No non-audit services were provided during the current or prior year.

#### 5 Employees

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

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

#### 6 Other gains and losses

	2020 £000	2019 £000
Other gains and losses	(527)	-
	<u>          </u>	<u>          </u>

# INTU BRAEHEAD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Taxation

#### Deferred tax

Origination and reversal of temporary differences

19

-

The charge for the year can be reconciled to the loss per the income statement as follows:

	2020 £000	2019 £000
Loss before taxation	(527)	(5,222)
Expected tax credit based on a corporation tax rate of 19.00% (2019: 19.00%)	(100)	(992)
Effect of expenses not deductible in determining taxable profit	1,757	31
Partnership allocation	(1,878)	-
Deferred tax not recognised	296	-
Group relief	65	-
Impairment of investment not deductible	-	993
Partnership loss taxed in company	-	(992)
Transfer pricing adjustment	(168)	(112)
REIT exemption - corporate tax	-	(86)
REIT exemption - deferred tax	-	1,158
Exempt property rental profits/losses in the year (REIT)	47	-
<b>Taxation charge for the year</b>	<b>19</b>	<b>-</b>

### 8 Investments

	Shares in joint ventures £000
<b>Cost</b>	
At 1 January 2020 & 31 December 2020	6,750
<b>Impairment</b>	
At 1 January 2020	(6,223)
Impairment losses	(527)
At 31 December 2020	(6,750)
<b>Carrying amount</b>	
At 31 December 2020	-
At 31 December 2019	527

# INTU BRAEHEAD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Investments

(Continued)

Investment in joint venture represents a 50% interest in the Braehead Leisure Partnership which operates in the United Kingdom and is governed by a partnership deed entered into in 2004. The principal activity of the partnership is the ownership and management of Soar at Intu Braehead, adjacent to Intu Braehead, Glasgow.

The company recognised an impairment charge of £527,000 against its joint venture investments during the year as a result of continuing structural issues within the retail sector which have led to a deterioration in the results of the joint venture.

### 9 Trade and other payables

	2020 £000	2019 £000
Amounts owed to fellow group undertakings	8,007	8,007
Other payables	1	1
	<u>8,008</u>	<u>8,008</u>

Amounts owed to the immediate parent company are unsecured, non-interest bearing and payable on demand.

### 10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £000
Deferred tax liability at 1 January 2019 and 1 January 2020	-
<b>Deferred tax movements in current year</b>	
Charge to profit or loss	19
Deferred tax liability at 31 December 2020	<u>19</u>

### 11 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital</b>				
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

# **INTU BRAEHEAD LEISURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **12 Controlling party**

The ultimate parent company is Intu Properties Plc, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the company, whose registered office is 10 Fleet Place, London, EC4M 7QS. Intu Properties Plc is in Administration. Its Administrators have not relinquished any of the company's rights in respect of its shareholding, but have not sought to exercise them.

The immediate parent company is Intu Debenture Plc, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from c/o APAM Ltd, 4th Floor, 84 Grosvenor St, London, W1K 3JZ.