

Registered Number 05090210

**METRO SHOPPING FUND MANAGEMENT LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

TUESDAY



\*L7GNVXI2\*

LD2

16/10/2018

#12

COMPANIES HOUSE

## Directors' Report for the year ended 31 March 2018

The directors present their report with the audited financial statements of Metro Shopping Fund Management Limited (the "Company") for the year ended 31 March 2018.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 International Financial Reporting Standards (IFRS) as adopted by the European Union. 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; and
- specify which generally accepted accounting principles have been adopted in their preparation; 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.

### RESULTS FOR THE YEAR AND DIVIDEND

The results are set out in the Statement of Comprehensive Income on page 5.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: £Nil). No interim dividend was paid during the year ended 31 March 2018 (2017: £3,185,000).

### PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

On 13 April 2017, the asset management contract with Southside Limited Partnership and the Company's principal activity ceased. The company is expected to be dormant in the near future.

### DIRECTORS

The directors who held office during the year and up to the date of this report unless otherwise stated were:

T Haden-Scott  
J W J Rühl  
A M Christian-West  
D Don-Wauchope  
S C Parsons  
J M Busby  
C B Wagman

(alternative director)  
(resigned 29 March 2018)

### INDEMNITY

The Company has made qualifying third party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report.

### SMALL COMPANIES EXEMPTION

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### STRATEGIC REPORT

The Company has taken advantage of the exemption under s414B of the Companies Act 2006 not to prepare a Strategic Report.

**Directors' Report for the year ended 31 March 2018 (continued)**

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR**

In the case of each director in office at the date the Directors' Report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.



On behalf of the board  
J Busby  
Director  
20 September 2018

Registered and domiciled in England and Wales  
Registered number: 05090210

Registered Office  
100 Victoria Street  
London  
SW1E 5JL

## **Independent Auditor's Report to the Members of Metro Shopping Fund Management Limited**

### **Opinion**

We have audited the financial statements of Metro Shopping Fund Management Limited (the 'Company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the Statement of Cash Flows and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 below. 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.

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

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

We have nothing to report in respect of the following matters in relation to which the 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.

### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## Independent Auditor's Report to the Members of Metro Shopping Fund Management Limited (continued)

### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the 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.

*Ernst & Young LLP*

Claire Johnson (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP  
Statutory Auditor  
London  
Date: 20 September 2018

21

<b>Statement of Comprehensive Income for the year ended 31 March 2018</b>
---

	Notes	2018 £'000	2017 £'000
Revenue: Asset management fee income		-	3,481
Gross profit		-	3,481
Management and administrative expenses	3	(2)	(195)
Operating (loss)/profit		(2)	3,286
Interest income	4	2	-
Profit before tax		-	3,286
Income tax	6	-	(657)
Profit and total comprehensive income for the financial year		-	2,629

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

All amounts are derived from continuing activities.

<b>Balance Sheet as at 31 March 2018</b>
--

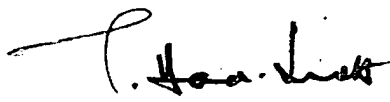
	Notes	2018 £'000	2017 £'000
<b>Current assets</b>			
Cash and cash equivalents	7	23	969
<b>Total assets</b>		<u>23</u>	<u>969</u>
<b>Current liabilities</b>			
Trade and other payables	8	-	(943)
Amounts due to related parties	9	(3)	(6)
<b>Total liabilities</b>		<u>(3)</u>	<u>(949)</u>
<b>Net assets</b>		<u>20</u>	<u>20</u>
<b>Equity</b>			
Share capital	11	-	-
Retained earnings		20	20
<b>Total Equity</b>		<u>20</u>	<u>20</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 20 September 2018 and were signed on its behalf by



J Busby  
Director

Date: 20 September 2018



T Haden-Scott  
Director

Date: 20 September 2018

## Statement of changes in equity

	Notes	Share capital £'000	Retained earnings £'000	Total £'000
At 1 April 2016		-	576	576
Total comprehensive income for the year		-	2,629	2,629
Transactions with owners:				
Dividends	5	-	(3,185)	(3,185)
At 31 March 2017		-	20	20
Total comprehensive income for the year		-	-	-
At 31 March 2018		-	20	20



<b>Statement of Cash Flows for the year ended 31 March 2018</b>
---

	Notes	2018 £'000	2017 £'000
<b>Operating activities</b>			
Profit before tax		-	3,286
Adjustments to reconcile profit before tax to net cash flows:			
Interest income	4	(2)	-
Working capital adjustments:			
Decrease in payables	8, 9	(946)	(779)
		(946)	2,507
Interest received	4	2	-
<b>Net cash flows (used in)/from operating activities</b>		(946)	2,507
<b>Financing activities</b>			
Distributions paid to equity holders	5	-	(3,185)
<b>Net cash flows used in financing activities</b>		-	(3,185)
<b>Net movement in cash and cash equivalents in the year</b>		(946)	(678)
<b>Cash and cash equivalents at 1 April</b>		969	1,647
<b>Cash and cash equivalents at 31 March</b>	7	23	969

## **1. Basis of preparation**

These financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs). The financial statements have been prepared in Pounds Sterling (rounded to the nearest thousand pounds (£'000)) and under the historical cost convention.

Metro Shopping Fund Management Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 05090210). The nature of the Company's operations is set out in the Directors' Report on page 1.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2018.

These are the first set of financial statements in which the Company has presented a single Statement of Comprehensive Income. There were no adjustments in respect of the previously reported financial position as a result of this change.

## **2. Significant accounting policies**

The accounting policies which follow set out those which apply in preparing the financial statements for the year ended 31 March 2018.

### **(a) Revenue**

Revenue consists entirely of fees for asset management services invoiced to Southside Limited Partnership (formerly Metro Shopping Fund LP), a related party. Income is recognised on an accruals basis.

### **(b) Management and administrative expenses**

Management and administration expenses are expensed as incurred. These largely consist of secondment fees invoiced to the Company by Delancey Real Estate Asset Management Limited.

### **(c) Interest income**

Interest income is accounted for on an accruals basis.

### **(d) Income tax**

Income tax on the Statement of Comprehensive Income for the year comprises current tax. Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years.

### **(e) Trade and other receivables**

Trade and other receivables are recognised initially at fair value, subsequently at amortised cost and, where relevant, adjusted for the time value of money. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables concerned. If collection is expected in more than one year, the balance is presented within non-current assets.

### **(f) Cash and cash equivalents**

Cash and cash equivalents comprises cash balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are deducted from cash and cash equivalents for the purpose of the statement of cash flows.

### **(g) Dividends**

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

### **(h) Trade and other payables**

Trade and other payables with no stated interest rate and payable within one year are recorded at transaction price. Trade and other payables after one year are discounted based on amortised cost method using the effective interest rate.

### **(i) Standards issued but not yet effective**

The accounting policies used in these financial statements are consistent with those applied in the last annual financial statements, as amended where relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year. These amendments have not had an impact on the financial statements.

A number of new standards and amendments to standards have been issued but are not yet effective for the Company. These standards and interpretations have not been early adopted by the Company. During the year, the Company has completed its detailed assessment of the impact of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, both effective for the Company from 1 April 2018.

The Company expects the adoption of IFRS 9 to impact the Company in relation to impairment provisioning which may affect measurement and presentation of trade receivables. We believe that the current provisioning approach to trade receivables is expected to be materially similar to the revised guidance.

Consistent with the position disclosed in the last annual financial statements, based on the transactions impacting the current financial year and future known transactions, the Company does not expect the adoption of IFRS 15 to have a material impact on the Company's reported results.

The adoption of IFRS 16 Leases, effective for the Company from 1 April 2019, is not expected to impact the Company, as the Company does not hold any leases.

### 3. Management and administrative expenses

#### (a) Management services

The Company had no employees during the year (2017: None). Management services were provided to the Company throughout the year by Land Securities Properties Limited and Delancey Real Estate Asset Management Limited which are related parties of the Company. No payments were made to Delancey Real Estate Asset Management Limited during the year (2017: £192,000). No payments were made to Land Securities Properties Limited during the year (2017: £Nil).

#### (b) Directors' remuneration

The directors of the Company received no emoluments for their services to the Company (2017: £Nil).

#### (c) Auditor remuneration

The auditor's remuneration amounts to £1,982 (2017: £1,924). No non-audit services were provided to the Company during the year.

### 4. Interest income

	2018 £	2017 £
Other interest receivable	2	-
	<u>2</u>	<u>-</u>

### 5. Dividends

	2018 £ per share	2017 £ per share	2018 £'000	2017 £'000
Ordinary - interim	-	15,926	-	3,185
	<u>-</u>	<u>15,926</u>	<u>-</u>	<u>3,185</u>

### 6. Income tax

	2018 £'000	2017 £'000
Current tax		
Income tax on profit for the year	-	657
Total income tax charge in the statement of comprehensive income	<u>-</u>	<u>657</u>
Factors affecting the tax charge for the year		
The current income tax charge for the year is equal to (2017: equal to) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:		
Profit before tax	-	3,286
Profit before tax multiplied by the rate of corporation tax in the UK of 19% (2017: 20%)	-	657
Total income charge in the statement of comprehensive income (as above)	<u>-</u>	<u>657</u>

### 7. Cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	23	969

### 8. Trade and other payables

	2018 £'000	2017 £'000
Current tax liabilities	-	287
Social security and other taxes	-	656
Total current trade and other payables	<u>-</u>	<u>943</u>

## 9. Amounts due to related parties

	2018 £'000	2017 £'000
Amounts owed to Metro Shopping Fund GP Limited	1	2
Amounts owed to Southside Limited Partnership	2	4
<b>Total amounts due to related parties</b>	<b>3</b>	<b>6</b>

The unsecured loans from Metro Shopping Fund GP Limited and Southside Limited Partnership, which are related parties, are interest free and repayable on demand with no fixed repayment date.

## 10. Financial risk management

### Financial risk management objectives and policies

The Company has trade and other receivables and trade and other payables that arise directly from its operations. The carrying value equals the fair value of the trade and other receivables and trade and other payables due to their short term nature.

The Company is exposed to interest rate risk, credit risk and liquidity risk. The board reviews and has established policies and procedures for managing each of these risks and they are summarised below.

### Credit risk

With respect to credit risk arising from the financial assets of the Company, which comprise of cash and trade and other receivables, the Company's maximum exposure equal to the carrying amount of these instruments in the event the counter parties default.

### Liquidity risk

The Company is exposed to liquidity risk and needs to ensure that the cash balances and cash flows from operations are sufficient to enable the Company to pay their trade and other payables. The Company carefully monitors actual cash flows against forecasts and budgets in order to manage this risk.

### Capital management

The Company considers its capital to constitute Shareholders' capital. The primary objective of the Company's capital management is to ensure that the Company's property portfolio is appropriately supported by capital that is efficient and that seeks to reduce fluctuations in interest payments due to changes in external interest rates.

## 11. Ordinary share capital

	2018 Number	Issued 2017 Number	Allotted and fully paid 2018 £	2017 £
Ordinary A shares of £1 each	100	100	100	100
Ordinary B shares of £1 each	100	100	100	100
	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>

There is no difference in voting rights, rights to dividends and rights on the winding up of the Company for each share class.

## 12. Related party transactions

The Company previously acted as an asset manager for Southside Limited Partnership. On 13 April 2017, the asset management contract with Southside Limited Partnership ceased and therefore no transactions with this related party occurred during the year.

The turnover of £Nil (2017: £3,481,000) consists entirely of fees receivable from Southside Limited Partnership for asset management services.

The administration expenses of £Nil (2017: £194,000) include secondment fees payable to Delancey Real Estate Asset Management of £Nil (2017: £182,000) and management fees payable to Metro Shopping Fund GP Limited of £Nil (2017: £2,000). There were no creditors relating to secondment fees at the year end and the total of management fees payable to Metro Shopping Fund GP Limited outstanding at the year end were £1,000 (2017: £2,000).

Within payables there is an amount of £2,000 (2017: £4,000) owed to Southside Limited Partnership.

## 13. Ultimate controlling party

The Company is jointly owned by Land Securities Partnerships Limited and Delancey Real Estate Asset Management Limited with each owning 50% of the share equity. Therefore, there is no ultimate controlling party.