

Company registration number: 5489778

EASTGATE SHOPPING CENTRE BASILDON LIMITED

Annual report and financial statements for period

17 February 2014 to 15 August 2015

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EASTGATE SHOPPING CENTRE BASILDON LIMITED

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EASTGATE SHOPPING CENTRE BASILDON LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

S G Carter	<i>(Resigned 17 February 2014)</i>
C M J Forshaw	<i>(Resigned 17 February 2014)</i>
C P Gill	<i>(Appointed 17 February 2014)</i>
	<i>(Resigned 14 November 2014)</i>
C J Huxtable	<i>(Appointed 17 February 2014)</i>
	<i>(Resigned 14 November 2014)</i>
T G Thorp	<i>(Appointed 17 February 2014)</i>
L Hayes	<i>(Appointed 17 November 2014)</i>

Company Secretary

A Wyllie

Registered Office

12 Charles II Street
London
SW1Y 4QU

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

EASTGATE SHOPPING CENTRE BASILDON LIMITED

STRATEGIC REPORT

Principal activity

Eastgate Shopping Centre Basildon Limited (the "Company") had a principal activity of property investment in the United Kingdom until it sold its investment property on 17 February 2014. The Company has since ceased trading.

Company performance

During the period ending 16 February 2014, the company was a wholly owned subsidiary of BL High Street and Shopping Centres Holding Company Limited, which is a wholly owned subsidiary of The British Land Company PLC, and operated as a constituent of The British Land Company PLC group of companies (the "group"). On 17 February 2014, the issued share capital of the company was sold by BL High Street and Shopping Centres Holding Company Limited to InfraRed UK Lion Nominee 1 Limited and InfraRed UK Lion Nominee 2 Limited (the "Nominees"), which hold the legal interest of the Company on trust for and on behalf of InfraRed UK Lion Limited Partnership (the "ELP"), which is the beneficial owner of the Company. The ELP is a subsidiary of InfraRed Active Real Estate III (No 1) LP and InfraRed Active Real Estate III (No.2) LP, which are managed by InfraRed Capital Partners Limited.

Following the sale of the Company on 17 February 2014, the property was sold at a market value of £88,232,909 to the Nominees on the 17 February 2014, which hold the property on trust for and on behalf of the ELP.

As shown in the company's Profit and Loss Account on page 7, the Company's turnover for the period to 15 August 2015 was £nil compared to £7,205,508 in the prior period to 16 February 2014 and a loss of £116,196 compared to a profit of £4,328,210 in the prior period, the movement of which was principally due to the sale in the period as described in the paragraph above.

Dividends of £nil (16 February 2014: £12,934,470) were declared in the period. A dividend of £86,397,692 was declared on 10 November 2015.

Risk management

The Company's risk management is performed by InfraRed Capital Partners Limited (the "Manager") which has a risk management framework for all entities within its remit. The risk management framework comprises identifying and evaluating the risks that the Company faces and ensuring that appropriate controls and processes are in place to manage these risks. It also comprises responsibility for the oversight of the risk management process. An important part of the risk management framework is to have documented policies and procedures in place.

The Directors consider its risk management framework is appropriate for a company of its size and complexity.

EASTGATE SHOPPING CENTRE BASILDON LIMITED

STRATEGIC REPORT (continued)

Future developments

Following the sale of its investment property, it is expected that the Company will be struck off the Register of Companies during 2016. The financial statements have, therefore, not been prepared on a going concern basis.

On behalf of the Board



T G Thorp
Director

Registered Office
12 Charles II Street
London
SW1Y 4QU
10 November 2015

EASTGATE SHOPPING CENTRE BASILDON LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Eastgate Shopping Centre Basildon Limited (the "Company") for the period ended 15 August 2015 and the prior period of 1 April 2013 to 16 February 2014.

Dividends

The Directors have declared and paid total dividends of £nil (16 February 2014: £12,934,470) in respect of the period ended 15 August 2015. Dividend payments are reflected in the financial statements in the period in which they are declared. Subsequent to the year end, a dividend of £86,397,692 was declared on 10 November 2015.

Directors

The Directors who served during the period were as follows:

Name

S G Carter	(Resigned 17 February 2014)
C M J Forshaw	(Resigned 17 February 2014)
C P Gill	(Appointed 17 February 2014)
	(Resigned 14 November 2014)
C J Huxtable	(Appointed 17 February 2014)
	(Resigned 14 November 2014)
T G Thorp	(Appointed 17 February 2014)
L Hayes	(Appointed 17 November 2014)

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors.

Disclosure of information to auditor

Each person who is a director at the date of approval of this report confirms that 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance therewith.

Independent auditor

During the year Deloitte LLP resigned as auditors. KPMG LLP were appointed by the directors, under section 485 of the Companies Act 2006 to fill the vacancy.

EASTGATE SHOPPING CENTRE BASILDON LIMITED

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board



T G Thorp
Director

Registered Office
12 Charles II Street
London
SW1Y 4QU

10 November 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTGATE SHOPPING CENTRE BASILDON LIMITED

We have audited the financial statements of Eastgate Shopping Centre Basildon Limited for the period ended 15 August 2015 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 15 August 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

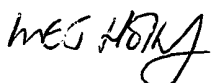
Matters on which we are required to report by exception

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

Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.



Bill Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

11 November 2015

EASTGATE SHOPPING CENTRE BASILDON LIMITED

PROFIT AND LOSS ACCOUNT for the period ended 15 August 2015

	Note	Period ended 15 August 2015 £	Period ended 16 February 2014 £
Turnover	2	-	7,205,508
Cost of sales		<u>-</u>	<u>(2,772,201)</u>
Gross profit		-	4,433,307
Administrative expenses		(11,171)	(105,097)
Loss on sale of Investment Properties		<u>(105,025)</u>	<u>-</u>
(Loss)/profit for the financial period	10	<u>(116,196)</u>	<u>4,328,210</u>

The accounting policies and notes on pages 10 to 15 form an integral part of these financial statements.

EASTGATE SHOPPING CENTRE BASILDON LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the period ended 15 August 2015

	Period ended 15 August 2015	Period ended 16 February 2014
	£	£
(Loss)/profit for the financial period	(116,196)	4,328,210
Unrealised surplus on revaluation of investment properties	-	4,590,101
Total comprehensive (loss)/income for the financial period	(116,196)	8,918,311

NOTE OF HISTORICAL COST PROFIT AND LOSSES for the period ended 15 August 2015

	Period ended 15 August 2015	Period ended 16 February 2014
	£	£
Reported (loss)/profit on ordinary activities before taxation	(116,196)	4,328,210
Realisation of property revaluation loss of previous years	(178,142)	-
Historical cost (loss)/profit for the year retained	(294,338)	4,328,210

The accounting policies and notes on pages 10 to 15 form an integral part of these financial statements.

EASTGATE SHOPPING CENTRE BASILDON LIMITED

BALANCE SHEET At 15 August 2015

	Note	At 15 August 2015 £	At 16 February 2014 £
Assets			
Fixed assets			
Investment properties	6	-	86,982,003
Current assets			
Debtors	7	86,397,693	1,662,243
Creditors - amounts falling due within one year	8	-	(2,130,357)
Net current assets/(liabilities)		<u>86,397,693</u>	<u>(468,114)</u>
Total assets less current liabilities		<u>86,397,693</u>	<u>86,513,889</u>
Net assets		<u>86,397,693</u>	<u>86,513,889</u>
Capital and reserves			
Called up share capital	9	1	1
Revaluation reserve	10	-	(178,142)
Profit and loss account	10	<u>86,397,692</u>	<u>86,692,030</u>
Shareholders' funds		<u>86,397,693</u>	<u>86,513,889</u>

The accounting policies and notes on pages 10 to 15 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 10 November 2015 and were signed on its behalf by



T G Thorp
Director

Company Registered Number: 5489778

EASTGATE SHOPPING CENTRE BASILDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 15 August 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared on a non-going concern basis as the Company is no longer trading and it is intended that the Company will be struck off during 2015. There are no adjustments required to the financial statements as a result of the change from going concern to non-going concern basis.

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom ("UK GAAP"). These financial statements are presented in Pounds Sterling, the Company's functional currency. The principal accounting policies, which have been consistently applied throughout the year and the preceding year, are described below.

a) Turnover

Rental income is recognised on an accruals basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the next rent review date. Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.

Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the next rent review date.

Where a lease incentive payment, including surrender premiums paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the next rent review date.

Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned is immediately reflected in income.

b) 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). During the prior period, the seller of the Company's group (including this company) was a REIT and income and gains on qualifying assets were exempt from taxation. The company ceased to be a member of the REIT group on 16 February 2014.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

c) Cash flow statement

The company is exempt under FRS 1 (Revised) from preparing a cash flow statement.

EASTGATE SHOPPING CENTRE BASILDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 15 August 2015

2. TURNOVER

	Period ended 15 August 2015 £	Period ended 16 February 2014 £
Rental income	<u>-</u>	<u>7,205,508</u>

3. OPERATING PROFIT

The auditors' remuneration for the period of £5,000 (2014: £3,000) for statutory audit services has been borne by InfraRed UK Lion Limited Partnership (2014: The British Land Company PLC) and relate solely to amounts paid to KPMG LLP for the period ending 15 August 2015 (2014: Deloitte LLP).

Fees payable for the current period audit includes fees paid by the ELP on behalf of the Company. Fees payable for the prior period audit has been borne by a group undertaking.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors are not remunerated by the Company. The Directors (with the exception of L Hayes) are Partners of InfraRed Capital Partners (Management) LLP ("LLP"), the ultimate controlling party and are remunerated through profit shares from the LLP.

The number of persons employed by the company during the year was nil (2014: nil).

EASTGATE SHOPPING CENTRE BASILDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 15 August 2015

5. TAXATION

	Period ended 15 August 2015	Period ended 16 February 2014
Total current taxation charge	-	-
Total deferred tax charge (credit)	-	-
Total taxation charge (credit)	<u>-</u>	<u>-</u>
Tax reconciliation		
(Loss)/profit on ordinary activities before taxation	<u>(116,196)</u>	<u>4,328,210</u>
Tax on (loss)/profit on ordinary activities at UK corporation tax rate of 20% (16 February 2014: 23%)	(23,239)	995,488
Effects of:		
REIT exempt income and gains	-	(939,363)
Capital allowances	-	(56,125)
Transfer pricing adjustments	-	75,105
Group relief claimed for nil consideration	-	(75,105)
Disallowable expenses	23,239	-
Current tax charge	<u>-</u>	<u>-</u>

The changes to the rate of UK corporation tax announced in the March 2013 Budget were substantively enacted on 1 April 2014. The rate of corporation tax was reduced from 23% to 21% and reduced further to 20% (effective from 1 April 2015).

EASTGATE SHOPPING CENTRE BASILDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 15 August 2015

6. INVESTMENT PROPERTIES

	Freehold £	Total £
At valuation		
17 February 2014	86,982,003	86,982,003
Disposals	(86,982,003)	(86,982,003)
15 August 2015	<u>-</u>	<u>-</u>
Analysis of cost and valuation		
15 August 2015		
Cost	87,160,145	87,160,145
Revaluation	(178,142)	(178,142)
Disposals	(86,982,003)	(86,982,003)
Net book value	<u>-</u>	<u>-</u>
16 February 2014		
Cost	87,160,145	87,160,145
Revaluation	(178,142)	(178,142)
Net book value	<u>86,982,003</u>	<u>86,982,003</u>

The Company's investment property was sold for £88,232,909 on 17 February 2015 to the ELP for nil profit/loss. The £88,232,909 comprised the net book value of £86,982,003 and the prior year lease incentive value of £1,202,835 and fixed guaranteed rent review debtor of £48,071, which were agreed sales adjustments with the buyer.

The value of the lease incentives of £nil (2014: £1,202,835) and fixed guaranteed rent review debtor of £nil (2014: £48,071) were excluded from the net book value in the prior year and were included within debtors.

EASTGATE SHOPPING CENTRE BASILDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 15 August 2015

7. DEBTORS

	Period ended 15 August 2015 £	Period ended 16 February 2014 £
Trade debtors	-	135,166
Intercompany amounts owed by the parent	86,397,693	-
Other debtors	-	5,398
Prepayments and accrued income	-	1,521,679
	<u>86,397,693</u>	<u>1,662,243</u>

Included in prepayments and accrued income is an amount of £nil (2014: £1,202,835), relating to lease incentives which are amortised over the period to the next rent review, and an amount of £nil (2014: £48,071) relating to a fixed and guaranteed rent review debtor which are amortised to the shorter of entire lease term or first break option.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Period ended 15 August 2015 £	Period ended 16 February 2014 £
Trade creditors	-	81,749
Accruals and deferred income	-	2,048,608
	<u>-</u>	<u>2,130,357</u>

9. CALLED UP SHARE CAPITAL

	Period ended 15 August 2015 £	Period ended 16 February 2014 £
Ordinary shares of £1 each		
Opening balance as at 17 February 2014: 1 (1 April 2013: 193,106,592)	1	193,106,592
Cancellation of shares	-	(193,106,591)
	<u>1</u>	<u>1</u>

During the prior period the Company cancelled 193,106,591 ordinary shares of £1.00 each in preparation for the sale of the Company.

EASTGATE SHOPPING CENTRE BASILDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 15 August 2015

10. RECONCILIATION OF MOVEMENTS IN RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
Balance at 1 April 2013	(4,768,243)	(97,808,301)	(102,576,544)
Shares cancelled	-	193,106,591	193,106,591
Unrealised surplus on revaluation of investments	4,590,101	-	4,590,101
Profit for the year	-	4,328,210	4,328,210
Distributions	-	(12,934,470)	(12,934,470)
Balance at 16 February 2014	(178,142)	86,692,030	86,513,888
Loss for the period	-	(116,196)	(116,196)
Realisation of prior revaluations	178,142	(178,142)	-
Distributions	-	-	-
Balance at 15 August 2015	-	86,397,692	86,397,692

11. RELATED PARTY TRANSACTIONS

The Company had a receivable at year end from its parent entity of £86,397,693 which principally relates to the sale of the property by the Company.

12. ULTIMATE PARENT UNDERTAKING

The immediate shareholders of the Company are InfraRed UK Lion Nominee 1 Limited and InfraRed UK Lion Nominee 2 Limited which are both 100% owned by InfraRed UK Lion GP Limited.

The ultimate parent undertaking of the Company is InfraRed Capital Partners (Management) LLP, which is the largest group which consolidates the results of the Company. InfraRed Partners LLP, an intermediate parent company, is the smallest group that produces consolidated financial statements which consolidate the results of the Company.

The consolidated financial statements of these groups are available to the public and may be obtained from Companies House.

13. SUBSEQUENT EVENTS

Following the final dividend of £86,397,692 which was declared on 10 November 2015 the Company will seek to distribute its remaining assets and be struck off the register of companies.