

Registered number: 13765895

WREXHAM SHOPPING CENTRE LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

TUESDAY



AC1930TU

A03

11/04/2023

#375

COMPANIES HOUSE

WREXHAM SHOPPING CENTRE LIMITED

COMPANY INFORMATION

Director Geva Dagan (appointed 25 November 2021)

Registered number 13765895

Registered office 14 Berkeley Street
Mayfair
London
W1J 8DX

Independent auditors Nyman Libson Paul LLP
Chartered Accountants & Statutory Auditors
124 Finchley Road
London
NW3 5JS

WREXHAM SHOPPING CENTRE LIMITED

CONTENTS

	Page
Group strategic report	3
Director's report	4 - 5
Independent auditors' report	6 - 10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated statement of financial position	12 - 13
Company statement of financial position	14 - 15
Consolidated statement of changes in equity	16
Company statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the consolidated financial statements	19 - 35

WREXHAM SHOPPING CENTRE LIMITED

**GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

Introduction

The director presents the strategic report for the period ended 31 December 2022.

Business review

The Group acquired a shopping centre as an investment property during the period. The acquisition was funded by loans from the shareholders of the parent Company. The shopping centre is a mixture of retail and food and beverage outlets which are leased to commercial tenants.

Financial key performance indicators

The Group uses revenue and profit as key performance indicators. During the financial period revenue was £3,071,578 and profit before tax was £855,322.

Principal risks and uncertainties

The Group uses commercial property agents to help find tenants for the retail and food and beverage outlets and to ensure that rent is collected from those tenants.

This report was approved by the board on 2 MARCH 2023 and signed on its behalf.

Geva Dagan
Director



WREXHAM SHOPPING CENTRE LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The director presents his report and the financial statements for the period ended 31 December 2022.

Principal activity

The principal activity of the Company and the Group is that of investment property management.

Results and dividends

The profit for the period, after taxation, amounted to £675,134.

Director

The director who served during the period was:

Geva Dagan (appointed 25 November 2021)

Director's responsibilities statement

The director is responsible for preparing the group strategic report, director's report and the consolidated financial statements, in accordance with applicable law.

Company law requires the director to prepare consolidated financial statements for each financial year. Under that law he has elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the director must not approve the consolidated financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless he either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Financial instruments

Details of the Company's and the Group's approach to financial instruments are set out in note 1 to the financial statements.

WREXHAM SHOPPING CENTRE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022**

Disclosure of information to auditors

The director at the time when this director's report is approved has confirmed that:

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

Auditors

The auditors, Nyman Libson Paul LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 MARCH 2023 and signed on its behalf.


Geva Dagan
Director

WREXHAM SHOPPING CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WREXHAM SHOPPING CENTRE LIMITED

Opinion

We have audited the financial statements of Wrexham Shopping Centre Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 December 2022 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the Company statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the Company statement of changes in equity and the related notes, including a summary of significant accounting policies set out on pages 19 - 24. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2022 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Group's and the parent Company's ability to continue to adopt the going concern basis of accounting included:

A review of the bank facilities and loan facilities available to the Group and parent Company and an assessment that such facilities are adequate to meet the Company's borrowing requirements for a period of at least twelve months from when the financial statements are authorised for issue.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

WREXHAM SHOPPING CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WREXHAM SHOPPING CENTRE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. 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 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.

Opinion on other matters 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 group strategic report and the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the director's report has been prepared in accordance with applicable legal requirements.

WREXHAM SHOPPING CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WREXHAM SHOPPING CENTRE LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the director's 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 parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 director's responsibilities statement on page 4, the director is 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 director determines 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 director is responsible for assessing the Group's and the parent 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 director either intends to liquidate the Group or the parent 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.

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 identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error, by designing and performing audit procedures responsive to those risks and obtaining sufficient and appropriate evidence to provide a basis for our opinion.

In identifying and assessing risks of material misstatement, we have considered the following:

- the nature of the industry and sector in which the Company operates;
- the control environment and business performance of the Company;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to identifying, evaluating and complying with laws and regulations and detecting and

WREXHAM SHOPPING CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WREXHAM SHOPPING CENTRE LIMITED (CONTINUED)

responding to the risks of fraud;

- whether the directors were aware of any instances of non-compliance or of actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- those matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As is common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management.

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

The key laws and regulations we considered in this context included the Company's ongoing compliance with the UK Companies Act and tax legislation.

We communicated those relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Auditing standards limit the required audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

In addition, as with any audit, the risk of non-detection of a material misstatement resulting from fraud is greater than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance.

As a result of performing the above, we identified the risk of management override as a key audit matter related to the potential risk of fraud. In response to this, our procedures included:

- testing the appropriateness of journal entries and other adjustments;
- assessment of the appropriateness of accounting policies used, the reasonableness of accounting estimates and judgments implemented and whether there is indication of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

WREXHAM SHOPPING CENTRE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WREXHAM SHOPPING CENTRE LIMITED
(CONTINUED)**

In addition to the aforementioned, our procedures to respond to risks identified included the following:

- evaluation of the overall presentation, structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves a presentation that is true and fair and in accordance with the provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- concluding on the appropriateness of the directors application of the going concern basis of accounting in preparing the financial statements and, based on the evidence obtained, concluding whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusions in regards to going concern are based on the evidence obtained up to the date of the audit report and may not account for all future events or conditions that may transpire as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made. Consequently, our conclusions are not a guarantee that the Company will continue in operation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.



Richard Paul (senior statutory auditor)

for and on behalf of
Nyman Libson Paul LLP

Chartered Accountants
Statutory Auditors

124 Finchley Road
London
NW3 5JS

Date: 2 MARCH 2023

WREXHAM SHOPPING CENTRE LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Note	2022 £
Revenue	6	3,071,578
Gross profit		<u>3,071,578</u>
Other operating income	7	52,111
Administrative expenses		(1,720,580)
Profit from operations		<u>1,403,109</u>
Finance income	9	4,588
Finance expense	9	(657,777)
Fair value gains	12	105,402
Profit before tax		<u>855,322</u>
Tax expense	10	(180,188)
Total comprehensive income		<u><u>675,134</u></u>

The notes on pages 19 to 35 form part of these financial statements.

WREXHAM SHOPPING CENTRE LIMITED
REGISTERED NUMBER: 13765895

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022


	Note	2022 £
Assets		
Non-current assets		
Property, plant and equipment	11	40,909
Investment property	12	11,259,091
Intangible assets	13	1,063,289
		<u>12,363,289</u>
Current assets		
Trade and other receivables	14	679,142
Cash and cash equivalents	21	1,366,036
		<u>2,045,178</u>
Total assets		<u><u>14,408,467</u></u>
Liabilities		
Non-current liabilities		
Loans and borrowings	16	12,282,776
Deferred tax liability	10	26,351
		<u>12,309,127</u>
Current liabilities		
Trade and other liabilities	15	1,424,205
		<u>1,424,205</u>
Total liabilities		<u><u>13,733,332</u></u>
Net assets		<u><u>675,135</u></u>

WREXHAM SHOPPING CENTRE LIMITED
REGISTERED NUMBER: 13765895

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £
Issued capital and reserves attributable to owners of the parent		
Share capital	17	1
Retained earnings		675,134
		<hr/> 675,135
TOTAL EQUITY		<hr/> 675,135 <hr/>

The financial statements on pages 11 to 35 were approved and authorised for issue by the board of director on and were signed on its behalf by:


Geva Dagan
Director

2 MARCH 2023

The notes on pages 19 to 35 form part of these financial statements.

WREXHAM SHOPPING CENTRE LIMITED
REGISTERED NUMBER: 13765895

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £
Assets		
Non-current assets		
Other non-current investments		11,948,185
		<u>11,948,185</u>
Current assets		
Trade and other receivables	14	188,703
Cash and cash equivalents	21	233,452
		<u>422,155</u>
Total assets		<u><u>12,370,340</u></u>
Liabilities		
Non-current liabilities		
Loans and borrowings	16	12,282,776
		<u>12,282,776</u>
Current liabilities		
Trade and other liabilities	15	189,267
		<u>189,267</u>
Total liabilities		<u><u>12,472,043</u></u>
Net (liabilities)/assets		<u><u>(101,703)</u></u>

WREXHAM SHOPPING CENTRE LIMITED
REGISTERED NUMBER: 13765895

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £
Issued capital and reserves attributable to owners of the parent		
Share capital	17	1
Retained earnings		(101,704)
TOTAL EQUITY		<u>(101,703)</u>

The Company's loss for the period was £101,704.

The financial statements on pages 11 to 35 were approved and authorised for issue by the board of director on and were signed on its behalf by:



Geva Dagan
Director

2 MARCH 2023

The notes on pages 19 to 35 form part of these financial statements.

WREXHAM SHOPPING CENTRE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Share capital £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
Comprehensive income for the period				
Profit for the period	-	675,134	675,134	675,134
	-	675,134	675,134	675,134
Total comprehensive income for the period				
Contributions by and distributions to owners				
Issue of share capital	1	-	1	1
Total contributions by and distributions to owners	1	-	1	1
At 31 December 2022	1	675,134	675,135	675,135

The notes on pages 19 to 35 form part of these financial statements.

WREXHAM SHOPPING CENTRE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Share capital £	Retained earnings £	Total equity £
Comprehensive income for the period			
Profit for the period	-	(101,704)	(101,704)
	-	(101,704)	(101,704)
Total comprehensive income for the period			
Contributions by and distributions to owners			
Issue of share capital	1	-	1
Total contributions by and distributions to owners	1	-	1
At 31 December 2022	1	(101,704)	(101,703)

The notes on pages 19 to 35 form part of these financial statements.

WREXHAM SHOPPING CENTRE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Note	2022 £
Cash flows from operating activities		
Profit for the period		675,134
Adjustments for		
Depreciation of property, plant and equipment	11	4,091
Change in value of investment property	12	(105,402)
Income tax expense	10	180,188
		<u>754,011</u>
Movements in working capital:		
Increase in trade and other receivables		(679,142)
Increase in trade and other payables		1,270,368
		<u>1,345,237</u>
Cash generated from operations		<u>1,345,237</u>
Net cash from operating activities		<u>1,345,237</u>
Cash flows from investing activities		
Acquisition of subsidiary		(1,063,289)
Purchases of property, plant and equipment		(45,000)
Payments for investment property		(11,153,689)
		<u>(12,261,978)</u>
Net cash used in investing activities		<u>(12,261,978)</u>
Cash flows from financing activities		
Issue of ordinary shares		1
Proceeds from other borrowings		12,282,776
		<u>12,282,777</u>
Net cash from financing activities		<u>12,282,777</u>
Net cash increase in cash and cash equivalents		<u>1,366,036</u>
Cash and cash equivalents at the end of the period	21	<u><u>1,366,036</u></u>

The notes on pages 19 to 35 form part of these financial statements.

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. Accounting policies

1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1.2 Going concern

The directors have reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and they have therefore adopted the going concern basis of accounting in preparing the financial statements.

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.4 Revenue

Revenue is measured as the fair value of rent received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a service to a customer.

1.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.6 Taxation

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

(i) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the consolidated consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.6 Taxation (continued)

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The director of the Group reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the director have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Other property, plant and equipment	over 55 months
-------------------------------------	----------------

1.8 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

1.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.11 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1.13 Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.13 Financial liabilities and equity instruments (continued)

(iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

1.14 Financial risk factors and management

The Group's operation exposes it to a variety of financial risk including credit risk and liquidity risk. The principal risks of the Group and how the Group manages these risks are discussed below.

Liquidity risk

The Group manages its cash and borrowings requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the businesses.

Credit risk

The Group manages its credit risk by credit checking customers, timely invoicing and follow up on late payments.

2. Reporting entity

Wrexham Shopping Centre Limited (the 'Company') is a limited company incorporated in England & Wales. The Company's registered office is at 14 Berkeley Street, Mayfair, London, W1J 8DX. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in investment property management.

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

3. Basis of preparation

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). They were authorised for issue by the Company's board of directors on .

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). The Company's individual financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. They were authorised for issue by the Company's board of directors on .

Details of the Group's accounting policies, including changes during the period, are included in note 1.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own statement of comprehensive income in these financial statements.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 5.

3.1 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Investment property	Carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate.

3.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 25 November 2021

The directors anticipate that the adoption of other standards and interpretations that are not yet effective in future periods will not have any significant impact on the financial statements of the Company.

4. Functional and presentation currency

These consolidated financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

5. Accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgment or complexity and areas where assumptions and estimates are significant to the company's financial statements are discussed below:

Income taxes

The Company evaluates the recoverability of deferred tax assets based on estimates of future earnings. The ability to recover these taxes depends ultimately on the Company's ability to generate taxable earnings over the course of the period for which the deferred tax assets remain deductible. This analysis is based on the estimated reversal of deferred taxes as well as estimates of taxable earnings, which are sourced from internal projections and are updated to reflect the latest trends.

The appropriate classification of tax assets and liabilities depends on a number of factors, including estimates as to the timing and materialisation of deferred tax assets and the forecast tax payment schedule. Actual income tax receipts and payments could differ from the estimates made by the Company as a result of changes in tax legislation or unforeseen transactions that could affect tax balances.

Property, plant and equipment

Accounting for property, plant and equipment involves the use of estimates and judgments for determining the useful lives over which these are to be depreciated.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives and taking into account their expected residual values. When the company estimates useful lives, various factors are considered including expected technological obsolescence and the expected usage of the asset.

The directors review these asset lives and change them as necessary to reflect the estimated current remaining trading lives in light of future economic utilisation and physical condition of the assets concerned. A significant change in asset lives can have a significant change on depreciation charges for the period.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. This obligation may be legal or constructive deriving from regulations, contracts, normal practices or public commitments that lead third parties to reasonably expect that the company will assume certain responsibilities. The amount of the provision is determined based on the best estimate of the outflow of resources required to settle the obligation, taking into account all available information.

No provision is recognised if the amount of liability cannot be estimated reliably. In this case, the relevant information is disclosed in the notes to the financial statements.

Given the uncertainties inherent in the estimates used to determine the amount of provision, actual outflows of resources may differ from the amounts recognised originally on the basis of the estimates.

WREXHAM SHOPPING CENTRE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

6. Revenue

The following is an analysis of the Group's revenue for the period from continuing operations:

	2022 £
Rent receivable	3,071,578
	<u>3,071,578</u>

Analysis of revenue by country of destination:

	2022 £
United Kingdom	3,071,578
	<u>3,071,578</u>

7. Other operating income

	2022 £
Insurance claims receivable	9,425
Sundry income	42,686
	<u>52,111</u>

8. Auditors' remuneration

During the period, the Group obtained the following services from the Group's auditors:

	2022 £
Fees payable to the Group's auditors for the audit of the Group's financial statements	10,000

WREXHAM SHOPPING CENTRE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

9. Finance income and expense

Recognised in profit or loss

	2022
	£
Finance income	
Interest on:	
- Bank deposits	4,588
Total interest income arising from financial assets measured at amortised cost or FVOCI	4,588
Total finance income	4,588
Finance expense	
Other loan interest payable	657,777
Total finance expense	657,777
Net finance expense recognised in profit or loss	(653,189)

WREXHAM SHOPPING CENTRE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

10. Tax expense

10.1 Income tax recognised in profit or loss

	2022 £
Current tax	
Current tax on profits for the period	153,837
Total current tax	153,837
Deferred tax expense	
Origination and reversal of timing differences	26,351
Total deferred tax	26,351
	180,188
Total tax expense	
Tax expense	180,188
	180,188

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to profits for the period are as follows:

	2022 £
Profit for the period	675,134
Income tax expense	180,188
Profit before income taxes	855,322
Tax using the Company's domestic tax rate of 19%	162,511
Other timing differences leading to an increase/(decrease) in taxation	(8,674)
Deferred tax charge	26,351
Total tax expense	180,188

WREXHAM SHOPPING CENTRE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

10. Tax expense (continued)

10.2 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2022 £
Deferred tax liabilities	(26,351)
	<u>(26,351)</u>

	Recognised in profit or loss £	Closing balance £
2022		
Deferred tax (liabilities)/assets in relation to:		
Investment property	26,351	26,351
	<u>26,351</u>	<u>26,351</u>

11. Property, plant and equipment

Group

	Other property, plant and equipment £
Cost or valuation	
Additions	45,000
At 31 December 2022	<u>45,000</u>

WREXHAM SHOPPING CENTRE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

11. Property, plant and equipment (continued)

	Other property, plant and equipment £
Accumulated depreciation and impairment	
Charge owned for the period	4,091
At 31 December 2022	4,091
Net book value	
At 31 December 2022	40,909

12. Investment property

Group

(i) Non-current assets at fair value

	2022 £
Purchases	11,153,689
Revaluation	105,402
	11,259,091

WREXHAM SHOPPING CENTRE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

13. Intangible assets

Group

Goodwill
£

Cost

On acquisition of subsidiaries

1,063,289

At 31 December 2022

1,063,289

Goodwill
£

Accumulated amortisation and impairment

Net book value

At 31 December 2022

1,063,289

14. Trade and other receivables

Group

2022
£

Trade receivables

353,625

Trade receivables - net

353,625

Prepayments and accrued income

144,317

Other receivables

181,200

Total trade and other receivables

679,142

Total current portion

(679,142)

WREXHAM SHOPPING CENTRE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

15. Trade and other payables

Group

	2022 £
Trade payables	343,597
Other payables	289,075
Accruals	319,468
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	952,140
Other payables - tax and social security payments	290,218
Deferred income	181,847
Total trade and other payables	1,424,205
Less: current portion - trade payables	(343,597)
Less: current portion - other payables	(579,293)
Less: current portion - accruals	(319,468)
Less: current portion - deferred income	(181,847)
Total current portion	(1,424,205)
Total non-current position	-

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

16. Loans and borrowings

Group

	2022 £
Non-current	
Other loans - unsecured	12,282,776
	12,282,776
Current	
Total loans and borrowings	12,282,776

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

WREXHAM SHOPPING CENTRE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

17. Share capital

Authorised

	2022 Number	2022 £
Shares treated as equity		
Ordinary shares of £0.01 each	100	1
	<u>100</u>	<u>1</u>

Issued and fully paid

	2022 Number	2022 £
Ordinary shares of £0.01 each		
Shares issued	100	1
	<u>100</u>	<u>1</u>
At 31 December		
	<u>100</u>	<u>1</u>

18. Leases

Group

(i) Operating leases - lessor

The following table summarises the undiscounted lease payments receivable after the reporting date.

	2022 £
Not later than one year	2,142,423
Between one and two years	1,147,629
Between two and three years	1,012,629
Between three and four years	907,462
Between four and five years	843,129
Later than five years	4,550,688
Total undiscounted lease payments	<u><u>10,603,960</u></u>

WREXHAM SHOPPING CENTRE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

19. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

At the year end the Company owed £6,105,846 to its immediate parent company SH.I.R Shlomo Real Estate Limited.

20. Controlling party

The immediate parent company is SH.I.R Shlomo Real Estate Limited, a company registered in Israel, which has a 50% interest in the issued share capital of the Company. The controlling party is Ms Atalia Shmelzer through her shareholding of SH.I.R Shlomo Real Estate Limited.

21. Notes supporting statement of cash flows

Group

	2022 £
Cash at bank available on demand	1,366,036
Cash and cash equivalents in the statement of financial position	1,366,036
Cash and cash equivalents in the statement of cash flows	1,366,036

Company

	2022 £
Cash at bank available on demand	233,452
Cash and cash equivalents in the statement of financial position	233,452
Cash and cash equivalents in the statement of cash flows	233,452