

**INTU NOTTINGHAM INVESTMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

Company number 4423998

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# **INTU NOTTINGHAM INVESTMENTS LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their Strategic Report for Intu Nottingham Investments Limited ("the company") for the year ended 31 December 2013.

### **PRINCIPAL ACTIVITIES**

The company is as an investment holding company.

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The directors expect the current level of activity to continue into the foreseeable future.

The company's results and financial position for the year ended 31 December 2013 are set out in full in the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The company's loss before tax was £4.2 million (2012 £4.7 million). Following a £5.2 million downward revaluation of an available-for-sale investment during the year (2012 £20.9 million), recognised through other comprehensive income, total equity at 31 December 2013 was £35.6 million (2012 £26.2 million).

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

As the company's ultimate parent company is Intu Properties plc, there are no principal risks and uncertainties facing the company which are not faced by the group. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the group financial statements.

**By order of the Board**



**Hugh Ford**  
Director  
5 September 2014



**Matthew Roberts**  
Director  
5 September 2014

# **INTU NOTTINGHAM INVESTMENTS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report and audited financial statements for the company for the year ended 31 December 2013.

The company is incorporated and registered in England and Wales (company number 4423998). The company's registered office is 40 Broadway, London, SW1H 0BU.

### **DIVIDENDS**

The company did not declare a dividend in the year (2012 nil).

### **CAPITAL MANAGEMENT**

The directors consider the capital of the company to be the ordinary share capital of £1 and funding from the company's immediate parent company of £80.7 million. Management of capital is performed at group level.

### **DIRECTORS**

The directors who held office during the year or until the date of this report are given below:

Hugh Ford  
Matthew Roberts  
Peter Weir

### **DIRECTORS' INDEMNITY PROVISION**

A qualifying third party indemnity provision (as defined in S234 of the Companies Act 2006) was in force during the financial year and also at the date of approval of the financial statements for the benefit of the directors of the company. The company's ultimate parent, Intu Properties plc, maintains directors' and officers' insurance which is reviewed annually.

# **INTU NOTTINGHAM INVESTMENTS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 (IFRSs) 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;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and each director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **INDEPENDENT AUDITORS**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the company is not required to hold an annual general meeting. Elective Resolutions are in force to dispense with the appointment of auditors annually. The auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial year.

**By order of the Board**



**Matthew Roberts**  
**Director**  
**5 September 2014**

# **INTU NOTTINGHAM INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTU NOTTINGHAM INVESTMENTS LIMITED**

### **Report on the financial statements**

#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say below.

#### **What we have audited**

The financial statements, which are prepared by Intu Nottingham Investments Limited, comprise the:

- the balance sheet as at 31 December 2013;
- the income statement for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **INTU NOTTINGHAM INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTU NOTTINGHAM INVESTMENTS LIMITED**

#### **Opinion on 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.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Thomas Norrie (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**London**  
**5 September 2014**

# INTU NOTTINGHAM INVESTMENTS LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £m	2012 £m
Finance costs	2	<u>(4.2)</u>	<u>(4.7)</u>
<b>Loss before tax</b>	3	(4.2)	(4.7)
Taxation	4	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<u>(4.2)</u>	<u>(4.7)</u>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £m	2012 £m
<b>Loss for the year</b>		(4.2)	(4.7)
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Revaluation of investment	5	<u>(5.2)</u>	<u>(20.9)</u>
<b>Total comprehensive income for the year</b>		<u>(9.4)</u>	<u>(25.6)</u>

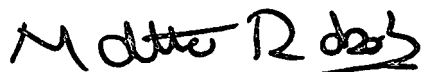
# INTU NOTTINGHAM INVESTMENTS LIMITED

## BALANCE SHEET AT 31 DECEMBER 2013

	Notes	2013 £m	2012 £m
<b>Non-current assets</b>			
Investments	5	<u>47.1</u>	<u>52.3</u>
<b>Total assets</b>		<u>47.1</u>	<u>52.3</u>
<b>Current liabilities</b>			
Trade and other payables	6	<u>(82.7)</u>	<u>(78.5)</u>
<b>Net liabilities</b>		<u>(35.6)</u>	<u>(26.2)</u>
<b>Equity</b>			
Share capital	10	-	-
Retained earnings		<u>(35.6)</u>	<u>(26.2)</u>
<b>Total equity</b>		<u>(35.6)</u>	<u>(26.2)</u>

The notes on pages 9 to 17 form part of these financial statements.

The financial statements on pages 6 to 17 have been approved for issue by the Board of Directors on 5 September 2014 and were signed on its behalf by



**Matthew Roberts**  
Director



**Hugh Ford**  
Director



# INTU NOTTINGHAM INVESTMENTS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Share capital £m	Retained earnings £m	Total equity £m
At 1 January 2012	-	(0.6)	(0.6)
Loss for the year	-	(4.7)	(4.7)
Other comprehensive income Revaluation of investment	-	(20.9)	(20.9)
Total comprehensive income for the year	-	(25.6)	(25.6)
<b>At 31 December 2012</b>	<b>-</b>	<b>(26.2)</b>	<b>(26.2)</b>
At 1 January 2013	-	(26.2)	(26.2)
Loss for the year	-	(4.2)	(4.2)
Other comprehensive income Revaluation of investment	-	(5.2)	(5.2)
Total comprehensive income for the year	-	(9.4)	(9.4)
<b>At 31 December 2013</b>	<b>-</b>	<b>(35.6)</b>	<b>(35.6)</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £m	2012 £m
Cash generated from operations	9	-	-
Cash flows from operating activities		-	-
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

# INTU NOTTINGHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. Principal accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS), IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments. A summary of the accounting policies is set out below.

In assessing whether the going concern basis of preparation is appropriate to adopt, the directors considered a number of factors including financial projections of the company and the level of financial support that may be made available to the company by its ultimate parent, Intu Properties plc. Based on this review the directors have concluded that there is a reasonable expectation that the company will have sufficient resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Where such judgements are made they are included within the accounting policies given below.

The accounting policies used are consistent with those applied in the last annual financial statements, as amended to reflect the adoption of new standards, amendments, and interpretations which became effective in the year. During 2013, the following relevant standards, amendments and interpretations endorsed by the EU became effective for the first time for the company's 31 December 2013 year end:

- IAS 1 Presentation of Financial Statements (amendment); and
- IAS 12 Income Taxes (amendment).

These have resulted in changes to presentation or disclosure only.

# INTU NOTTINGHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. Principal accounting policies (continued)

The following relevant standards have been issued and adopted by the EU but are not effective until 1 January 2014 and have not been adopted early:

- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interests in Other Entities;
- IAS 27 Separate Financial Statements (revised);
- IAS 28 Investments in Associates and Joint Ventures (revised);
- IAS 36 Impairment of Assets (amendment); and
- Amendments to IFRS 11 and IFRS 12 (transition guidance).

These pronouncements are not expected to have a material impact on the financial statements, but may result in changes to presentation or disclosure.

Additionally a number of standards have been issued but are not yet adopted by the EU and so are not available for early adoption. The impact on the company is being reviewed.

#### **Investments**

Available-for-sale investments, being investments intended to be held for an indefinite period, are initially and subsequently measured at fair value. Fair value is determined via reference to the company's share of the net assets of the investment, as set out in the publicly available financial statements of that investment.

Gains or losses arising from changes in fair value are included in other comprehensive income, except to the extent those losses are considered to represent a permanent impairment, in which case they are recognised in the income statement.

#### **Impairment of assets**

The company's assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

# **INTU NOTTINGHAM INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **1. Principal accounting policies (continued)**

#### **Current/non-current classification**

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption in, the course of the company's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the company's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

#### **Taxation**

Current tax is the amount payable on the taxable income for the year and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

# INTU NOTTINGHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 2. Finance costs

	2013 £m	2012 £m
On amounts due to group undertakings	<u>4.2</u>	<u>4.7</u>

### 3. Loss before tax

The loss before tax for the year ended 31 December 2013 of £4.2 million (2012 £4.7 million) did not include any fees in respect of auditors' remuneration or directors' remuneration (2012 £nil). The directors' remuneration for services to the company has been borne by other entities that are part of the Intu Properties plc group. No deduction has been made for auditors' remuneration of £1,200 (2012 £1,200) which was settled on behalf of the company by the ultimate parent company, Intu Properties plc, and has not been recharged.

There were no employees during the year (2012 none).

### 4. Taxation

The tax expense for the year is higher (2012 higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2013 £m	2012 £m
Loss before tax	<u>(4.2)</u>	<u>(4.7)</u>
Loss before tax multiplied by the tax in the UK of 23.25% (2012 24.5%)	(1.0)	(1.1)
Effects of:		
Transfer pricing adjustment	0.9	1.1
Share of Partnership's taxable losses	(1.2)	(2.1)
REIT exemption – corporation tax	-	-
REIT exemption – deferred tax	<u>1.3</u>	<u>2.1</u>
Tax expense	<u>-</u>	<u>-</u>

# INTU NOTTINGHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 5. Investments

	2013 £m	2012 £m
At 1 January	52.3	73.6
Adjustment to purchase price	-	(0.4)
Revaluation	<u>(5.2)</u>	<u>(20.9)</u>
At 31 December	<u>47.1</u>	<u>52.3</u>

The company's investment is an available-for-sale investment and reflects a 99.0% holding in The Broadmarsh Retail Limited Partnership, which was acquired on 1 December 2011 and which owns the intu Broadmarsh Shopping Centre, Nottingham.

This interest is accounted for as an available-for-sale investment as the company does not have control, joint control or significant influence over the Partnership. The management and control of the Partnership is the exclusive responsibility of the General Partner.

Available-for-sale investments are categorised as Level 2 in the fair value hierarchy.

#### Fair value hierarchy

Level 1: Valuation based on quoted market prices traded in active markets.

Level 2: Valuation techniques are used, maximising the use of observable market data, either directly from market prices or derived from market prices.

Level 3: Where one or more inputs to valuation are unobservable. Valuations at this level are more subjective and therefore more closely managed, including sensitivity analysis of inputs to valuation models. Such testing has not indicated that any material difference would arise due to a change in input variables.

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers in or out for the above financial assets and liabilities during the year.

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers in or out for the above financial assets and liabilities during the year.

Valuation techniques for level 2 hierarchy financial assets and liabilities are presented in the accounting policies.

# INTU NOTTINGHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 6. Trade and other payables

	2013 £m	2012 £m
Amounts due to immediate parent company	80.7	78.3
Amounts due to group undertaking	<u>2.0</u>	<u>0.2</u>
	<u>82.7</u>	<u>78.5</u>

Amounts due to the immediate parent company and group undertaking are unsecured, payable on demand and interest bearing at a rate of 5.30 per cent per annum (2012 6.25 per cent).

### 7. Related party transactions

During the year the company entered into the following transactions with other group companies:

Nature of transaction	2013 £m	2012 £m
Intu Shopping Centres plc Interest payable	<u>4.2</u>	<u>4.7</u>

Significant balances outstanding between the company and other group companies are shown below:

	Amounts owed to	
	2013 £m	2012 £m
Intu Shopping Centres plc	80.7	78.3
The Broadmarsh Retail Limited Partnership	<u>2.0</u>	<u>0.2</u>

# INTU NOTTINGHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 8. Financial risk management

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

The majority of the company's financial risk management is carried out by the group treasury department and the policies for managing each of these risks and the principal effects of these policies on the results for the year are summarised below.

#### Liquidity risk

Liquidity risk is managed to ensure that the company is able to meet future payment obligations when financial liabilities fall due. Liquidity analysis is conducted to ensure that sufficient headroom is available to meet the operational requirements and committed investments. The group treasury policy aims to meet this objective through maintaining adequate cash, marketable securities and committed facilities to meet these requirements. The group's policy is to seek to optimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinancing risk. In effect the group seeks to borrow for as long as possible at the lowest acceptable cost.

The tables below set out the maturity analysis of the company's financial liabilities based on the undiscounted contractual obligations to make payments of interest and to repay principal. Where interest payment obligations are based on a floating rate the rates used are those implied by the par yield curve.

	2013 £m
<b>Repayable within 1 year or on demand</b>	
Amounts due to immediate parent company	80.7
Amounts due to group undertaking	<u>2.0</u>
	2012 £m
<b>Repayable within 1 year or on demand</b>	
Amounts due to immediate parent company	78.3
Amounts due to group undertaking	<u>0.2</u>



# INTU NOTTINGHAM INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 8. Financial risk management (continued)

#### Classification of financial assets and liabilities

The table below sets out the company's accounting classification of each class of financial assets and liabilities, and their fair values at 31 December 2013 and 31 December 2012. The fair values of quoted borrowings are based on the asking price.

	Carrying value £m	2013 Fair value £m
Trade and other payables	(82.7)	(82.7)
<b>Total loans and payables</b>	<b>(82.7)</b>	<b>(82.7)</b>
	Carrying value £m	2012 Fair value £m
Trade and other payables	(78.5)	(78.5)
<b>Total loans and payables</b>	<b>(78.5)</b>	<b>(78.5)</b>

There were no gains or losses arising on financial assets or liabilities recognised in either the income statement or directly in equity (2012 £nil).

### 9. Cash generated from operations

	2013 £m	2012 £m
Loss before tax	(4.2)	(4.7)
Remove:		
Finance costs	4.2	4.7
Cash generated from operations	-	-

### 10. Share capital

	2013 £	2012 £
<b>Issued, called up and fully paid</b>		
1 (2012 1) ordinary share of £1	1	1

# **INTU NOTTINGHAM INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **11. Ultimate parent company**

The ultimate parent company is Intu Properties plc, a company incorporated and registered in England and Wales, copies of whose consolidated financial statements may be obtained from the Company Secretary, 40 Broadway, London, SW1H 0BT. The immediate parent company is Intu Shopping Centres plc, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained as above.