Company Registration No. 4139737

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

Annual Report and Financial Statements

Year ended 31 December 2021

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

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ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Calabrese (resigned 26 May 2021)
T G Kidd (resigned 13 January 2022)
R A Jones (resigned 26 May 2021)
G Bond (resigned 26 May 2021)
N J L Parsons
M J Lawrence
C S Hargreave (appointed 26 May 2021)
S J Johnston (appointed 22 September 2021)
J G Ralston (appointed 26 May 2021 and resigned 22 September 2021)

SECRETARY

L Meister

REGISTERED OFFICE

Nations House, 3rd Floor
103 Wigmore Street
London, England
W1U 1QS

BANKERS

Barclays Bank PLC
London Corporate Banking Group
54 Lombard Street
P O Box 544
London EC3V 9EX

SOLICITORS

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

This report has been prepared in accordance with the provisions applicable to companies subject to FRS 102 Section 1A - Small Entities.

PRINCIPAL ACTIVITIES

The principal activity of the Ashford Investor (General Partner) Limited ("the Company") is to act as the General Partner for The Ashford Investor Limited Partnership ("the Limited Partnership").

RESULTS AND DIVIDENDS

The Company made a loss of £17,268 (2020: loss of £14,424) before taxation for the period.

The directors have paid a dividend of £nil during the year (2020: £nil)

REVIEW OF BUSINESS

The directors consider that the results of the Company are satisfactory. The Company will continue to act as the General Partner for The Ashford Investor Limited Partnership for the foreseeable future.

POST BALANCE SHEET EVENTS

On 24 February 2022, Russia invaded Ukraine. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. The war in Ukraine and reflected events take place at a time of global economic uncertainty and volatility. The directors have considered the impact of these events on the Company and do not believe that they lead to a significant impact on the administrative expenses forecast to be incurred by the Company since the impact of the conflict has related mainly to increases in fuel and food prices. The directors will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Company taking necessary steps to mitigate these effects proactively.

GOING CONCERN

Management have reviewed the forecast cashflows, which have been prepared based on the Company's current business activities; and have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts. The going concern review period evaluated by management for the Company runs from the signing date of these financial statements through to 31 October 2023.

FUTURE DEVELOPMENTS

The directors' consider that the Company will continue to perform its principal activity for the foreseeable future. The directors' will monitor the impacts of the macroeconomic risks currently facing the Company due to the conflict in Ukraine as well as COVID-19, and will take appropriate action as necessary to ensure the Company continues to operate as a going concern.

BOARD OF DIRECTORS

The directors who served and resigned throughout the period and since the period end are as follows:

J Calabrese (resigned 26 May 2021)
T G Kidd (resigned 13 January 2022)
R A Jones (resigned 26 May 2021)
G Bond (resigned 26 May 2021)
N J L Parsons
M J Lawrence
C S Hargreave (appointed 26 May 2021)
S J Johnston (appointed 22 September 2021)
J G Ralston (appointed 26 May 2021 and resigned 22 September 2021)

STRATEGIC REPORT

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime. The Company has taken the exemption under section 414B of the Companies Act 2006 for the requirements to prepare a Strategic Report for the financial period.

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of the report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

AUDITORS

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Board Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

The financial statements have been prepared in accordance with the special provisions relating to the small companies regime.

Approved by the Board of Directors and signed on behalf of the Board by

Simon Johnston
Director

Date: 31 October 2022

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.' The financial statements are required by law to 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;

state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

Opinion

We have audited the financial statements of Ashford Investor (General Partner) Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ('United Kingdom Generally Accepted Accounting Practice').

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Company's ability to continue as a going concern for a period to 31 October 2023.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information 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 this 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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHFORD INVESTOR (GENERAL PARTNER) LIMITED (CONTINUED)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHFORD INVESTOR (GENERAL PARTNER) LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, those relating to its reporting framework being the United Kingdom Generally Accepted Accounting Practice, and any relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including data protection, anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through reading minutes of Board meetings as well as validating how policies and procedures in these areas are communicated and monitored. We also read any correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by making enquiries of management and those charged with governance. We also considered management's incentives around improving the performance of the Company, the opportunities available to execute any such actions through management override as well as the controls that the Company has established to address any such risks identified, including to prevent, deter and detect fraud and the monitoring of such controls by management.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved supplementing our enquiries of management and those charged with governance as well as reading meeting minutes with journal entry testing procedures undertaken tailored to the fraud risk factors affecting the Company in line with its current operations.

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

Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's Members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

LLP

David Wilson (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 31 OCT 2022

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Note	2021 £	2020 £
Administrative expenses		(17,238)	(14,948)
OPERATING LOSS		(17,238)	(14,948)
Interest receivable and similar income		-	524
Interest payable and similar charges		(30)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(17,268)	(14,424)
Tax on loss on ordinary activities	3	228	5,180
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(17,040)	(9,244)
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		(17,040)	(9,244)

All results are derived from continuing operations in the United Kingdom.

The notes on pages 11 to 16 form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total £
Balance as at 31 December 2019	1,000	52,849	53,849
Total comprehensive loss for the year	-	(9,244)	(9,244)
Balance as at 31 December 2020	1,000	43,605	44,605
Total comprehensive loss for the year	-	(17,040)	(17,040)
Balance as at 31 December 2021	1,000	26,565	27,565

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

BALANCE SHEET
31 December 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	4	1,000	1,000
CURRENT ASSETS			
Debtors: amounts due within one year	5	175	175
Debtors: amounts due after more than one year	5	1,480	5,052
Cash at bank and in hand		69,041	69,071
		70,696	74,298
CREDITORS: amounts falling due within one year	6	(44,131)	(30,693)
NET CURRENT ASSETS		26,565	43,605
TOTAL ASSETS LESS CURRENT LIABILITIES		27,565	44,605
CAPITAL AND RESERVES			
Called up share capital	7	1,000	1,000
Profit and loss account		26,565	43,605
SHAREHOLDERS' FUNDS		27,565	44,605

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime.

These financial statements were approved by the Board of Directors and authorised for issue on 31 October 2022 and are signed on behalf of the Board of Directors by

Simon Johnston

Director

Company Registration No. 4139737

The notes on pages 11 to 16 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of accounts preparation

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The financial statements are prepared in sterling which is the functional and presentation currency of the Company and rounded to the nearest £.

Statement of compliance

Ashford Investor (General Partner) Limited ("the Company") is a private company limited by shares registered in England & Wales, United Kingdom. Its registered office is 103 Wigmore Street, Nations House, 3rd Floor, London, England, W1U 1QS.

The financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A for small entities. The particular accounting policies adopted are described below. They have all been applied consistently throughout the current period and the preceding year.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Cash flow

The Company has taken advantage of the exemption available to small companies under FRS 102 Section 1A and has not prepared a cash flow statement.

Going concern

Management have reviewed the forecast cashflows, which have been prepared based on the Company's current business activities; and have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts. The going concern review period evaluated by management for the Company runs from the signing date of these financial statements through to 31 October 2023.

Significant accounting policies

Investments and investment income

Fixed asset investments, both listed and unlisted, are stated at cost less provisions for any impairment. Investment income consists of distributions made by The Ashford Investor Limited Partnership and is recognised when the Company obtains the right to the distribution.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. All taxable income is derived from the fixed asset investment in the Limited Partnership.

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for turnover and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. In the event such estimates and assumptions, which are based on the best judgement of the directors as at the balance sheet date, deviate from the actual circumstances in the future the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company has identified the following areas where significant judgement and estimation are required:

Impairment of non-financial assets (judgement)

At each reporting date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss

Taxation (estimate)

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authority of the country in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

	2021 £	2020 £
Auditor's remuneration:		
Fees payable to auditors for audit of Company's annual accounts	13,695	11,405
Non-audit tax compliance fees	3,543	3,543

No staff were employed by the Company during the period (2020: nil).

Directors are remunerated through other undertakings for which no remuneration relates to the Company. The level of qualifying services of the directors of the Company is considered to be incidental and negligible compared to the services provided to the other undertakings. There are no management charges to Ashford Investor (General Partner) Limited from the other undertakings for these services. Consequently, it is deemed that the remuneration for such qualifying services is £nil (2020: £nil).

3. TAXATION

a) **Tax on loss on ordinary activities**	2021 £	2020 £
Current tax		
Current corporation tax charge (credit)	2,868	-
Adjustments relating to prior years	-	(128)
Deferred tax		
Tax losses recognised	-	(5,052)
Effect of change in tax rate on deferred tax balances	228	-
Tax losses utilised in the period	(2,868)	-
Total tax charge (credit) for the year	228	(5,180)

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2021

3. TAXATION (CONTINUED)

b) Factors affecting the current tax charge/ (credit) for the period

The tax assessed for the period is different from the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are:

	2021 £	2020 £
Loss on ordinary activities before tax	(17,268)	(14,424)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(3,281)	(2,741)
Effect of:		
Share of Limited Partnership profits	12,301	4,003
Tax (over) under provided in prior years	-	(128)
Relief claimed on taxable income	(6,152)	(6,314)
Effect of change in tax rate on deferred tax balances	228	-
Tax losses utilised in the period	(2,868)	-
Total tax charge (credit) for the year	228	(5,180)

c) Factors affecting future tax charge

On 5 March 2021, the Chancellor announced that the corporation tax rate will increase to 25% in the UK for financial years from 1 April 2023. This change was made under the Finance (No.2) Bill 2019-21, which had *statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. As such, it* was considered substantively enacted under UK GAAP, FRS 102 only on receiving Royal Assent, which was on 10 June 2021.

The Company has tax losses arising in the UK of £5,914 (2020: £26,587) that are indefinitely available for offset against future taxable profits of the Company. A deferred tax asset balance has been recognised in full against the value of these carried forward tax losses to offset against future Company taxable profits. Refer to Note 5 for more information.

d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2021 £	2020 £
Debtors: amounts due in more than one year (Note 5)	1,480	5,052

	2021 £	2020 £
As at 1 January	5,052	-
Tax losses recognised in the period	-	5,052
Tax losses utilised in the period	(2,868)	-
Effect of change in tax rate on deferred tax balances	228	-
Other timing differences	(932)	-
As at 31 December	1,480	5,052

4. INVESTMENTS

	2021	2020
	£	£
Cost		
Capital invested, at cost, in The Ashford Investor Limited Partnership	1,000	1,000
Net book value	1,000	1,000

The investment in The Ashford Investor Limited Partnership represents a 1% holding in the Limited Partnership, which was established under a Limited Partnership Deed dated 28 March 2001 as amended and restated on 26 September 2011 and 22 February 2017. The Limited Partnership is registered in England and Wales and its principal place of business is the United Kingdom. The principal activity of The Ashford Investor Limited Partnership is to hold and manage the McArthurGlen Ashford Designer Outlet Centre.

5. DEBTORS

	2021	2020
Amounts due within one year:	£	£
VAT recoverable	175	175

	2021	2020
Amounts due in more than one year:	£	£
Deferred tax asset	1,480	5,052

Movement in the deferred tax asset is recognised in Note 3.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	16,896	-
Amounts owed to Ashford Investor Limited Partnership	11,945	10,630
Accruals	15,290	16,262
Corporation tax	-	3,801
	44,131	30,693

Amounts owed to The Ashford Investor Limited Partnership are unsecured interest-free and repayable on demand.

7. CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000

All shares were issued at par, and cash consideration was received.

8. COMMITMENTS

The Company has provided a guarantee in respect of the £100,000,000 bank loan facility with Bayerische Landesbank held by The Ashford Investor Limited Partnership via a fixed and floating charge on its assets.

9. RELATED PARTY TRANSACTIONS

The Company is the General Partner of The Ashford Investor Limited Partnership, in which it has a 1% interest. The share of the Partnership profit attributable to the General Partner was £75,575 for the financial year-ended 31 December 2021 (2020: loss of £234,302). The share of the Partnership current account attributable to the General Partner was £653,792 at 31 December 2021 (2020: £578,216). Distributions of £nil (2020: £ nil) were paid to the General Partner for the financial year-ended 31 December 2021. The Limited Partnership paid costs of £nil (2020: £10,630) on behalf of the Company for the financial year-ended 31 December 2021. During the year, the Company received VAT refunds totalling £402,456 (2020: £1,527,552) on behalf of the Limited Partnership. At the year end, the Company owed £11,945 (2020: £10,630) to the Limited Partnership.

10. CONTROLLING PARTY

Ownership of the Company is shared between the respective shareholders in their capital ratios and no party has overall control. The respective shareholders equity ownership percentages in the Company were as follows during the current and prior financial years-ended:

	2021	2020
	%	%
Outlet Site Holdings Sarl	50	50
The Royal London Mutual Insurance Society Limited	25	25
Staffordshire County Council Pension Fund	25	25

11. POST BALANCE SHEET EVENTS

On 24 February 2022, Russia invaded Ukraine. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. The war in Ukraine and reflected events take place at a time of global economic uncertainty and volatility. The directors have considered the impact of these events on the Company and do not believe that they lead to a significant impact on the administrative expenses forecast to be incurred by the Company since the impact of the conflict has related mainly to increases in fuel and food prices. The directors will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Company taking necessary steps to mitigate these effects proactively.

Registration No. LP007517

THE ASHFORD INVESTOR LIMITED PARTNERSHIP

Annual Report and Financial Statements

For the year ended 31 December 2021

THE ASHFORD INVESTOR LIMITED PARTNERSHIP

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

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THE ASHFORD INVESTOR LIMITED PARTNERSHIP

PARTNERS AND PROFESSIONAL ADVISERS

LIMITED PARTNERS

Outlet Ashford Holdings Sarl
The Royal London Mutual Insurance Society Limited
Staffordshire County Council Pension Fund

GENERAL PARTNER

Ashford Investor (General Partner) Limited

BANKERS

Barclays Bank PLC
Pall Mall Corporate Banking Group
50 Pall Mall
PO Box 15161
London SW1A 1QA

SOLICITORS

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

REGISTERED PLACE OF BUSINESS

Nations House, 3rd Floor
103 Wigmore Street
London W1U 1QS

Registration Number: LP007517

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of the General Partner ("Directors") present their strategic report of The Ashford Investor Limited Partnership ("the Partnership" or "the LP") for the year from 1 January to 31 December 2021.

REVIEW OF THE PARTNERSHIP'S BUSINESS

The key performance indicators monitored by the General Partner include net rental income, void unit levels and property value. Turnover increased by 15.4% to £15,382,086 (2020: £13,323,977), and rental income has increased by 15.8% to £9,754,945 (2020: £8,427,642). The property's appraised value at 31 December 2021 was £225,400,000 (2020: £219,100,000). The centre vacancy at 31 December 2021 was 17.1% (2020: 13.9%). The increase in rental income is significant due to the Rent Relief Package offered to tenants in 2020 and Q1 2021 in response to the COVID-19 pandemic as well as government restrictions imposed in order to manage the effect of the pandemic, which resulted in closure of the centre during 2020. The opening of phase 2 of the centre on 7 November 2020 has also helped to generate additional income. The General Partner intends to continue to drive the improvement in the tenants so as to increase profits and further raise the valuation of the property.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks faced by the Partnership are broadly grouped as: retail market risk, property investment market risks, financial instrument risk, risk arising from the Ukraine crisis, risk around rising energy prices, and risk arising from COVID-19.

i) Retail market risk

The General Partner considers that the Partnership's principal risk is the economic risk inherent in the diversified retail market, including fluctuations in consumer spending patterns and from inflation.

Such risks and uncertainties come mainly from the downturn in the current economic environment that has been affecting the wider economy. This risk is being mitigated by the centre having good offers on products and various events throughout the year to drive footfall into the centre.

ii) Property investment market risk

The General Partner recognises that there is risk associated with the property investment market whereby small changes in property market yields can have a significant effect on the value of the property assets.

The Partnership manages this risk through an active programme of asset management.

iii) Financial instrument risk

The General Partner has considered the risks attached to the Partnership's financial instruments, which principally comprise cash, external bank debt as well as short-term and long-term debtors and creditors. The General Partner has taken a prudent approach in its consideration of the various risks attached to the financial instruments of the Limited Partnership. The Partnership's exposure to price risk is not considered material for the assessment of assets, liabilities and the financial statements.

iv) Ukraine crisis

Following the escalation of the conflict between Ukraine and Russia in February 2022 and the related economic sanctions imposed by various governments, the General Partner is actively monitoring the situation and will assess any impact as it is deemed to arise. The General Partner recognises that the overall impact of the conflict may not yet be apparent and does not underestimate the inevitable effect it will have on global financial markets, including any potential adverse impact on the Partnership.

As at the date of approval of these financial statements, based on its assessment of the current situation and information available, the General Partner does not envisage that this will have a material impact on the Partnership.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

v) Energy prices

The General Partner has considered the risk of the rise of energy prices in the UK on the McArthurGlen Ashford Designer Outlet. The General Partner acknowledges that the continuing rises in energy prices creates potential uncertainty over the future performance and profits of the Limited Partnership. The General Partner will continue to monitor the situation and any impact deemed to arise.

vi) COVID-19

The General Partner considers the COVID-19 pandemic an ongoing risk, with no comparable recent events that could be a point of reference for its consequences. These consequences, including global and local economic downturns and risks to the health and safety of customers, employees and other stakeholders, could have an adverse impact on the Partnership and its operations. These risks have been mitigated by the relaxation of Government restrictions and the roll out of the vaccination programmes across the United Kingdom.

Approved by the General Partner and signed on its behalf

S Johnston

Director

Ashford Investor (General Partner) Limited

Date: 31 October 2022

THE ASHFORD INVESTOR LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT TO THE PARTNERSHIP

Ashford Investor (General Partner) Limited (the "General Partner") has pleasure in presenting its report on the operations of The Ashford Investor Limited Partnership for the year ended 31 December 2021 together with the audited financial statements.

PRINCIPAL ACTIVITY OF THE PARTNERSHIP

The principal activity of the retail outlet property centre has remained unchanged from previous years.

The Partnership's principal activity is the business of acquiring, developing, managing and holding the McArthurGlen Ashford Designer Outlet Centre for investment purposes.

RESULTS AND DISTRIBUTIONS

The profit for the year amounted to £7,557,558 (2020: loss of £23,430,085) for the Partnership. The Partnership made distributions of £nil (2020: £nil) for the year ended 31 December 2021.

GOING CONCERN

The General Partner considers that the Partnership will continue as a going concern over the going concern review period that runs from the date of approval of the year ended 31 December 2021 financial statements until 31 October 2023. This assumes that the Partnership will be able to meet its liabilities as and when they fall due for the foreseeable future. As at 31 December 2021, there is a net current liability position of £55,376,669 (2020: £59,582,132) in the Partnership, primarily arising from the Partners' loan accounts of £74,358,046 (2020: £71,558,046). These loans have no fixed repayment dates and are interest free. The General Partner has received a letter of support from each of the limited partners confirming that they do not intend to request repayment of any amounts due to them, which includes any of the current accounts outstanding, if it would result in the Partnership being unable to meet its financial liabilities as they fall due. This support has been given from the date of approval of the Partnership's financial statements through to 31 October 2023. Furthermore, the Partnership has a positive net asset position of £65,479,433 (2020: £57,921,875) as at 31 December 2021.

In preparing the cash flow forecast to support the going concern assessment, the General Partner has assessed whether the Partnership will be able to comply with all bank covenants and generate positive future cash flows during the going concern review period. The McArthurGlen Ashford Designer Outlet Centre has traded well since its reopening in April 2021 following the COVID-19 related closure. The General Partner has assessed the impact of the pandemic on the operations of the Partnership and is satisfied that the Partnership has sufficient financial means to meet its liabilities as and when they fall due over the going concern review period.

Under the terms of the bank loan agreement, the Partnership must comply with a Historical Interest Cover ratio covenant throughout the loan term and up until the loan maturity date. As at the signing date of the financial statements of the Partnership, no breach in the Historical Interest Cover ratio loan covenant on the bank loan facility has occurred, and management are confident that no such covenant breach is expected to occur during the going concern review period.

Moreover, the Partnership has also received an external valuation for the McArthurGlen Ashford Designer Outlet Centre that notes the fair value of the outlet centre to be £225,400,000 as at 31 December 2021, a 3% increase in value from 31 December 2020. Based on the same, management are confident that no Loan-to-Value ("LTV") covenant breach has occurred or is expected during the going concern review period, with this valuation being management's best estimate of the fair value of the McArthurGlen Ashford Designer Outlet Centre as at the date of signing of these financial statements.

Post year end, on 23 May 2022, the Partnership refinanced its existing loan with Bayerische Landesbank for a total amount of £103,500,000. This loan facility is due to expire on 23 May 2027, outside the going concern review period.

On 24 February 2022, Russia invaded Ukraine. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. The war in Ukraine and reflected events take place at a time of global economic uncertainty and volatility. The General Partner has considered the impact of these events on the McArthurGlen Ashford Designer Outlet Centre and does not believe that they lead to a significant impact on the Partnership's sales, nor on the turnover of its brand partners. Furthermore, the impact of the conflict has related mainly to increases in fuel and food prices rather than real estate asset prices, and hence the impact to the Partnership's investment property is considered limited due to its geographical location. The General Partner will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Partnership taking necessary steps to mitigate these effects proactively.

GENERAL PARTNER'S REPORT TO THE PARTNERSHIP (CONTINUED)

GOING CONCERN (CONTINUED)

Therefore, the General Partner believes the financial statements should be prepared on a going concern basis. The financial statements do not include adjustments that would result if the Partnership was unable to continue as a going concern.

POST BALANCE SHEET EVENTS

External bank loan facility

Post year end, on 23 May 2022, the Partnership refinanced their existing loan with Bayerische Landesbank for a total amount of £103,500,000. This loan facility is due to expire on 23 May 2027.

Ukraine-Russia conflict

On 24 February 2022, Russia invaded Ukraine. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. The war in Ukraine and reflected events take place at a time of global economic uncertainty and volatility. The General Partner has considered the impact of these events on the McArthurGlen Ashford Designer Outlet Centre and do not believe that they lead to a significant impact on the Partnership's sales. Furthermore, the impact of the conflict has related mainly to increases in fuel and food prices rather than real estate asset prices in the United Kingdom, and hence the impact to the Partnership's investment property is considered limited due to its geographical location. The General Partner will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Partnership taking necessary steps to mitigate these effects proactively.

There were no other significant post balance sheet events to report.

PAYMENT POLICY

It is the Partnership's policy that payments to suppliers for goods and services to the Partnership are made in accordance with the policies of the management company, McArthurGlen UK Limited, a related party.

FUTURE DEVELOPMENTS

The General Partner considers that the Partnership will continue to perform its principal activity for the foreseeable future. The General Partner will monitor the impacts of the macroeconomic risks currently facing the Partnership due to the conflict in Ukraine and COVID-19 as well as the principal risks and uncertainties noted in the Strategic Report above, and will take appropriate action as necessary to ensure the Partnership continues to operate as a going concern.

PARTNERS AND PARTNERS' INTERESTS

The Limited Partners at 31 December 2021 and their interests in the equity and loan accounts were as follows:

	Capital	Current accounts	Loan accounts
	£	£	£
Outlet Ashford Holdings Sarl	49,500	32,362,821	37,179,022
The Royal London Mutual Insurance Society Limited	24,750	16,181,410	18,589,512
Staffordshire County Council Pension Fund	24,750	16,181,410	18,589,512
Ashford Investor (General Partner) Limited	1,000	653,792	-
Total	100,000	65,379,433	74,358,046

GENERAL PARTNER'S REPORT TO THE PARTNERSHIP (CONTINUED)

INFORMATION TO AUDITORS

The General Partner at the date of approval of this report confirms that:

1) so far as it is aware, there is no relevant audit information of which the Partnership's auditors are unaware; and
2) each of the Directors of the General Partner have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006 as applied to qualifying partnerships.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the General Partner and signed on its behalf

S Johnston

Director

Ashford Investor (General Partner) Limited

Date: 31 October 2022

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The General Partner is responsible for preparing the Strategic Report, the General Partner's Report and the financial statements in accordance with applicable law and regulations.

Ashford Investor (General Partner) Limited, acting as the General Partner, is responsible under the Deed of Partnership and the Partnership (Accounts) Regulations 2008 (Application of Companies Act 2006) for preparing financial statements for each financial year. Under the Regulations the General Partner has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.' The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the General Partner is 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 a going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF THE ASHFORD INVESTOR LIMITED PARTNERSHIP

Opinion

We have audited the financial statements of The Ashford Investor Limited Partnership (the 'Qualifying Partnership') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Net Assets Attributable to Partners, the Statement of Cash Flows and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Qualifying Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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 Qualifying Partnership's ability to continue as a going concern for a period to 31 October 2023.

Our responsibilities and the responsibilities of the Members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Qualifying Partnership's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF THE ASHFORD INVESTOR LIMITED PARTNERSHIP (CONTINUED)

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The General Partner is responsible for the other information contained with the Annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 the 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 as applied to qualifying partnerships

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

- the information given in the Strategic report and the General Partner's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the General Partner's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Qualifying Partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or the General Partner's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of General Partner

As explained more fully in the General Partner's Responsibilities Statement set out on page 7, the General Partner 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 General Partner 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 General Partner is responsible for assessing the Qualifying Partnership'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 General Partner either intends to liquidate the Qualifying Partnership or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF THE ASHFORD INVESTOR LIMITED PARTNERSHIP (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Qualifying Partnership and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Qualifying Partnership and determined that the most significant are the Companies Act 2006 as applied to qualifying partnerships, those relating to its reporting framework being the United Kingdom Generally Accepted Accounting Practice, and any relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Qualifying Partnership has to comply with laws and regulations relating to its operations, including health and safety, data protection, anti-bribery and corruption.
- We understood how the Qualifying Partnership is complying with those frameworks by making enquiries of management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through reading minutes of Board meetings of the Directors of the General Partner, other Qualifying Partnership governance meetings as well as validating how policies and procedures in these areas are communicated and monitored. We also read any correspondence with relevant authorities.
- We assessed the susceptibility of the Qualifying Partnership's financial statements to material misstatement, including how fraud might occur during the financial year by making enquiries of management and those charged with governance. We also considered management's incentives around improving the performance of the Qualifying Partnership, the opportunities available to execute any such actions through management override as well as the controls that the Qualifying Partnership has established to address any such risks identified, including to prevent, deter and detect fraud and the monitoring of such controls by management.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved supplementing our enquiries of management and those charged with governance as well as reading meeting minutes with journal entry testing procedures undertaken using defined risk criteria tailored to the fraud risk factors affecting the partnership in line with its current operations.

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

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF THE ASHFORD INVESTOR LIMITED PARTNERSHIP (CONTINUED)

Use of our report

This report is made solely to the Qualifying Partnership's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the Qualifying Partnership'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 Qualifying Partnership's Members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Wilson (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 31 OCT 2022

THE ASHFORD INVESTOR LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	2	15,382,086	13,323,977
Property expenditure		(7,892,579)	(8,142,321)
Gross profit		7,489,507	5,181,656
Administrative expenses		(1,592,262)	(1,925,727)
Change in fair value of derivative instruments		1,075,448	(570,972)
Change in fair value of investment property	5	3,822,646	(22,792,109)
OPERATING PROFIT / (LOSS)	3	10,795,339	(20,107,152)
Interest payable and similar charges	4	(3,237,781)	(3,322,933)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		7,557,558	(23,430,085)
Tax on (profit) / loss on ordinary activities		-	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		7,557,558	(23,430,085)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		7,557,558	(23,430,085)

All results are derived from continuing operations in the United Kingdom.

BALANCE SHEET
31 December 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	5	77,600	128,245
Investment property	5	220,972,884	218,365,695
		221,050,484	218,493,940
CURRENT ASSETS			
Debtors: amounts due within one year	6	5,453,295	4,823,718
Debtors: amounts due after more than one year	6	3,980,798	1,531,256
Cash at bank and in hand	11	14,301,171	9,816,205
Restricted cash	7	405,806	437,139
		24,141,070	16,608,318
CREDITORS: amounts falling due within one year	7	(79,757,365)	(76,190,450)
NET CURRENT LIABILITIES		(55,616,295)	(59,582,132)
TOTAL ASSETS LESS CURRENT LIABILITIES		165,434,189	158,911,808
CREDITORS: amounts falling due after more than one year	8	(99,954,756)	(100,989,933)
NET ASSETS		65,479,433	57,921,875
REPRESENTED BY:			
PARTNERS' CAPITAL AND RESERVES			
Partners' capital accounts	9	100,000	100,000
Partners' current accounts	10	65,379,433	57,821,875
		65,479,433	57,921,875

These financial statements of The Ashford Investor Limited Partnership, Registration No. LP007517 were approved by the Ashford Investor (General Partner) Limited on 31 October 2022 and were signed on its behalf by

Simon Johnston

Director

For and on behalf of Ashford Investor (General Partner) Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS
31 December 2021

	Partners' capital accounts	Partners' current account	Total
	£	£	£
Balance at 31 December 2019	100,000	81,251,960	81,351,960
Total comprehensive loss for the year	-	(23,430,085)	(23,430,085)
Balance at 31 December 2020	100,000	57,821,875	57,921,875
Total comprehensive income for the year	-	7,557,558	7,557,558
Balance at 31 December 2021	100,000	65,379,433	65,479,433

STATEMENT OF CASH FLOWS
Year ended 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Net cash inflow from operating activities	11(a)		9,057,943		6,423,813
Investing activities					
Payments to acquire tangible fixed assets	5	(9,047)		(48,302)	
Additions to investment property	5	(4,406,046)		(3,264,623)	
Net cash outflow from investing activities			(4,415,093)		(3,312,925)
Financing activities					
Interest paid	4	(2,957,884)		(3,042,269)	
Proceeds from new loans contributed by partners	7	2,800,000		-	
Net cash outflow from financing activities			(157,884)		(3,042,269)
Increase in cash and cash equivalents			4,484,966		68,619
Cash and cash equivalents at 1 January	11(b)		9,816,205		9,747,586
Cash and cash equivalents at 31 December	11(b)		14,301,171		9,816,205

NOTES TO THE FINANCIAL STATEMENTS

1.1 GENERAL INFORMATION

The Ashford Investor Limited Partnership ("the Partnership") is a partnership registered in England & Wales, United Kingdom and prepares accounts under The Partnership (Accounts) Regulations 2008. The nature of the Partnership's operations and its principal activities are set out on page 4.

The Partnership is regulated by a Deed of Partnership dated 28 March 2001 as amended and restated on 26 September 2011 and 22 February 2017.

1.2 STRUCTURE OF THE PARTNERSHIP

The capital of the Partnership has been provided by the Partners in the following proportions:

	31 December 2021	31 December 2020
Limited partners		
Outlet Ashford Holdings Sarl	49.5%	49.5%
The Royal London Mutual Insurance Society Limited	24.75%	24.75%
Staffordshire County Council Pension Fund	24.75%	24.75%
General Partner		
Ashford Investor (General Partner) Limited	1.0%	1.0%

Net profit or loss for each financial year is allocated between the Partners in these proportions.

1.3 ACCOUNTING POLICIES

Statement of compliance

The Ashford Investor Limited Partnership ("the Partnership") is a partnership registered in England & Wales, United Kingdom. Its registered office is 103 Wigmore Street, 3rd Floor, Nations House, London, England W1U 1QS.

The financial statements have been prepared in compliance with applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are described below. They have all been applied consistently throughout the current period and the preceding year.

Basis of presentation

These financial statements have been prepared under Regulation 4 of the Partnerships (Accounts) Regulations 2008.

The financial statements are prepared in sterling which is the functional and presentation currency of the Partnership and rounded to the nearest £.

Going concern

The General Partner considers that the Partnership will continue as a going concern over the going concern review period that runs from the date of approval of the year ended 31 December 2021 financial statements until 31 October 2023. This assumes that the Partnership will be able to meet its liabilities as and when they fall due for the foreseeable future. As at 31 December 2021, there is a net current liability position of £55,376,669 (2020: £59,582,132) in the Partnership, primarily arising from the Partners' loan accounts of £74,358,046 (2020: £71,558,046). These loans have no fixed repayment dates and are interest free. The General Partner has received a letter of support from each of the limited partners confirming that they do not intend to request repayment of any amounts due to them, which includes any of the current accounts outstanding, if it would result in the Partnership being unable to meet its financial liabilities as they fall due. This support has been given from the date of approval of the Partnership's financial statements through to 31 October 2023. Furthermore, the Partnership has a positive net asset position of £65,479,433 (2020: £57,921,875) as at 31 December 2021.

1.3 ACCOUNTING POLICIES (continued)

GOING CONCERN (continued)

In preparing the cash flow forecast to support the going concern assessment, the General Partner has assessed whether the Partnership will be able to comply with all bank covenants and generate positive future cash flows during the going concern review period. The McArthurGlen Ashford Designer Outlet Centre has traded well since its reopening in April 2021 following the COVID-19 related closure. The General Partner has assessed the impact of the pandemic on the operations of the Partnership and is satisfied that the Partnership has sufficient financial means to meet its liabilities as and when they fall due over the going concern review period.

Under the terms of the bank loan agreement, the Partnership must comply with a Historical Interest Cover ratio covenant throughout the loan term and up until the loan maturity date. As at the signing date of the financial statements of the Partnership, no breach in the Historical Interest Cover ratio loan covenant on the bank loan facility has occurred, and management are confident that no such covenant breach is expected to occur during the going concern review period.

Moreover, the Partnership has also received an external valuation for the McArthurGlen Ashford Designer Outlet Centre that notes the fair value of the outlet centre to be £225,400,000 as at 31 December 2021, a 3% increase in value from 31 December 2020. Based on the same, management are confident that no Loan-to-Value ("LTV") covenant breach has occurred or is expected during the going concern review period, with this valuation being management's best estimate of the fair value of the McArthurGlen Ashford Designer Outlet Centre as at the date of signing of these financial statements.

Post year end, on 23 May 2022, the Partnership refinanced its existing loan with Bayerische Landesbank for a total amount of £103,500,000. This loan facility is due to expire on 23 May 2027, outside the going concern review period.

On 24 February 2022, Russia invaded Ukraine. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. The war in Ukraine and reflected events take place at a time of global economic uncertainty and volatility. The General Partner has considered the impact of these events on the McArthurGlen Ashford Designer Outlet Centre and does not believe that they lead to a significant impact on the Partnership's sales, nor on the turnover of its brand partners. Furthermore, the impact of the conflict has related mainly to increases in fuel and food prices rather than real estate asset prices, and hence the impact to the Partnership's investment property is considered limited due to its geographical location. The General Partner will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Partnership taking necessary steps to mitigate these effects proactively.

Therefore, the General Partner believes the financial statements should be prepared on a going concern basis. The financial statements do not include adjustments that would result if the Partnership was unable to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for turnover and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the event such estimates and assumptions, which are based on the best judgement of the General Partner as at the balance sheet date, deviate from the actual circumstances in the future the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.3 ACCOUNTING POLICIES (CONTINUED)

Judgements and key sources of estimation uncertainty (continued)

The following is the Partnership's key sources of estimation uncertainty and areas requiring significant judgement:

Impairment of non-financial assets (judgement)

At each reporting date, the Partnership reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Revaluation of investment property (estimate)

The Partnership carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Partnership engaged an independent valuation specialist to determine fair value at 31 December 2021. Fair value is based on active market prices, adjusted if necessary for differences in the nature, location or condition of the specific asset. The fair value of the investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Valuations are performed as of the balance sheet date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. The key assumptions used to determine the fair value of investment property are further explained in Note 5.

Significant accounting policies

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Bank borrowings and finance costs classified as basic financial instruments

Interest-bearing bank loans and overdrafts are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition at fair value they are measured at amortised cost using the effective interest rate method, less impairment.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Finance costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other finance charges are expensed in the period in which they occur. Finance charges consist of interest costs and other costs that an entity incurs in connection with the borrowing of funds.

1.3 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Bank borrowings and finance costs classified as basic financial instruments (continued)

Finance costs are capitalised from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. Cash held in trust for tenants comprises tenant deposits and is treated as restricted cash in the Balance Sheet.

Letting inducements

Letting inducements are classified as other debtors and amortised against rental income over the period of the lease.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Statement of Comprehensive Income except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Statement of Comprehensive Income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Classification of financial instruments issued by the LP

Financial instruments issued by the LP are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the LP to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the LP; and

- where the instrument will or may be settled in the LP's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the LP's own equity instruments or is a derivative that will be settled by the LP exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

1.3 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Tangible assets

Items classed as fixtures, fittings and equipment within the Balance Sheet are carried at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write down the cost of assets to their residual values over their estimated useful lives as follows:

Fixtures, fittings and equipment	1 to 15 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The General Partner assesses if there are any impairment indicators at each reporting date. If there is an indicator, an impairment test is required. Gains and losses on disposal of fixtures and fittings are determined by reference to their carrying amount and are included in the Statement of Comprehensive Income.

Investment property

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.

Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account accumulated in the profit and loss reserve unless a deficit below original cost, or its reversal, is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Investment properties are revalued annually by professionally qualified external valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Professional Standards (2020) and as required by FRS 102.

Leases

Leases where the Partnership does not transfer substantially all the risks and benefits incidental to ownership of the asset are classified as operating leases. There are no material finance leases affecting the Partnership as either lessor or lessee.

Distribution

The General Partner is advised on a quarterly basis by the asset managers of the recommended distributions, based on current and future expected cashflows. Based on the information supplied, the General Partner decides on the final distribution, which is recognised once the distribution is legally required to be paid.

Partners' Capital

Partners' capital accounts represent the amounts contributed to the Partnership by way of Partnership capital. The aggregate balance consists of 100,000 units with a value of £1 each. No partner is entitled to interest on its share of the capital of the Partnership.

1.3 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Partners' Participating Interest

Partners' participation rights are the rights of a partner against the LP that arise under the Deed of Partnership (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Partners' participation rights in the earnings or assets of the LP are analysed between those that are, from the LP's perspective, either a financial liability or equity in accordance with FRS 102. A partners' participation right results in a liability unless the right to any payment is discretionary on the part of the LP. Amounts subscribed or otherwise contributed by partners, for example Partners' capital, are classed as equity if the LP has an unconditional right to refuse payment to partners. If the LP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LP does not have an unconditional right to refuse payment, the amounts arising that are due to partners are in the nature of liabilities. They are therefore treated as an expense in the Statement of Comprehensive Income in the relevant period. To the extent that they remain unpaid at the period end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LP or its representative, so that the LP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among partners in the Statement of Comprehensive Income and are equity appropriations in the Balance Sheet.

Other amounts applied to partners, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LP has, in each case, an unconditional right to refuse payment.

Turnover

Rent receivable, including service charges and related income, is accounted for on an accruals basis, and billed monthly either in arrears or in advance, depending on the lease for the individual tenant. Any rents that are not billed in the month, due to tenants not supplying the necessary turnover figures, are accrued for on an estimated basis. Rental income excludes value added tax and represents rental income earned from third parties. This is attributable to one continuing activity in the UK, the letting and management of property.
Lease incentives given to tenants, such as rent-free periods are amortised over the lease term.
Tenant incentives given to tenants are shown as a debtor and amortised over the period to the end of the lease. This amortisation is included as a reduction in rental income. The valuation of the properties is reduced by the unamortised capital contributions.

Service charges represent reimbursements of costs incurred on behalf of the tenants. This is calculated based on the occupied area of each tenant as determined in the tenancy agreement.

Storage income is charged to tenants that require additional space for storage and is based on a pre-agreed rate as determined in the storage agreement for each tenant.

Parking income is charged at the time the service is provided to the visitors of the Centre who use the on-site parking facilities.

Capital expenditure recoverable from tenants

Capital expenditure recoverable from tenants is held at amortised cost. A discount rate of 8.75% (2020: 8.25%) is used. The discount rate is calculated based on economic assumptions reflecting the inherent risk of the business.

Taxation

Each Partner is exclusively liable for any tax liabilities arising out of its interest in the Partnership hence no provision for taxation has been made in the Partnership's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2. TURNOVER

Turnover consists of:	2021 £	2020 £
Rental income	9,754,945	8,427,642
Service charges	4,903,874	4,198,538
Storage and parking	723,267	697,797
	15,382,086	13,323,977

3. OPERATING PROFIT / (LOSS)

Operating profit/ (loss) is stated after charging / (earning):	2021 £	2020 £
Auditor's remuneration:		
Audit fee for the audit of the Partnership	36,000	30,000
Non-audit fees provided for tax compliance services provided to the Partnership	20,000	20,000
Depreciation on tangible assets	59,692	499,552
(Profit)/Loss on derivative financial instruments	(1,075,448)	570,972

No staff were employed by the Partnership during the year (2020: nil).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Interest payable on bank loans and overdrafts	2,957,884	3,042,269
Amortisation of loan issue costs	279,897	280,664
	3,237,781	3,322,933

NOTES TO THE FINANCIAL STATEMENTS

5. TANGIBLE ASSETS AND INVESTMENT PROPERTY

	Fixtures, fittings and equipment	Freehold investment property
	£	£
Cost and valuation		
At 31 December 2020	1,263,330	218,365,695
Additions	9,047	4,406,046
Transfer of tenant incentives commencing amortisation in the period	-	(5,621,503)
Uplift arising on revaluation	-	3,822,646
At 31 December 2021	1,272,377	220,972,884
Accumulated depreciation		
At 31 December 2020	(1,135,085)	-
Charge in the year	(59,692)	-
At 31 December 2021	(1,194,777)	-
Net book value		
At 31 December 2021	77,600	220,972,884
At 31 December 2020	128,245	218,365,695

The freehold investment property was valued in line with the RICS UK Valuation Standards, Appendices and Guidance Notes December 2020 ("the Red Book") on 31 December 2021 at fair value by CB Richard Ellis Limited, professionally qualified external valuers. The historical cost of the investment property at 31 December 2021 was £162,921,979 (2020: £164,137,436).

Under FRS 102, the Partnership can elect to capitalise finance costs that are directly attributable to the development of the qualifying asset, the freehold investment property. During the year-ended 31 December 2021, no finance costs (2020: £nil) have been capitalised into the freehold investment property.

The valuation has been primarily derived using comparable recent market transactions on arm's length terms. The critical assumptions made relating to the valuations are set out below:

	December 2021	*December 2020*
Equivalent Yield (blended)	5.9%	5.9%
Vacancy rate (blended)	17.1%	13.9%
Total current rent	£15,129,317	£14,302,436

5. TANGIBLE ASSETS AND INVESTMENT PROPERTY (CONTINUED)

	2021	2020
	£	£
Appraised value		
Carrying value of assets held under freehold property (Note 5)	220,972,884	218,365,695
Tenant inducements held as short term debtors (Note 6)	1,241,293	405,107
Tenant inducements held as long term debtors (Note 6)	3,185,823	329,198
Market value	225,400,000	219,100,000

BMG (Ashford) Limited holds the bare legal title to the property on trust for the Partnership. The Partnership is the beneficial owner of the property.

6. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year		
Trade debtors	2,666,102	2,646,283
Other debtors (tenant incentive)	1,241,293	405,107
Amounts owed from the Ashford Investor (General Partner) Limited	11,945	10,630
Prepayments and accrued income	1,533,955	1,761,698
	5,453,295	4,823,718

	2021	2020
Amounts falling due after more than one year	£	£
Other debtors (tenant incentive)	3,185,823	329,198
Capital expenditure recoverable from tenants	794,975	1,202,058
	3,980,798	1,531,256

The Partnership is administered by Ashford Investor (General Partner) Limited (the "General Partner"). The partners consider that the General Partner is a related party. Amounts owed by the General Partner are unsecured, interest-free and repayable on demand at both the prior and current year-end.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	542,468	177,858
Amounts owed to related parties	766,819	158,523
Accruals and deferred income	3,219,839	3,517,895
Derivatives	239,626	-
VAT payable	224,761	340,989
Cash held in trust	405,806	437,139
Partners' loan accounts	74,358,046	71,558,046
	79,757,365	76,190,450

Amounts owed to related parties related solely to amounts owed to McArhturGlen UK Limited, which is a related party by virtue of the fact that McArthurGlen UK Limited is a joint venture of Simon Mac LLC and the Partnership is an associate of Simon Mac LLC.

Cash held in trust for tenants comprises tenant deposits and is treated as restricted cash in the Balance Sheet.

Derivatives due within one year of £239,626 (liability) (2020: derivatives due after more than one year: £1,315,074 (liability)) represent the fair value of 3 month GBP-LIBOR interest rate swaps the Partnership entered into to reduce exposure to interest rate fluctuations. The fair value of the interest rate swaps is determined using quoted prices. calculated at the mid-point of the relevant yield curves. The interest rate swaps mature on 22 February 2022.

Partners' loan accounts comprise of loans given by the Partners in accordance with the terms set out in the Deed of Partnership. These loans have no fixed repayment dates and are interest free.

The movement in the Partners' loan accounts is as follows:

	2021 £	2020 £
Partners' loan accounts		
At 1 January	71,558,046	71,558,046
Loans contributed	2,800,000	-
At 31 December	74,358,046	71,558,046

Each partner has confirmed by way of a letter of support that they do not intend to request repayment of amounts due if it would result in the Partnership being unable to meet its financial liabilities as they fall due to the end of the going concern review period being 31 October 2023.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loan	100,000,000	100,000,000
Bank loan issue costs unamortised	(45,244)	(325,141)
Derivatives	-	1,315,074
	99,954,756	100,989,933

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

The bank loan consists of a loan from Bayerische Landesbank totalling £100,000,000 (2020: £100,000,000) at an interest rate of LIBOR + 1.95% margin per annum on Tranche A of the loan and LIBOR + 2.4% margin per annum on Tranche B of the loan until the Margin Reduction Date on 30 January 2020 and thereafter at an interest rate of LIBOR + 1.95% margin per annum. The loan is secured by fixed and floating charges on the assets of the Partnership.

The loan existing at 31 December 2021 was bound by the following covenants:

- Ratio of rental income to debt service (Historical Interest Cover Ratio): Annual rental must be equal to or greater than 175% until one year after Practical Completion of Phase 2, and 250% thereafter of finance cost (2020: the same).
- Loan to asset value: Must at no time exceed 60% (2020: 60%)

There was no breach of the loan covenants during the financial year. The Partnership had an agreement with the lending bank for the waiver of the Historical Interest Cover Ratio ("ICR") covenant for the period up until 22 February 2022, at which point the loan was due to expire. A Second Amendment and Restatement Deed was entered into on 23 May 2022 by the Partnership with Bayerische Landesbank, which refinanced this external loan into a new facility totalling £103,500,000 maturing on 23 May 2027. Refer to Note 1.3 for an analysis of compliance on the loan covenants during the going concern review period.

9. PARTNERS' CAPITAL

	2021 £	2020 £
Partners' capital accounts		
At 1 January and 31 December	100,000	100,000

10. PARTNERS' OTHER INTERESTS

	2021 £	2020 £
Partners' current accounts		
At 1 January	57,821,875	81,251,960
Total comprehensive profit / (loss) for financial year	7,557,558	(23,430,085)
At 31 December	65,379,433	57,821,875

Partners' current accounts comprise solely the profit or loss of the Partnership allocated to the Partners and distribution of profit made to the Partners, in accordance with the terms of the Deed of Partnership. These are therefore considered to be in the nature of a profit and loss reserve.

Each partner has confirmed by way of a letter of support that they do not intend to request repayment of amounts due if it would result in the Partnership being unable to meet its financial liabilities as they fall due to the end of the going concern review period being 31 October 2023.

11. NOTES TO THE STATEMENT OF CASHFLOWS

(a) Reconciliation of operating profit / (loss) to net cash inflow from operating activities

	2021 £	2020 £
Operating profit / (loss) before tax	10,795,339	(20,107,152)
Depreciation on tangible fixed assets	59,692	499,552
Amortisation of tenant incentives	2,527,113	713,555
Amortisation of capital expenditure recoverable from tenants	29,730	68,031
Change in fair value of investment property	(3,822,646)	22,792,109
(Gain)/loss on derivative financial instruments	(1,075,448)	570,972
(Increase) / decrease in debtors	(14,460)	1,614,942
Increase in creditors	838,520	552,468
Amortisation of loan issue costs	(279,897)	(280,664)
Net cash inflow from operating activities	9,057,943	6,423,813

(b) Analysis of net debt

Restricted cash balances have not been included in the below table given they are not available for use.

	At 1 January 2021	Cash movement	Non-cash movements: Change in market value	Interest and finance charges	Partners' profit share	At 31 December 2021
	£	£	£	£	£	£
Cash and cash equivalents						
Cash at bank and in hand	9,816,205	4,484,966	-	-	-	14,301,171
Derivatives	(1,315,074)	-	1,075,448	-	-	(239,626)
Borrowings						
Bank loans	(99,674,859)	-	-	(279,897)	-	(99,954,756)
Net debt before partners' loans	(91,173,728)	4,484,966	1,075,448	(279,897)	-	(85,893,211)
Loans and other debts due to partners						
Partners' loans	(71,558,046)	(2,800,000)	-	-	-	(74,358,046)
Partner's capital	(100,000)	-	-	-	-	(100,000)
Partners' current accounts	(57,821,875)	-	-	-	(7,557,558)	(65,379,433)
Net debt	(220,653,649)	1,684,966	1,075,448	(279,897)	(7,557,558)	(225,730,690)

12. RELATED PARTY TRANSACTIONS

Transactions with investors with significant influence over the operations of the Limited Partnership have been disclosed in the table below.

	The Royal London Mutual Insurance Society Limited	Outlet Ashford Holdings Sarl	Staffordshire County Council Pension Fund
	£	£	£
Partners' capital			
At 31 December 2020	24,750	49,500	24,750
Advances of investor capital	-	-	-
At 31 December 2021	24,750	49,500	24,750
Partners' loans			
At 31 December 2020	17,889,512	35,779,022	17,889,512
Advances of investor loans	700,000	1,400,000	700,000
At 31 December 2021	18,589,512	37,179,022	18,589,512
Partners' Current Accounts			
At 31 December 2020	14,310,914	28,621,830	14,310,914
Profit share	1,870,496	3,740,991	1,870,496
Distributions to partners	-	-	-
At 31 December 2021	16,181,410	32,362,821	16,181,410
Totals			
At 31 December 2020	32,225,176	64,450,352	32,225,176
At 31 December 2021	34,795,672	69,591,343	34,795,672

The Partnership is administered by Ashford Investor (General Partner) Limited (the "General Partner"). The partners consider that the General Partner is a related party. The General Partner has capital of £1,000 in the Partnership at 31 December 2021 (2020: £1,000). The share of the Partnership profit attributable to the General Partner was £75,575 for the financial year-ended 31 December 2021 (2020: loss of £234,302). The share of the Partnership current account attributable to the General Partner was £653,792 at 31 December 2021 (2020: £578,216). Distributions of £nil (2020: £nil) were paid to the General Partner for the financial year-ended 31 December 2021. The Limited Partnership paid costs of £nil (2020: £10,630) on behalf of the General Partner for the financial year-ended 31 December 2021. During the year, Ashford Investor (General Partner) Limited received VAT refunds totalling £402,456 (2020: £1,527,552) on behalf of the Limited Partnership. At the year end, the General Partner owed £11,945 (2020: £10,630) to the Limited Partnership.

Services provided by property manager and development manager

The Partnership is managed by the Property Manager, McArthurGlen UK Limited, which is a related party. The Partnership has paid fees to McArthurGlen UK Limited as set out below:

	2021	2020
	£	£
Annual management fee	626,869	291,378
Letting fees	307,877	163,501
Service charge and marketing fees	352,839	291,124
Other recharges	1,861,758	2,074,487

12. RELATED PARTY TRANSACTIONS (CONTINUED)

Services provided by property manager and development manager (continued)

At 31 December 2021 the outstanding balance owed to McArthurGlen UK Limited was £766,819 (2020: £158,523).

McArthurGlen European Development Limited, a related party involved in the development of Phase 2 of the Ashford Designer Outlet Centre as a Development Manager, charged the Partnership development and financing fees amounting to £387,284 (2020: £78,710). At the year end, the Partnership owed £nil (2020: £2,430) to McArthurGlen European Development Limited.

Ultimate Controlling Party

The partners and their interests in the Partnership are disclosed within Note 1.2 of the Notes to the Financial Statements. No partner individually has control of the Partnership. The Partnership is related to the Property and Development Managers by virtue of the fact that McArthurGlen UK Limited and McArthurGlen European Development Limited and joint ventures of Simon Mac LLC, and the Partnership is an associate of Simon Mac LLC.

13. OPERATING LEASE AGREEMENT WHERE THE PARTNERSHIP IS LESSOR

The Partnership's investment property is let to a number of third parties. These non-cancellable leases have remaining terms of between 0 and 32 years.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2021 £	2020 £
In one year or less	8,254,414	7,090,217
Between one and five years	22,431,782	14,730,397
More than five years	17,236,137	4,147,675
	47,922,333	25,968,289

14. POST BALANCE SHEET EVENTS

External bank loan facility

Post year end, on 23 May 2022, the Partnership refinanced their existing loan with Bayerische Landesbank for a total amount of £103,500,000. This loan facility is due to expire on 23 May 2027.

Ukraine-Russia conflict

On 24 February 2022, Russia invaded Ukraine. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. The war in Ukraine and reflected events take place at a time of global economic uncertainty and volatility. The General Partner has considered the impact of these events on the McArthurGlen Ashford Designer Outlet Centre and do not believe that they lead to a significant impact on the Partnership's sales. Furthermore, the impact of the conflict has related mainly to increases in fuel and food prices rather than real estate asset prices in the United Kingdom, and hence the impact to the Partnership's investment property is considered limited due to its geographical location. The General Partner will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Partnership taking necessary steps to mitigate these effects proactively.

There were no other significant post balance sheet events to report.

15. CONTINGENT LIABILITIES

Contingent liabilities may arise in respect of third-party claims made against the Partnership in the normal course of trading. These claims can include those relating to the investment property or injury related damages. Such claims are predominantly covered by the Partnership's insurance arrangements. A provision for such claims is only recognised to the extent that the General Partner believes that the Partnership has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.