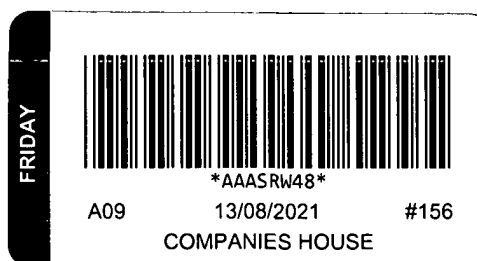


Company Registration No. 10481615

THE MALL (LUTON) (GENERAL PARTNER) LIMITED

Annual Report and Financial Statements

For year ended 31 December 2020



The Mall (Luton) (General Partner) Limited

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The Mall (Luton) (General Partner) Limited

Directors and Officers

Directors

L Hutchings
J Ryman
S Wetherly

Officer – Company Secretary

S Wetherly
22 Chapter Street
London
SW1P 4NP

Registered Office

22 Chapter Street
London
England
SW1P 4NP

Auditor

Deloitte LLP
Statutory Auditor
Hill House
1 Little New Street
London
EC4A 3TR

Company Number

Registered in England and Wales: No. 10481615

The Mall (Luton) (General Partner) Limited

Directors' Report

For the year ended 31 December 2020

The directors present their annual report on the affairs of The Mall (Luton) (General Partner) Limited (the "Company"), together with the audited financial statements and auditor's report for the year ended 31 December 2020. In preparing their annual report, the directors have taken advantage of the exemption for small companies in accordance with section 414(B) of the Companies Act 2006 from the requirement to present a Strategic Report.

Directors

The directors shown below have held office during the year and the date of this report, except as noted.

R Hadfield resigned 12 August 2020

L Hutchings

J Ryman

S Wetherly

Principal Activities

The principal activity of the Company is property investment by way of an interest in The Mall (Luton) Limited Partnership. The Company also acts as the general partner to the Partnership.

The directors have reviewed the activities of the business for the period and the position as at 31 December 2020 and consider them to be satisfactory. The directors expect no changes in the nature of the Company's principal activities in the coming year or those of its subsidiary undertaking.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: £nil).

Going concern

Due primarily to the impact of COVID-19 on investment values, the company is loss making and in a net liability position. In addition to this it is not able to rely on support from the group.

In light of these circumstances, the General Partner considers there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, at this time, these circumstances are not anticipated, and the directors have a reasonable expectation that Company has adequate resources to continue in business for at least 12 months from the date of approval of the financial statements. For these reasons, they continue to prepare the financial statements on a going concern basis.

Going concern is discussed in note 1.

Financial risk management policies

The Company's operations expose it to financial risks. The risks to which the Company is exposed include credit risk, liquidity risk and interest rate cash flow risk. The directors carry out an annual risk review to ensure that risks associated with the Company's financial assets and liabilities are correctly managed and reported. The ongoing economic and political uncertainty in the UK had increased some of the wider market risks that the Company is subject to.

The company's credit risk is primarily attributable to trade receivables from group entities, which are generally owed by the funds, and as such are not believed to be at risk of default as the company has detailed information on the financial position of these entities.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company borrows from or lends to other group undertakings. The company is exposed to interest rate risk on the interest it earns from loans to other group undertakings but does not hedge against this risk due to cost benefit considerations.

The Mall (Luton) (General Partner) Limited

Directors' Report (continued)

For the year ended 31 December 2020

Employees

The Company had no employees during the year ended 31 December 2020 (2019: nil).

Disclosure of Information to the Auditor

Each person who was a director of the Company on the date that this report was approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year.

Directors' Indemnities

The provisions in the Company's Articles of Association constitute "qualifying third party indemnities" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of the transitional provisions to the Companies Act 2006.


Post balance sheet events

On 4 January 2021, the prime minister of the UK announced the commencement of a national lockdown with all but essential retailers required to close. As at 21 June 2021, being the latest practicable date prior to the issue of this report, 99% of retailers within the shopping centre were open and trading. Post balance sheet events are discussed further in note 11 to the financial statements.

Auditors

Pursuant to 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Authorised for issue by order of the Board



S Wetherly
Director

29 JUNE 2021

The Mall (Luton) (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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Mall (Luton) (General Partner) Limited

Independent auditor's report to the members of The Mall (Luton) (General Partner) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Mall (Luton) (General Partner) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the company is loss making and in a net liability position and therefore it may not be able to meet its liabilities as they fall due. In addition to this, it is not able to rely on support from the group.

As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 our report, we do not express any form of assurance conclusion thereon.

The Mall (Luton) (General Partner) Limited

Independent auditor's report to the members of The Mall (Luton) (General Partner) Limited (continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements

The Mall (Luton) (General Partner) Limited

Independent auditor's report to the members of The Mall (Luton) (General Partner) Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



Matthew Hall FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 June 2021

The Mall (Luton) (General Partner) Limited

Statement of comprehensive income For the year ended 31 December 2020

	Notes	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Revenue	2	-	3,300
Administrative expenses	3	(1,500)	(1,500)
Impairment loss	6	(35,647)	-
(Loss)/profit before taxation		(37,147)	1,800
Tax on profit/(loss)	4	-	-
(Loss)/profit for the financial year equal to total comprehensive income for the year		(37,147)	1,800

All amounts reported above relate to continuing operations.

There were no items of other comprehensive income in the current or prior year.

The notes on pages 11 to 15 form part of these financial statements.

The Mall (Luton) (General Partner) Limited

Balance sheet As at 31 December 2020

	Notes	2020 £	2019 £
Non-current assets			
Investments	6	-	35,647
Current assets			
Trade and other receivables	7	1,464	2,964
Current liabilities			
Other payables	8	(41,637)	(41,637)
Net current liabilities		(40,173)	(38,637)
Net liabilities		(40,173)	(3,026)
Equity			
Share capital	9	100	100
Accumulated deficit		(40,273)	(3,126)
Equity attributable to owners of the Company		(40,173)	(3,026)

The notes on pages 11 to 15 form part of these financial statements.

The financial statements of The Mall (Luton) (General Partner) Limited (registered number: 10481615) were approved by the Board of Directors, authorised for issue and signed on their behalf by:



S Wetherly
Director

29 June 2021

The Mall (Luton) (General Partner) Limited

Statement of changes in equity For the year ended 31 December 2020

	Share Capital	Accumulated Deficit	Total Equity
	£	£	£
Balance as at 1 January 2019	100	(4,926)	(4,826)
Profit for the year	-	1,800	1,800
Balance at 31 December 2019	100	(3,126)	(3,026)
Loss for the year	-	(37,147)	(37,147)
Balance at 31 December 2020	100	(40,273)	(40,173)

The notes on pages 11 to 15 form part of these financial statements.

The Mall (Luton) (General Partner) Limited

Notes to the Financial Statements

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period. The Company has prepared accounts for the year ended 31st December 2020.

Basis of accounting

The Company is a limited liability company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. These are the first set of financial statements produced by the Company since incorporation.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its ultimate parent, Capital & Regional plc which may be obtained as set out in note 12. Exemptions have been taken in these separate Company financial statements in relation to: financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Where relevant, equivalent disclosures have been given in the Group financial statements of Capital & Regional plc. The group's financial statements of Capital & Regional plc are available to the public and can be obtained as set out in note 12.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group's financial statements of Capital & Regional plc.

Going concern

Due primarily to the impact of COVID-19 on investment values, the company is loss making and in a net liability position. In addition to this it is not able to rely on support from the group.

In light of these circumstances, the General Partner considers there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, at this time, these circumstances are not anticipated, and the directors have a reasonable expectation that Company has adequate resources to continue in business for at least 12 months from the date of approval of the financial statements. For these reasons, they continue to prepare the financial statements on a going concern basis.

Investments

Fixed asset investments are shown at cost, less provision for impairment.

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 by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

The Mall (Luton) (General Partner) Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Revenue

The main source of revenue is distribution income from the Company's shareholding in The Mall (Luton) Limited Partnership. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when the Company has a right to it.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified 'at fair value through profit or loss' (FVTPL) or amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount in initial recognition.

Trade receivables

Trade receivables are carried at the original invoice amount less allowances made for doubtful accounts. An allowance for doubtful accounts is recorded for the difference between the carrying value and the recoverable amount where there is objective evidence that the Company will not be able to collect all amounts due. Discounts and similar allowances are recorded on an accrual basis consistent with the recognition of the related income, using estimates based on existing contractual obligations, historical trends and the Company's experience. Long-term accounts receivable are discounted to take into account the time value of money, where material.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Trade payables

Trade payables are carried at amortised cost, with any gains or losses arising on re-measurement recognised in the income statement.

Significant accounting judgements and estimates

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The following estimates have had the most significant effect on amounts recognised in the financial statements.

The Mall (Luton) (General Partner) Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

(1) Impairment of investments

Investments are stated at cost less provision for impairment. Where there is an indication that an investment is impaired, an impairment review is carried out by comparing the carrying value of the investment against its recoverable amount, which is the higher of its estimated value in use and fair value. This review involves accounting judgements about the future cash flows from the underlying associates and joint ventures.

There are no significant judgements affecting the financial statements.

2. Revenue

The Company operates in one geographical market (2019: one) being the United Kingdom

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Distribution income	-	3,300
	<u>-</u>	<u>3,300</u>

3. Administrative expenses

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Audit fees	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

The Mall (Luton) (General Partner) Limited

Notes to the Financial Statements (continued)

4. Tax

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Tax charge for the period	-	-

Tax reconciliation

The table below reconciles tax calculated at the UK standard rate on the profit before tax to the actual tax charge recognised in the income statement.

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
(Loss)/profit before tax	(37,147)	1,800
Current tax at UK corporation tax rate of 19% (2019: 19%)	(7,058)	(342)
Items not taxable and expenses not deductible for tax purposes	(6,773)	627
Share of Limited Partnership taxable profit	(1)	(2)
Carried forward losses	(284)	(283)
Tax charge	-	-

5. Staff costs

The Company has no employees and incurred no employee related costs during the year. The directors received no emoluments in respect of their services to the Company.

6. Investments

	The Mall (Luton) Limited Partnership 2020 £	The Mall (Luton) Limited Partnership 2019 £
Cost		
At 1 January	35,647	35,647
Impairment	(35,647)	-
At 31 December	-	35,647

The investment in The Mall (Luton) Limited Partnership represents 0.04% of partner's capital as at 31 December 2020. Results of The Mall (Luton) Limited Partnership are included within the consolidated financial statement of Capital & Regional plc, which are publicly available as set out in note 12. The Mall (Luton) Limited Partnership is registered in the United Kingdom, and its registered address is 22 Chapter Street, London, SW1P 4NP.

On 31 December 2020 the company provided for impairment losses for investment in The Mall (Luton) Limited Partnership of £35,647 (2019: £nil). This is due to the effect of falling investment property valuation within the Partnership.

The Mall (Luton) (General Partner) Limited

Notes to the Financial Statements (continued)

7. Trade and other receivables

	2020 £	2019 £
Amounts owed by parent	100	100
Amounts owed by subsidiary	1,364	2,864
	<u>1,464</u>	<u>2,964</u>

Amounts owed by Capital & Regional (Mall GP) Limited and The Mall (Luton) Limited Partnership are interest-free, unsecured and repayable on demand.

8. Other payables

	2020 £	2019 £
Amount owed to The Mall (General Partner) Limited	41,637	41,637
	<u>41,637</u>	<u>41,637</u>

Amounts owed to The Mall (General Partner) Limited are interest-free, unsecured and repayable on demand.

9. Share capital

	2020 £	2018 £
Issued and fully paid:		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

The Company issued one hundred ordinary shares of £1 at incorporation on 16 November 2016 to Capital & Regional (Mall GP) Limited. The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

10. Related party transactions

During the year, the Company served as General Partner for The Mall (Luton) Limited Partnership. No fees were received for services provided to the Limited Partnership.

11. Events after the balance sheet date

On 4 January 2021, the prime minister of the UK announced the commencement of a national lockdown with all but essential retailers required to close. Non-essential retailers were allowed to re-open from the 12 April 2021 and as at 21 June 2021, being the latest practicable date prior to the issue of this report, 99% of leased units within the company's shopping centre were open and trading.

12. Ultimate parent and controlling party

The Mall (Luton) (General Partner) Limited is wholly owned by Capital & Regional (Mall GP) Limited which is a wholly owned subsidiary of Capital & Regional plc.

The ultimate parent and controlling party is Growthpoint Properties Limited ("Growthpoint"). Growthpoint is the parent company of the largest group of which the Company is a member and for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Growthpoint can be obtained from Growthpoint Properties Limited is The Place, 1 Sandton Drive, Sandton, 2196, Johannesburg, South Africa.

The parent company of the smallest group of which the company is a member and for which consolidated accounts are prepared is Capital & Regional plc.

Company Registration No. LP017696

THE MALL (LUTON) LIMITED PARTNERSHIP

Annual Report and Financial Statements

For the year ended 31 December 2020

The Mall (Luton) Limited Partnership

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The Mall (Luton) Limited Partnership

Partners, advisers and other information

Limited Partner

The Mall (Luton) Unit Trust

General Partner

The Mall (Luton) (General Partner) Limited

Registered Office

22 Chapter Street
London
SW1P 4NP

Property Valuer

Knight Frank LLP
55 Baker Street
London
W1U 8AN

Auditor

Deloitte LLP
Statutory Auditor
Hill House
1 Little New Street
London
United Kingdom
EC4A 3TR

The Mall (Luton) Limited Partnership

Strategic Report

The principal activity of The Mall (Luton) Limited Partnership is the managing, letting, refurbishing, developing and holding of shopping malls for investment purposes.

For the foreseeable future, the General Partner expects the focus of the Partnership to be on maintaining and growing income through re-letting voids and re-gearing existing tenancies along with undertaking value accretive asset management opportunities that add enhance to performance and reduce risk.

Trading review and key performance indicators

The key performance indicators which the partners use to monitor the business are profit before tax and net asset value. Operational performance indicators such as net rental income, void rate and average lease term are also used to manage the business. Net rental income (NRI) for the year was £20,408,736 (2019: £19,943,902). The average unexpired lease term was 4.4 years (2019: 7.0 years). The rates on void units and irrecoverable service charge and insurance for the year was £1,095,638 (2019: £615,538). Net liabilities as at 31 December 2020 were £(7,869,029) (2019: Net assets of £44,154,194). The main factor contributing to this was the loss on revaluation of investment properties of £56,978,704 compared to a loss of £48,466,182 in 2019.

Profit before distributions moved from a loss of £42,803,261 in 2019 to a loss of £52,023,223 in 2020. Given the nature of the Partnership and the circumstances in the year, the Partners consider that the operational results for the year are acceptable, and expect a similar level of operational activity to continue in the foreseeable future.

Principal risks and uncertainties

The Partnership has a bank loan with derivative financial institution that is secured on the freehold property. The loan contains a financial covenant that requires the valuation of the property to exceed a certain multiple of the loan. In the event that a valuation is below that amount, the Partnership has the opportunity to pay down debt in order to bring the covenant back in compliance. The valuation of the property at 31 December 2020 satisfied the covenant conditions.

Financial risk management objectives and policies

The Partnership's operations expose it to financial risks. The risks to which the Partnership is exposed include credit risk, liquidity risk, and interest rate cash flow risk. The partners carry out an annual risk review to ensure that risks associated with the Partnership's financial assets and liabilities are correctly managed and reported. The management of financial risks is co-ordinated with those undertaken at a Group level by Capital & Regional plc, more of which can be found in the Capital & Regional plc 2020 Annual Report. The ongoing economic and political uncertainty in the UK has increased some of the wider market risks that the Partnership and the Group is subject to.

Given the size of the Partnership, the partners have not delegated the responsibility of monitoring financial risk management to a sub-committee. The policies set by the partners are implemented by the Partnership's finance department in the areas of credit and liquidity risk. Interest rate cash flow risk is managed by the Partnership's ultimate parent company.

The Partnership's credit risk is primarily attributable to trade receivables, which are generally owed by the funds, and as such are not believed to be at risk of default as the Partnership has detailed information on the financial position of these entities.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Partnership borrows from or lends to other Group undertakings. The Partnership is exposed to interest rate risk on the interest it earns from loans to other Group undertakings but does not hedge against this risk due to cost benefit considerations.

The Mall (Luton) Limited Partnership


Strategic Report (Continued)

Section 172 Statement

The General Partner has regard to the matters set out in Section 172(1) of the Companies Act 2006 when performing its duties under Section 172 to promote the success of the Company. When making decisions, the General Partner pays due regard to: the likely consequences of decisions in the long-term; the interests of stakeholders, the impact actions have on the communities in which we operate and the environment; maintaining high standards of business conduct; and acting fairly at all times. The Partnership had no employees in the current or prior year. Our key stakeholders include our retailers and customers, the communities in which we operate and our impact on the environment.

During the year The General Partner paid due regard to all stakeholders in the decisions taken in response to the pandemic and received regular reports regarding the impact of Covid-19 on the business, its operations and its employees. Areas of discussion included changes to operational standards and processes to ensure compliance with covid-secure measures; the approach taken to outstanding rent collection and the granting of concessions; the use of the Coronavirus Job Retention Scheme and restructuring plans across the Group; and employee support and wellbeing. The General Partner has worked closely with the Limited Partner's secured lenders in the period since the start of the pandemic. It has obtained the support of the lender in the form of covenant waivers for covenant tests that would have otherwise have breached and in allowing money within the loan structure to be utilised for funding capital expenditure on the asset.

Authorised for issue on behalf of the General Partner


S Wetherly
29 June 2021

The Mall (Luton) Limited Partnership

General Partner's Report

The General Partner presents its report together with the audited financial statements for the year ended 31 December 2020.

Going concern

The Mall (Luton) Limited Partnership prepares cash flow and covenant compliance forecasts to demonstrate that it has adequate resources available to continue in operation for the foreseeable future, being at least 12 months from the date of this report. In these forecasts, anticipated future market conditions and principal risks and uncertainties were assessed.

Due primarily to the impact of COVID-19 the Partnership is currently not in compliance with the covenant tests on its secured loan facility. The Partnership currently has waiver letters agreed with its lenders covering the period until the Interest Payment Date in July 2021. In the event the directors were unable to extend these waivers any further then if the relevant tests remain non-compliant this could lead to a breach in covenants and the possible acceleration or foreclosure of the loan facility.

In light of these circumstances, the General Partner considers there to be a material uncertainty related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, at this time, these circumstances are not anticipated, and the General Partner has a reasonable expectation that the directors of the Partnership, through discussion with lenders, will either be able to extend the current waivers or obtain new waivers and that the Partnership has adequate resources to continue in business for at least 12 months from the date of approval of the financial statements. For these reasons, they continue to prepare the financial statements on a going concern basis.

Going concern is discussed further in note 1.

Rights and entitlements of partners

The partners are:

The Mall (Luton) Unit Trust	99.96%
The Mall (Luton) (General Partner) Limited	0.04%

The profits and losses of the Partnership are to be shared amongst them in the same proportions.

Results and distributions

The loss for the year, before distributions, was £52,023,223 (2019: loss of £42,803,261). Income distributions to unit holders during the period were £nil (2019: £2,160,000).

Financial risk management objectives and policies are disclosed in the strategic report on page 2.

Post balance sheet events

On 4 January 2021 the UK announced the commencement of a national lockdown with all but essential retailers required to close. As at 21 June 2021, being the latest practicable date prior to the issue of this report, 99% of retailers within the shopping centre were open and trading. Post balance sheet events are discussed further in note 21 to the financial statements.

Auditor

At the date of approval of this report, the General Partner confirms that:

- so far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and

The Mall (Luton) Limited Partnership General Partner's Report (Continued)

Auditor (continued)

- the General Partner has taken all the steps that ought to have been taken as the General Partner in order to make itself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

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

Deloitte LLP were appointed as auditor and have expressed their willingness to continue in office.

Approval of reduced disclosures

The Limited Partnership, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

The Limited Partnership also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served no later than 31 December 2020.

Authorised for issue on behalf of the General Partner



S Wetherly
For the General Partner

29 June 2021

The Mall (Luton) Limited Partnership

Statement of General Partner's Responsibilities

The General Partner is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) , 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 Group and of the profit or loss of the Partnership and of the Group 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;
- prepare the financial statements on the 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 to enable it to ensure that the financial statements comply with the Companies Act 2006 as applicable to qualifying partnerships. It is 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.

The Mall (Luton) Limited Partnership

Independent auditor's report to the partners of The Mall (Luton) Limited Partnership

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partner's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"
- have been prepared in accordance with the provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements.

We have audited the financial statements of The Mall (Luton) Limited Partnership (the 'partnership') which comprise:

- statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which outlines that the Partnership is currently not in compliance with the covenant tests on its secured loan facility due primarily to the impact of COVID-19. The Partnership currently has waiver letters agreed with its lenders covering the period until the Interest Payment Date in July 2021. In the event these waivers were unable to be extended any further, and if the relevant tests remain non-compliant, this could lead to a breach in covenants and the possible acceleration or foreclosure of the loan facility. If this were to occur, the Partnership may not be able to continue as a going concern.

As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the partnership's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 our report, we do not express any form of assurance conclusion thereon.

The Mall (Luton) Limited Partnership

Independent auditor's report to the partners of The Mall (Luton) Limited Partnership (continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of general partner

As explained more fully in the partner's responsibilities statement, 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 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 general partner is 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 general partner either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including internal specialists such as Deloitte Valuation team, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address are described below:

The Mall (Luton) Limited Partnership

Independent auditor's report to the partners of The Mall (Luton) Limited Partnership (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- Valuation of investment properties: We assessed the fair value of the partnership's property portfolio to be a significant area of focus due to the level and nature of the judgements and estimates that form inputs into the valuation process performed by the partnership's independent valuers, such as yields and sustainability of the cash flows. The valuations are consequently based on increasingly subjective evidence in the current COVID-19 and retail climate.

Changes in these assumptions and judgements could lead to significant movements in property values and consequently unrealised gains or losses in the consolidated income statement.

There is a risk of fraud in relation to the valuation of the property portfolio, where the use of valuation methodology and model, large volume of data involved and assumptions and judgements applied are more critical and could be subject to undue influence by management.

In order to address the risk of fraud related to property valuation we checked the completeness and accuracy of information provided to the valuers on a sample basis, assessed the independence, resources, qualifications and professional competence of the valuers and made enquiries of the senior management and third party valuers. We challenged movements in the significant judgements and assumptions and benchmarked the inputs against market data with the involvement of our internal real estate valuation specialists, who are members of the Royal Institution of Chartered Surveyors.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 general partner's report for the financial year ended 31 December 2020 for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and general partner's report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

The Mall (Luton) Limited Partnership

Independent auditor's report to the partners of The Mall (Luton) Limited Partnership (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 partners remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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

Matthew Hall

Matthew Hall FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

29 June 2021

The Mall (Luton) Limited Partnership

Statement of comprehensive income

	Notes	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Revenue	3	20,408,736	19,943,902
Cost of sales	4	(7,918,879)	(6,113,861)
Operating profit		12,489,857	13,830,041
Administrative expenses	5	(1,125,151)	(1,087,685)
Loss on revaluation of investment property		(56,978,704)	(48,466,182)
Loss before financing costs		(45,613,999)	(35,723,826)
Net financing costs	7	(6,409,224)	(7,079,436)
Loss before taxation		(52,023,223)	(42,803,261)
Tax on loss	8	-	-
Loss for the period attributable to partners		(52,023,223)	(42,803,261)
Distributions		-	(2,160,000)
Loss for the year		(52,023,223)	(44,963,261)

All results derive from continuing operations. There were no items of other comprehensive income in the current or prior period.

The notes on pages 15 to 24 form part of these financial statements.

The Mall (Luton) Limited Partnership

Balance sheet As at 31 December 2020

	Notes	2020 £	2019 £
Non-current assets			
Investment property	9	107,196,974	169,557,024
Derivative financial instruments	10	-	-
Receivables falling due after one year	11	3,867,614	4,363,681
		<u>111,064,588</u>	<u>173,920,705</u>
Current assets			
Trade and other receivables	11	4,073,300	1,832,654
Prepayments and accrued income	12	300,526	635,505
Cash at bank and in hand		9,100,614	6,672,435
		<u>13,474,440</u>	<u>9,140,593</u>
Total assets		<u>124,539,028</u>	<u>183,061,298</u>
Current liabilities			
Trade and other payables	13	(2,103,418)	(2,593,679)
Accruals and deferred income	14	(3,015,614)	(4,711,790)
Loans	15	(8,548,773)	(8,638,373)
		<u>(13,667,805)</u>	<u>(15,943,841)</u>
Net current liabilities		<u>(193,365)</u>	<u>(6,803,248)</u>
Total assets less current liabilities		110,871,223	167,177,457
Non-current liabilities			
Loans	15	(95,780,108)	(95,539,267)
Financial instruments	10	(3,328,791)	(1,348,558)
Obligations under finance leases	16	(19,631,353)	(26,075,438)
		<u>(118,740,252)</u>	<u>(122,963,262)</u>
Total liabilities		<u>(132,408,057)</u>	<u>(138,907,104)</u>
Net (liabilities)/assets		<u>(7,869,029)</u>	<u>44,154,194</u>
Equity			
Partner's capital	18	104,091,637	104,091,637
Retained earnings		(111,960,666)	(59,937,443)
Equity attributable to partners		<u>(7,869,029)</u>	<u>44,154,194</u>

The notes on pages 15 to 24 form part of these financial statements.

The Mall (Luton) Limited Partnership

Balance sheet as at 31 December 2020 (continued)

As required by The Partnerships (Accounts) Regulations 2008, these financial statements have been prepared according to the accounting provisions of the Companies Act 2006, as applicable. The financial statements of The Mall (Luton) Limited Partnership, registered number LP017696, were approved and authorised for issue on behalf of the General Partner on June 2021.

For the General Partner
29 June 2021



S. WETHERLY

The Mall (Luton) Limited Partnership

Statement of changes in equity for the period ended 31 December 2020

	Partner's capital £	Retained earnings £	Total £
Balance at 31 December 2018	104,091,637	(14,974,182)	89,117,455
Change in Equity			
Total comprehensive expense	-	(42,803,261)	(42,803,261)
Distribution	-	(2,160,000)	(2,160,000)
Balance at 31 December 2019	104,091,637	(59,937,443)	44,154,194
Total comprehensive expense	-	(52,023,223)	(52,023,223)
Distribution	-	-	-
Balance at 31 December 2020	104,091,637	(111,960,666)	(7,869,029)

The notes on pages 15 to 24 form part of these financial statements.

The Mall (Luton) Limited Partnership

Notes to the financial statements For the year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

Statement of compliance

The Mall (Luton) Limited Partnership is a privately owned qualifying partnership incorporated in England (LP017696). The registered office is 22 Chapter Street, London, SW1P 4NP. The Partnership's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Partnership for the year ended 31 December 2020.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of properties and derivative financial instruments. The following principal accounting policies have been applied consistently throughout the period.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest pound (£).

Financial Reporting Standard 102 – reduced disclosure exemptions

The Company is subsidiary of Capital & Regional plc, a company that prepares publicly available consolidated financial statements. As such the Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by section 1.12 of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Island":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.
- the requirement of Section 33 compensation to key management personnel

Going concern

The Mall (Luton) Limited Partnership prepares cash flow and covenant compliance forecasts to demonstrate that it has adequate resources available to continue in operation for the foreseeable future, being at least 12 months from the date of this report. In these forecasts, anticipated future market conditions and principal risks and uncertainties were assessed.

The General partner has considered specifically the impact on the business of the continued significant disruption arising from COVID-19. At the time of writing, the Partnership's shopping centre remains open. On 4 January 2021 the UK prime minister announced the commencement of a national lockdown with all but essential retailers required to close. As of 12 April 2021, non-essential retailers were able to re-open. As at 21 June 2021, being the latest practicable date prior to the issue of this report, 99% of leased units within the company's shopping centre were open and trading although social distancing measures currently remain in place impacting upon capacity within Centres and individual trading units.

Approximately 66% of the rent due for the year to date 2021 has so far been collected. We are in active discussions with all our retailer customers on the outstanding rents seeking to reach an equitable and amicable resolution to the balance of outstanding arrears. As of the time of writing the Partnership has total cash on balance sheet of over £10 million. This provides support for continued disruption to operations for at least the next 12 months. The earliest contractual maturity on the Partnership's loan facilities is December 2023.

Due primarily to the impact of COVID-19 the Partnership is currently not in compliance with the interest cover covenant tests on its secured loan facility. The Partnership currently has waiver letters agreed with its lenders covering the period until the Interest Payment Date in July 2021. In the event the directors were unable to extend these waivers any further then if the relevant tests remain non-compliant this could lead to a breach in covenants and the possible acceleration or foreclosure of the loan facility.

In light of these circumstances described above, the General Partner considers there to be a material uncertainty related to events or conditions that may cast significant doubt on the Partnership's ability

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued)

For the year ended 31 December 2020

1. Accounting policies (continued)

Going concern (continued)

to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, at this time, these circumstances are not anticipated, and the General Partner has a reasonable expectation that the directors of the Partnership, through discussion with lenders, will either be able to extend the current waivers or obtain new waivers and that the Partnership has adequate resources to continue in business for at least 12 months from the date of approval of the financial statements. For these reasons, they continue to prepare the financial statements on a going concern basis.

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 Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following estimate has had the most significant effect on amounts recognised in the financial statements. There were no significant judgements impacting the financial statements.

(1) Investment properties

Investment properties are revalued annually to open market value. Surpluses or deficits on individual properties are recognised in the Statement of Comprehensive Income. The Partnership engaged independent valuation specialists to determine market value at 31 December 2020. The valuers used market value, in accordance with the Appraisal of Valuation Manual of the Royal Institution of Chartered Surveyors. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate (see note 9). In accordance with FRS 102 section 16, depreciation is not provided in respect of freehold investment properties.

Tenant incentives

Rent free periods given to tenants are shown as a debtor and are amortised over the length of the lease. The amount that is recognised as a debtor is written down to the extent that it is not expected to be recovered. The valuation of the properties is reduced by the unamortised rent free balance.

Lease incentives

Capital contributions given to tenants are shown as a debtor, and amortised over the length of the lease. The amount that is recognised as a debtor is written down to the extent that it is not expected to be recovered. The valuation of the properties is reduced by the debtor. Upon the termination of such a tenant lease the realisation of the debtor will be recognised in the Statement of Comprehensive Income.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

Long term borrowings

Interest bearing loans, which are basic derivative financial instruments, are initially recorded at the present value of future payments. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest method.

Loan arrangement costs

Costs relating to the raising of loan facilities are being amortised over the period to maturity of the underlying loan facility on a straight line basis and charged to the Statement of Comprehensive Income as part of the interest expense. The loans are disclosed net of unamortised issue costs.

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued) For the year ended 31 December 2020

Turnover

The Company recognises revenue on an accruals basis, when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

Gross rental income - Gross rental income is rental income, adjusted for tenant incentives, recognised on a straight-line basis over the term of the underlying lease. Contingent rents, being lease payments that are not fixed at the inception of a lease, for example turnover rents, are recorded as income in the periods in which they are earned. Lease incentives are capitalised and amortised over the length of the lease. Amortisation is offset against rental income.

Ancillary income - Ancillary income comprises rent and other income from short term tenancies of mobile units, car park income and other sundry income and is recognised over the period of the lettings and contracts.

Service charge - Service charge income represents recharges of the running costs of the shopping centres made to tenants.

Surrender premium - Surrender premium income relates to payments from tenants to vacate their lease. These are recognised once the premium becomes payable.

Interest and similar income

Interest receivable and similar income are recognised in the Statement of Comprehensive Income and expenditure as they accrue.

Trade receivables

Trade receivables are carried at the original invoice amount less allowances made for doubtful accounts. An allowance for doubtful accounts is recorded for the difference between the carrying value and the recoverable amount where there is objective evidence that the partnership will not be able to collect all amounts due. Discounts and similar allowances are recorded on an accrual basis consistent with the recognition of the related sales, using estimates based on existing contractual obligations, historical trends and the partnership's experience. Long-term accounts receivables are discounted to take into account the time value of money, where material.

Trade payables

Trade payables are carried at fair value, with any gains or losses arising on remeasurement recognised in the income statement.

Distributions

Income produced by the Partnership's investment property and other sources is distributable to the Partners to the extent that the Partnership's income exceeds expenses, in accordance with the Partnership Deed. However, the General Partner is required to ensure that no distribution is made that would render the Partnership insolvent, or unable to pay its expenses for the six month period following a distribution, having regard to the expected receipts of the Partnership, or put the Partnership in breach of the terms of any of its financing agreements.

Investment property

Investment properties are carried at fair value with changes in fair value recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and on other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued) For the year ended 31 December 2020

Cash flow statement

The Partnership is exempt from producing a cash flow statement.

2. Segmental information

The Partnership has one class of business (2019: one), being the ownership and management of UK shopping centres.

3. Revenue

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Rent receivable	11,031,534	13,343,073
Ancillary and car park income	1,000,120	2,696,671
Surrender Premium	4,500,000	-
	<hr/>	<hr/>
	16,531,654	16,039,744
Service charge income	3,877,082	3,904,158
	<hr/>	<hr/>
	20,408,736	19,943,902
	<hr/>	<hr/>

During 2020 the partnership received £4,500,000 for the surrender of a lease by a Tenant.

4. Cost of sales

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Irrecoverable rates, service charge and insurance	1,095,638	615,538
Car park operations	910,423	982,817
Legal and professional fees	258,721	299,138
Bad debt	1,485,259	291,179
Other	291,757	21,031
	<hr/>	<hr/>
	4,041,797	2,209,703
Service charge costs	3,877,082	3,904,158
	<hr/>	<hr/>
	7,918,879	6,113,861
	<hr/>	<hr/>

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued) For the year ended 31 December 2020

5. Administrative expenses

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Asset management fees	1,000,000	942,395
Fees for audit of financial statements	4,250	4,250
Fees payable to auditor for non audit services	-	-
Valuation fees	7,500	10,000
Tax fees	4,050	-
Other	109,351	131,040
	<u>1,125,151</u>	<u>1,087,685</u>

No non-audit services were provided in the current year (2019: None).

6. Employee information

The Partnership has no employees (2019: none) and incurred no employee related costs during the year (2019: nil).

7. Finance income and costs

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Finance income		
Bank interest receivable	8,725	27,027
Finance costs		
Bank interest payable	(3,031,158)	(3,416,905)
Amortisation of loan arrangement costs	(240,841)	(240,183)
Movement on valuation of derivative financial instruments	(1,782,007)	(1,831,562)
Head lease interest	(1,080,781)	(1,435,449)
Subordinated loan interest	(283,161)	(106,364)
Swap break costs	-	(76,000)
	<u>(6,417,949)</u>	<u>(7,106,463)</u>
Net finance costs	<u>(6,409,224)</u>	<u>(7,079,436)</u>

8. Taxation on loss

The provisions of Section 111 of the Income and Corporation Taxes Act 1988 require the taxable gains and losses of a limited Partnership to be assessable directly upon the Partners. Accordingly, no provision has been made for taxation in these financial statements.

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued) For the year ended 31 December 2020

9. Investment property

	2020 £	2019 £
Brought forward balance	169,557,024	216,089,648
Capital expenditure	1,145,227	1,942,301
Revaluation	(57,342,318)	(48,642,301)
Book value as at 31 December	113,359,933	169,389,648
Head lease	(6,685,337)	(23,640)
Unamortised tenant incentives	522,378	191,015
Carrying value as at 31 December	107,196,974	169,557,024

As at 31 December 2020, the investment properties were valued at a market value of £92,500,000 in accordance with RICS valuation standards by Knight Frank LLP, professionally qualified chartered surveyors. The investment property was valued as at 31 December 2020 and 31 December 2019 by Gavin Spreyer (partner) in accordance with RICS valuation standards.

The historical cost of the property as at 31 December 2020 £218,359,082 (2019: £217,213,855).

The Partnership carries its investment property at fair value, with changes in fair value being recognised in profit and loss. The key assumptions used to determine the market value of the investment property include an initial yield of 9.80% (2019: 8.00%) and equivalent yield of 9.50% (2019: 8.17%).

The value of the investment property is sensitive to changes in initial and equivalent yield. Sources of estimation uncertainty are discussed in note 1.

10. Derivative financial instruments

	2020 £	2019 £
Interest rate swap	(3,328,791)	(1,348,558)

The interest rate swap has a maturity of 30 December 2023, a notional principal of £96,500,000 (2019: £96,500,000) and a contract rate of 1.14%.

11. Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors, net of bad debt provisions	3,200,994	928,144
Unamortised tenant incentives	828,422	854,734
Other receivables	2,251	8,143
Receivable Mall LP	41,633	41,633
	4,073,300	1,832,654
Non Current Amounts falling due after one year:		
Unamortised tenant incentives	3,867,614	4,363,681

Amounts owed by The Mall Limited Partnership are unsecured, interest-free and repayable on demand.

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued) For the year ended 31 December 2020

12. Prepayments and accrued income

	2020 £	2019 £
Prepayments	290,916	592,709
Accrued income	9,610	42,796
	<u>300,526</u>	<u>635,505</u>

13. Trade and other payables

	2020 £	2019 £
Trade creditors	354,884	229,454
VAT	96,932	256,478
Service charge	1,343,731	1,912,889
Rent deposits	86,005	58,931
Amounts owed to Parent Company	2,864	4,364
Other payables	219,002	131,563
	<u>2,103,418</u>	<u>2,593,679</u>

Amounts owed to The Mall (Luton) (General Partner) Limited are unsecured, interest-free and repayable on demand.

14. Accruals and deferred income

	2020 £	2019 £
Accrued bank loan interest	421,142	619,369
Accrued landlord expenditure	289,657	292,650
Head rent accrual	-	315,892
Accrued capital expenditure	130,699	1,070,410
Accrued administrative costs	13,700	268,080
Deferred income	2,160,415	2,145,389
	<u>3,015,614</u>	<u>4,711,790</u>

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued) For the year ended 31 December 2020

15. Borrowings

	2020 £	2019 £
Current borrowing		
Subordinated loan (Note 20)	8,548,773	8,638,373
Non current borrowing		
Bank loan with a maturity of greater than five years	96,500,000	96,500,000
Unamortised loan arrangement fees	(719,892)	(960,733)
	104,328,881	104,177,640

On 4 January 2017 a £107.5 million seven year loan with Wells Fargo Bank International Unlimited Company was drawn, secured on The Mall, Luton. Interest is payable at the prevailing Libor rate plus a margin of 2%.

The loan arrangement fees are being amortised over the period to maturity of the loan facility on a straight line basis and charged to the income statement.

During 2020 £nil was repaid (2019: £11,000,000).

The rate of interest payable on subordinated loan was 3.5% above Bank of England base rate.

16. Finance lease arrangements

	2020 £	2019 £
The Partnership as lessee		
Minimum lease payments under finance leases falling due		
Within one year	1,100,000	1,459,089
Between one and five years	4,400,000	5,836,356
After five years	76,556,986	105,030,768
	82,056,986	112,326,213
Future finance charges on finance leases	(62,425,633)	(86,250,775)
Present value of finance lease liabilities	19,631,353	26,075,438

Finance lease liabilities are all in respect of the head lease on the investment property.

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued) For the year ended 31 December 2020

17. Operating lease arrangements

	2020 £	2019 £
The Partnership as lessor		
Minimum lease rental payments receivable from tenants		
Falling due within one year	9,109,619	10,889,615
Between one and five years	22,658,576	29,437,084
After five years	15,778,522	35,387,840
	<u>47,546,717</u>	<u>75,714,539</u>

The Partnership leases out all its investment property under operating leases. Future aggregate minimum rentals receivable under non-cancellable operating leases are shown above. A portion of the leases are subject to rent reviews, some contain provisions for payment of additional rent depending on certain turnover levels being achieved.

The average unexpired lease term is 5.7 years (2019: 7.0 years).

18. Partner's capital

	2020 £	2019 £
The Mall (Luton) Unit Trust	104,050,004	104,050,004
The Mall (Luton) (General Partner) Limited	41,633	41,633
	<u>104,091,637</u>	<u>104,091,637</u>

19. Contingent liabilities and commitments

As at 31 December 2020 capital commitments amounted to £2.04m (2019: £1.18m).

20. Related party transactions

A charge of £1,000,000 (2019: £942,395) is included in these financial statements in respect of asset management services provided during the year by Capital & Regional Property Management Ltd and Capital & Regional plc (the ultimate parent company), of which £nil was outstanding as at 31 December 2020 (2019: £186,755). Outstanding amounts are repayable on demand.

In accordance with the Partnership Agreement, distributions of net income have been allocated to the Partners in the proportion to their ownership percentage for the period to which the distribution relates. As at 31 December 2020 the percentage holdings were The Mall (Luton) Unit Trust 99.96% (2019: 99.96%) and The Mall (Luton) (General Partner) Limited 0.04% (2019: 0.04%).

The company borrowed £89,600 (2019: £6,127,844) from Capital & Regional Holdings Ltd, a 100% subsidiary of Capital & Regional plc, the ultimate parent company of The Mall (Luton) Limited Partnership. The rate of interest payable on this loan was 3.75% above Bank of England base rate. As at 31 December 2020 the balance outstanding was £8,548,773 (2019: £8,638,373). Outstanding amounts are repayable on demand.

During the year the company paid Capital & Regional Holdings Limited interest of £283,161 (2019: £106,363).

The Mall (Luton) Limited Partnership

Notes to the financial statements (continued)

For the year ended 31 December 2020

21. Events after the balance sheet date

On 4 January 2021 the prime minister announced the commencement of a national lockdown with all but essential retailers required to close. Non-essential retailers were allowed to re-open from the 12 April 2021 and as at 21 June 2021, being the latest practicable date prior to the issue of this report, 99% of leased units within the company's shopping centre were open and trading.

22. Ultimate parent company and controlling party

The Partnership's General Partner is The Mall (Luton) (General Partner) Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Mall (Luton) (General Partner) Limited is wholly owned by Capital & Regional (Mall GP) Limited, which in turn is wholly owned by Capital & Regional plc.

The Partnership's ultimate controlling party is Growthpoint Properties Limited ("Growthpoint"). Growthpoint heads the largest group into which the results of the Partnership are consolidated. The registered office of Growthpoint is The Place, 1 Sandton Drive, Sandton, 2196, Johannesburg, South Africa. Copies of the financial statements of Growthpoint are publicly available from here.

The parent company of the smallest group of which the company is a member and for which consolidated accounts are prepared is Capital & Regional plc.