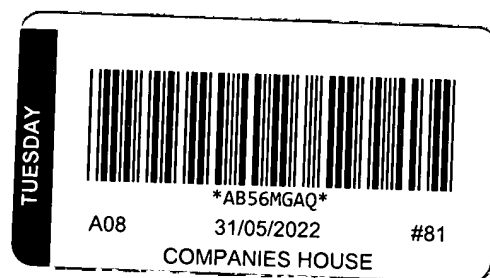


BULL RING (GP) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



BULL RING (GP) LIMITED

COMPANY INFORMATION**Directors**

Warren Stuart Austin (resigned 11 November 2021)
Harry Alexander Badham (appointed 11 November 2021)
Mark Richard Bourgeois (resigned 11 November 2021)
Thomas Oliver Jackson
Ira Atanasova Panova
Gregoire Peureux (appointed 11 November 2021)
Simon Charles Travis
Myles Bernard White
Stephen Wicks

Company secretary

Hammerson Company Secretarial Limited

Registered number

03744396

Registered office

Kings Place
90 York Way
London
N1 9GE

BULL RING (GP) LIMITED

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BULL RING (GP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The Directors who served during the year were:

Warren Stuart Austin (resigned 11 November 2021)
Harry Alexander Badham (appointed 11 November 2021)
Mark Richard Bourgeois (resigned 11 November 2021)
Thomas Oliver Jackson
Ira Atanasova Panova
Gregoire Peureux (appointed 11 November 2021)
Simon Charles Travis
Myles Bernard White
Stephen Wicks

Principal activity

The principal activity of the Company is to act as the General Partner to The Bull Ring Limited Partnership (the "Partnership") which owns and operates the Bullring Shopping Centre in Birmingham. Bull Ring Joint Venture Unit Trust, Hammerson Bull Ring Limited, HSCF BRLP1 Limited and HSCF BRLP2 Limited are the Limited Partners of the Partnership, and collectively have an interest of 99.54% (2020: 99.54%) in the Partnership, with the Company owning the remaining 0.46% (2020: 0.46%).

Business review

Performance in the year

The activities of the Company are intrinsically linked to those of the Partnership given the Company's only income source is distributions received from the Partnership. During the year, the Company received investment income of £nil (2020: £26,000). The Company's 0.46% interest in the Partnership is carried at a cost of £686,000 (2020: £686,000) which is not considered impaired.

The Bullring Shopping Centre in Birmingham was affected by the restrictions imposed to tackle the Covid-19 pandemic during a further period of national lockdown, with all non-essential retail closed until April 2021. As those restrictions began to be eased in Q2 2021, people were able to get out and footfall levels increased significantly compared with 2020, although they have yet to return to pre-pandemic levels.

The easing of restrictions has supported the conclusion of occupier negotiations, with flexible repayment terms or rent waivers being offered where appropriate. As at 31 December 2021, gross trade receivables for the Partnership and the related loss allowance provisions have reduced, compared with the prior year.

The Partnership's gross rental income decreased as a result of the Covid-19 concessions granted during 2021, however net rental income increased principally as a result of the release of the brought forward impairment provisions against trade receivables and unamortised tenant incentives.

Reduced income levels together with an outward yield movement have reduced the Partnership's property valuation. This reflects continued challenging occupational demand and an over-supply of retail space following CVAs and administrations, principally in 2020.

Future prospects

All Covid-19 restrictions were lifted in Q2 2021, with occupiers now operating without constraints. Coupled with the successful roll-out of a vaccination programme, customer activity, trading conditions, rent collections and market sentiment have improved.

A slow but steady recovery of the Partnership's net rental income levels is anticipated over the course of 2022, with leasing volumes and collections returning to pre-pandemic levels from 2023. The Directors also expect valuation capitalisation yields to remain stable.

The Directors of the Company do not anticipate any significant change in either the Company's or the Partnership's principal activities in the foreseeable future.

BULL RING (GP) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Qualifying third party indemnity provisions

The Company's ultimate parent companies are Hammerson plc, Canada Pension Plan Investment Board and the UK Shopping Centre Fund. Hammerson plc has put in place qualifying third party indemnity provisions for the benefit of all the Directors of the Company, which were in place throughout the year and remain in place at the date of approval of this report.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

BULL RING (GP) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report was approved by the board on 25 May 2022

and signed on its behalf.



Harry Alexander Badham
Director

BULL RING (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BULL RING (GP) LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state 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.

We have audited the financial statements of Bull Ring (GP) Limited (the "Company") for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet and the statement of changes in equity, and the notes to the financial statements, 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BULL RING (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BULL RING (GP) LIMITED

Other Companies Act 2006 reporting

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 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 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, 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.

BULL RING (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BULL RING (GP) LIMITED

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.

Extent to which the audit was 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 gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud.
- We considered the Company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the Company's financial statements.
- We designed audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We made enquiries of the management and Directors as to the risks of non-compliance and any instances thereof.
- We addressed the risks of management override of internal controls, including testing journal entries processed during the year and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

DocuSigned by:

Christopher Wingrave

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Christopher Wingrave (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor
Gatwick, United Kingdom

Date: 27 May 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BULL RING (GP) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
		£000	£000
Administrative expenses	4	(1)	(1)
Operating loss		<u>(1)</u>	<u>(1)</u>
Income from shares in group undertakings		-	26
(Loss)/profit before tax		<u>(1)</u>	<u>25</u>
Tax on (loss)/profit	6	(24)	(22)
(Loss)/profit for the financial year		<u><u>(25)</u></u>	<u><u>3</u></u>
 Total comprehensive (expense)/income for the year		 <u><u>(25)</u></u>	 <u><u>3</u></u>

The notes on pages 10 to 17 form part of these financial statements.

BULL RING (GP) LIMITED
REGISTERED NUMBER: 03744396

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	7	686	686
Current assets			
Debtors: amounts falling due within one year	8	448	472
Creditors: amounts falling due within one year	9	(26)	(25)
Net current assets		<u>422</u>	<u>447</u>
Total assets less current liabilities		<u>1,108</u>	<u>1,133</u>
Net assets		<u>1,108</u>	<u>1,133</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	1,106	1,131
		<u>1,108</u>	<u>1,133</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 May 2022.



Harry Alexander Badham
Director

The notes on pages 10 to 17 form part of these financial statements.

BULL RING (GP) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	2	1,128	1,130
Profit for the year	-	3	3
At 1 January 2021	2	1,131	1,133
Loss for the year	-	(25)	(25)
At 31 December 2021	2	1,106	1,108

The notes on pages 10 to 17 form part of these financial statements.

BULL RING (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Bull Ring (GP) Limited is a private company limited by shares, domiciled and incorporated in the United Kingdom under the Companies Act 2006. The nature of the Company's operations and its principal activities are set out on page 1. The address of the registered office is Kings Place, 90 York Way, London N1 9GE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Bull Ring Limited Partnership (the "Partnership") meets the definition of a subsidiary undertaking because the limited partnership is controlled by Bull Ring (GP) Limited, the General Partner, which forms part of the group. The Companies Act 2006 and FRS 102 Section 9 - "Consolidated and Separate Financial Statements" require the full consolidation of all subsidiary undertakings. However, the Directors consider that the consolidated financial statements would not present a true and fair view if the Partnership was to be consolidated in this way, with the interests of the other partners (representing 99.54%) accounted for as a minority interest. As such consolidated financial statements have not been prepared as a result of the Company's investment in The Bull Ring Limited Partnership. The Company has therefore prepared separate financial statements and accounts for investments in subsidiaries at cost less provision for impairment.

The Company is a joint venture between Hammerson plc, Canada Pension Plan Investment Board and UK Shopping Centre Fund and is equity accounted into the group financial statements of these entities which are publicly available (see note 13).

As the Company is not wholly-owned, it is not entitled under FRS 102 from an exemption to prepare a cash flow statement. However, the Company does not have a bank account and has not been party to any cash transactions and consequently no cash flow statement has been presented.

The presentation currency used is sterling and amounts have been presented in round thousands ("£000s").

The following principal accounting policies have been applied:

2.2 Going concern

In considering going concern the Directors initially note that the Company has net current assets and net assets, and no external borrowings or debt covenants. Its principal assets are its investment in, and receivable balance due from The Bull Ring Limited Partnership (the "Partnership"). The Directors have also assessed the existing and expected future effects of the Covid-19 pandemic on the Company's and the Partnership's activities and the appropriateness of the use of the going concern basis.

The activities of the Company are intrinsically linked to those of the Partnership, therefore in forming an opinion as to whether the Company was a going concern, the Directors needed to form an assessment as to whether the Partnership itself was able to adopt the going concern basis in preparing its financial statements.

The Directors note that the Partnership is an integral part of the structure and strategy of its ultimate controlling parties, and that the Partnership has a strong balance sheet, with net current assets and

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.2 Going concern (continued)

net assets, and no external borrowings or debt covenants. The Directors have performed a detailed review of the current and projected financial position of the Partnership, making reasonable assumptions about the future trading performance. This involved preparing two forecast scenarios: a Base scenario and a Severe but plausible scenario. The scenarios take into account the current and near-term assessment of the Partnership's principal risks, and also reflect the discretion available to the Directors to manage liquidity in relation to uncommitted future capital expenditure and Partner distributions.

In the second half of 2021, the uncertainties and disruption caused by the pandemic have eased and trading conditions have improved following relaxation of Covid-19 restrictions. The Directors' scenario modelling has been undertaken against this backdrop and the key assumptions adopted for the scenarios are as follows:

Base scenario

- a slow, but steady, recovery from the Covid-19 pandemic over the course on 2022 with leasing volumes and collections returning to pre-pandemic levels from 2023; and
- valuation capitalisation yields remain stable, with liquidity and investor appetite for retail assets continuing to strengthen.

Severe but plausible scenario

The Directors recognise however that uncertainty and downside risks remain, particularly from the emergence of new variants of the Covid-19 virus that may result in the UK government re-imposing containment measures, such as social distancing or trading restrictions on certain types of commercial activity. The Directors' Severe but plausible scenario has been prepared to incorporate the downside impact on occupational and investment markets that it would envisage in this type of challenging environment with adverse factors such as:

- lower collections;
- tenant restructuring;
- weaker leasing performance and higher vacancy levels; and
- reduced variable income from turnover rent, car parks and commercialisation.

Under this scenario, net rental income in both 2022 and 2023 is forecast to be over 50% and 40% lower respectively, when compared with 2019.

Conclusion

Based on the above assessment, under both the Base and Severe but plausible scenarios, the Partnership has sufficient liquidity on a stand-alone basis for a period of at least 12 months from the date of signing these financial statements. Accordingly the Directors are satisfied that they can continue to adopt the going concern basis in preparing the Annual Report and financial statements of the Partnership. Consequently they can continue to adopt the going concern basis in preparing the Company's financial statements.

2.3 Tax on profit

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

BULL RING (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Investment income

Investment income represents the Company's share of the profit distributions receivable from The Bull Ring Limited Partnership and is included within the statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions 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 the current and future periods.

The Company's critical judgement and area of estimation uncertainty is in respect of the valuation of investments. The Company's investments include its investment in The Bull Ring Limited Partnership (the "Partnership"), which is carried in the balance sheet at historical cost less provision for impairment, which is assessed by the Directors based upon the net assets of the Partnership in which the Company invests. The principal asset of the Partnership is its investment properties which are valued six monthly by professional qualified external valuers. The Directors must ensure they are satisfied that the Company's investment in the Partnership is appropriate for the financial statements. The basis of valuation of the Partnership's investment properties is set out in the notes to the financial statements of the Partnership for the year ended 31 December 2021.

BULL RING (GP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>1</u>	<u>1</u>

The audit fee allocated to the audit of the Company for 2021 is £1,350 (2020: £1,350).

5. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2020 - £NIL), having been paid by other group undertakings. It is deemed impractical to allocate their remuneration between group undertakings for the purpose of disclosure.

In addition there were no payments to key management personnel in either the current or preceding financial year.

6. Taxation

	2021	2020
	£000	£000
Corporation tax		
Current tax on profits for the year	<u>24</u>	<u>22</u>
Total current tax	<u>24</u>	<u>22</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>24</u>	<u>22</u>

BULL RING (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit on ordinary activities before tax	(1)	25
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	-	5
Effects of:		
Distributions from fixed asset investments	-	(5)
Share of partnership taxable income	24	22
Total tax charge for the year	24	22

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Fixed asset investments

	Investment in The Bull Ring Limited Partnership £000
Cost	
At 1 January 2021	686
At 31 December 2021	686

The Company has a 0.46% interest in The Bull Ring Limited Partnership which is registered in England and Wales and holds for investment the Bullring Shopping Centre in Birmingham. The address of the registered office is Kings Place, 90 York Way, London N1 9GE.

BULL RING (GP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
BRLP Rotunda Limited	Kings Place, 90 York Way, London N1 9GE	Ordinary	100%
Bull Ring No. 1 Limited	Kings Place, 90 York Way, London N1 9GE	Ordinary	100%
Bull Ring No. 2 Limited	Kings Place, 90 York Way, London N1 9GE	Ordinary	100%

Each of the above undertakings is dormant.

8. Debtors

	2021	2020
	£000	£000
Amounts owed by group undertakings	448	472

9. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	2	2
Corporation tax	23	22
Other creditors	1	1
	26	25

Amounts owed to group undertakings are repayable on demand, non-interest bearing and unsecured.

BULL RING (GP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Called up share capital

	2021	2020
	£000	£000
Authorised, allotted, called up and fully paid		
180,000 (2020 - 180,000) Ordinary shares of £0.01 each	2	2
	<u>2</u>	<u>2</u>

11. Reserves

Profit and loss account

Cumulative profits and losses less any dividends paid.

12. Related party transactions

Related party

During the year the company entered into related party transactions or had outstanding balances as follows:

The Bull Ring Limited Partnership: distributions receivable during the year of £Nil (2020: £Nil), with an outstanding receivable balance at the year ended 31 December 2021 of £448,000 (2020: £472,000).

Hammerson plc: outstanding payable balance at the year ended 31 December 2021 of £2,000 (2020: £2,000).

All amounts are repayable on demand, non-interest bearing and unsecured.

BULL RING (GP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Controlling party

At the end of the current and preceding year, Bull Ring (GP2) Limited, HSCF (Bull Ring) Limited and Hammerson Birmingham Properties Limited each owned 60,000 ordinary £0.01 shares in the Company. These companies are registered in England and Wales.

The ultimate controlling parties of these shareholders are Hammerson plc, Canada Pension Plan Investment Board and the UK Shopping Centre Fund, which are registered in England and Wales, Canada and Jersey, respectively.

The consolidated financial statements of the ultimate controlling parties are available from:

Hammerson plc
The Company Secretarial Department
Kings Place
90 York Way
London
N1 9GE

Canada Pension Plan Investment Board
Company Secretary
Suite 2600 One
Queen Street East
Toronto
M5C 2W5
Canada

UK Shopping Centre Fund
BNP Paribas Jersey Trust Corporation and Anley Trustees Limited
BNP Paribas House
Anley Street
St Helier
Jersey
JE2 3QE

Partnership registration: LP6353

THE BULL RING LIMITED PARTNERSHIP

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2021

THE BULL RING LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNER

Year ended 31 December 2021

Bull Ring (GP) Limited (the "General Partner") submits its report and the audited financial statements for The Bull Ring Limited Partnership (the "Partnership") for the year ended 31 December 2021.

1. PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Partnership is property investment in the United Kingdom. The General Partner does not anticipate any significant change in the principal activity in the foreseeable future.

Further information relating to the business, its key risks and future prospects is provided in the Strategic Report on pages 4 and 5, together with an assessment of the impact the Covid-19 pandemic has had on the business and how this may affect its activities in the future.

2. RESULTS AND DISTRIBUTIONS

The Partnership made a loss for the financial year before partners' interests of £49,562,000 (2020: £312,255,000). No distributions were made during the year (2020: £5,747,000).

Net assets of the Partnership as at 31 December 2021 were £593,790,000 (2020: £643,352,000).

3. DIRECTORS OF THE GENERAL PARTNER

- (a) Mr. T.O. Jackson, Mr. S.C. Travis, Mr. M.B. White and Mr. S. Wicks were Directors of the General Partner throughout the year and were in office at the date of approval of this report.
- (b) Ms. I. A. Panova was an Alternate Director of the General Partner throughout the year and was in office at the date of approval of this report.
- (c) Mr. W.S. Austin and Mr. M.R. Bourgeois resigned as Directors of the General Partner on 11 November 2021.
- (d) Mr. G. Peureux and Mr. H.A. Badham were appointed as Directors of the General Partner on 11 November 2021 and were in office at the date of approval of this report.
- (e) In accordance with the Articles of Association of the General Partner, the Directors are not required to retire by rotation.
- (f) No Director has any interests in contracts entered into by the General Partner.

4. INDEMNITY

The General Partner's ultimate parent companies are Hammerson plc, Canada Pension Plan Investment Board and the UK Shopping Centre Fund. Hammerson plc has put in place qualifying third party indemnity provisions for the benefit of all the Directors of the General Partner, which were in place throughout the year and remain in place at the date of approval of this report.

5. GOING CONCERN

The Directors of the General Partner have considered the use of the going concern basis in the preparation of the financial statements as at 31 December 2021, taking into account the existing and anticipated effects of Covid-19, and concluded that it was appropriate. More information is provided in note 1(b) to the financial statements.

THE BULL RING LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNER (CONTINUED)

Year ended 31 December 2021

6. INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 487(2) of the Companies Act 2006.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

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

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

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, as applied to qualifying partnerships, the General Partner must not approve the financial statements unless it is satisfied that they 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 the financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Partnership will continue in business.

The General Partner is 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 General Partner is also 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 it to ensure that the financial statements comply with the Companies Act 2006.

8. STATEMENT IN RESPECT OF STAKEHOLDER ENGAGEMENT

The Directors of the General Partner (the "Directors") have determined that the Partnership's key stakeholders are its: partners; occupiers; consumers; and communities. How the Directors engage with these stakeholders is summarised below:

Partners

The key areas of interest for the partners are the current and future financial performance of the Partnership's property interests. The focus in 2021 has been the continued impact of the pandemic on the business and the Directors have worked closely with the partners to ensure alignment when supporting occupiers through rent concessions and restructuring. The asset manager provides the Directors with a quarterly update with comparisons of actual results to budget and to highlight other areas including sales and footfall, sustainability, customer experience and innovation. The Directors consider the views of each partner as part of the decision-making process about future strategy and direction.

THE BULL RING LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNER (CONTINUED)

Year ended 31 December 2021

8. STATEMENT IN RESPECT OF STAKEHOLDER ENGAGEMENT (CONTINUED)

Occupiers

The Partnership's relationships with its retailers, F&B and leisure occupiers are important to the Partnership's long-term success. Since the onset of the pandemic, the Directors have continued to support occupiers and the asset manager reports on the performance of occupiers which are discussed at the Directors' board meetings. There is a targeted programme of engagement for future occupiers, with a brand experience survey conducted of occupiers to gather feedback on their satisfaction, to help drive stronger, mutually beneficial relationships.

Consumers

Offering an engaging experience is crucial for the future of physical retail. The Directors continue to receive both quantitative and qualitative insights from the asset manager to understand consumer needs which inform decisions on curating a vibrant destination for shopping, leisure and socialising and to inform investment decisions and identify revenue drivers. Investment is directed to optimising space and occupier mix and improving customer facilities.

Communities

The Partnership's assets make important social and economic contributions to its community. The pandemic has challenged families, businesses and community groups to an extent no one could have foreseen. The Directors ensure that through the asset management team, strong links are developed with local stakeholders to identify local needs. Community projects focus on four areas: employment and skills; local investment and enterprise; health and wellbeing; and young people.

Sustainability and climate change increasingly play an important role in investment decisions. The Directors have taken appropriate action to reduce landlord and occupier carbon emissions and water usage, and have adopted a waste management strategy.

9. DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors of the General Partner at the time when this report is approved has confirmed that:

- (a) so far as the Director of the General Partner is aware, there is no relevant audit information of which the Partnership's auditors are unaware; and
- (b) the Director of the General Partner has taken all the steps that ought to have taken as a Director in order to be aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Approved by Bull Ring (GP) Limited, General Partner, and signed on its behalf



H.A. Badham

Director

Date: 25 May 2022

THE BULL RING LIMITED PARTNERSHIP

STRATEGIC REPORT

Year ended 31 December 2021

Review of the business

Performance during the year

The Partnership's principal business is to hold certain investments in Birmingham including the Bullring Shopping Centre, which was affected by the restrictions imposed to tackle the Covid-19 pandemic during a further period of national lockdown, with all non-essential retail closed until April 2021. As those restrictions began to be eased in Q2 2021, people were able to get out and footfall levels increased significantly compared with 2020, although they have yet to return to pre-pandemic levels.

The easing of restrictions has supported the conclusion of occupier negotiations, with flexible repayment terms or rent waivers being offered where appropriate. As at 31 December 2021, gross trade receivables and the related loss allowance provisions have reduced, compared with the prior year. The residual trade receivables are older and more challenging to recover with the passage of time and this has been taken into consideration by the Directors of the General Partner (the "Directors") in assessing the level of loss allowance provision required. Although rent collections have improved in 2021, with occupiers benefitting from greater periods of trade without Covid-19 restrictions in place, they continue to remain below pre-pandemic levels. See notes 1(m) and 7 for further details.

Gross rental income decreased as a result of the Covid-19 concessions granted during 2021, however net rental income increased principally as a result of the release of the brought forward impairment provisions against trade receivables and unamortised tenant incentives. During the year, the provision against trade receivables decreased by £6,010,000 (2020: £9,986,000 increase) and the provision against unamortised lease incentives increased by £129,000 (2020: £1,323,000).

Turnover rents, car park income and other rental income all increased due to the re-opening of the stores during the year, following the lifting of Covid-19 lockdown restrictions.

Reduced income levels together with an outward yield movement have reduced the Partnership's property valuation. This reflects continued challenging occupational demand and an over-supply of retail space following CVAs and administrations, principally in 2020.

The Partnership made an operating profit before property revaluation losses of £28,842,000 (2020: £22,136,000) and a total loss for the financial year of £49,562,000 before partners' interests (2020: £312,255,000).

Future prospects

All Covid-19 restrictions were lifted in Q2 2021, with occupiers now operating without constraints. Coupled with the successful roll-out of a vaccination programme, customer activity, trading conditions, rent collections and market sentiment have improved.

A slow but steady recovery of the Partnership's net rental income levels is anticipated over the course of 2022, with leasing volumes and collections returning to pre-pandemic levels from 2023. The Directors also expect valuation capitalisation yields to remain stable. A sensitivity analysis of property valuation movements is included in note 1(m).

The Directors of the General Partner do not anticipate any significant change in the Partnership's principal activity in the foreseeable future.

THE BULL RING LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED)

Year ended 31 December 2021

Key Performance Indicators

The Directors of the General Partner (the "Directors") consider the following measures to be key performance indicators for the Partnership: net rental income, property valuation and total return.

The Partnership's properties produced net rental income of £30,178,000 in 2021 compared with £23,484,000 in 2020. As shown in note 6(a) to the financial statements, the total capital expenditure incurred and amortisation of lease incentives was a net cost of £11,653,000 (2020: £1,002,000), and there was a revaluation loss of £78,403,000 during the year (2020: £334,402,000), and the total property valuation at 31 December 2021 was £561,000,000 (2020: £627,750,000). The IPD total return for the property was -8.0% in 2021 (2020: -32.6%).

Principal risks

Overview

As the restrictions from the pandemic were lifted during Q2 2021, the Partnership's property opened with only minimal restrictions, and business optimism grew. The optimism was evident from the increase in footfall and sales and an improvement in cash collections. Property valuations started to stabilise in the latter part of 2021 as the demand for new leases and lease renewals started to grow.

Against this backdrop, effective risk management is critical to protect the Partnership's income, assets and reputation. The Directors review and monitor financial, operational and reputational risks and consider these as part of the forecasting and business planning process.

Short term

The retail market has seen signs of recovery following the easing of restrictions. The key short-term risks facing the Partnership relate to the collection of arrears arising from the Covid-19 pandemic and the ability of occupiers to recover their trade to pre-pandemic levels. The rent moratorium in the UK has meant a significant number of occupiers withheld lease payments, however this expired in March 2022, which should now enable landlords to enforce rent collection.

Longer-term

The key on-going and longer-term risk facing the Partnership relates to tenant exposure and the strength of the UK property market, the latter being impacted by increased online penetration and tenant failures. Tenants' covenants are monitored at the start of leasing agreements and on an ongoing basis to minimise the risk of default. The Directors monitor the UK property market through the analysis of market forecasts and the performance of the property assets are compared against target returns. The Partnership has a risk forum for managing the key development risks. The current challenges on the business presented by the Covid-19 pandemic have accentuated the significance of monitoring changes in tenants' covenants and the UK property market.

Reporting on section 172 of the Companies Act 2006

The Directors continue to have regard to the interests of key stakeholders of the Partnership and those of its related undertakings, including the impact of its activities on the community, environment and the Partnership's reputation, when making decisions. The Directors, acting fairly between Partners, and acting in good faith, consider what is most likely to promote the success of the Partnership for its Partners in the long term. The General Partner receives a detailed quarterly update from the asset manager on matters affecting the Partnership's stakeholders which assists the Directors in their decision making process.

Approved by Bull Ring (GP) Limited, General Partner, and signed on its behalf.



H.A. Badham

Director

Date: 25 May 2022



Independent auditors' report to the Partners of The Bull Ring Limited Partnership

Report on the audit of the financial statements

Opinion

In our opinion, The Bull Ring Limited Partnership's financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Partnership's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The General Partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Report of the General Partner, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 as applied to qualifying partnerships requires us also to report certain opinions and matters as described below.

Strategic report and Report of the General Partner

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the General Partner for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the General Partner.

Responsibilities for the financial statements and the audit

Responsibilities of the General Partner for the financial statements

As explained more fully in the Statement of General Partner's Responsibilities in respect of the Financial Statements, the General Partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The General Partner is also responsible for such internal control as they 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 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 Partnership or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Partnership and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud.
- Reviewing minutes of meetings of those charged with governance.
- Performing procedures over any unusual journal entries.
- Designing audit procedures to incorporate unpredictability into our testing.
- Challenging assumptions made by management in determining their judgements and accounting estimates; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Partners of the qualifying Partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of General Partner's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Sonia Copeland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 May 2022

THE BULL RING LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue	3	43,772	53,310
Rents payable and other property outgoings	3	(15,840)	(26,802)
Change in the provision for amounts not yet recognised in the statement of comprehensive income	3	<u>2,246</u>	<u>(3,024)</u>
Net rental income	3	30,178	23,484
Administrative expenses	4	<u>(1,336)</u>	<u>(1,348)</u>
Operating profit before property revaluation losses		28,842	22,136
Revaluation losses on properties	6(a)	<u>(78,403)</u>	<u>(334,402)</u>
Operating loss		(49,561)	(312,266)
Net finance (costs)/income	5	<u>(1)</u>	<u>11</u>
Loss and total comprehensive expense for the financial year before partners' interests		<u>(49,562)</u>	<u>(312,255)</u>

All amounts relate to continuing activities.

THE BULL RING LIMITED PARTNERSHIP

BALANCE SHEET

As at 31 December 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Investment properties	6(a)	561,000	627,750
Current assets			
Receivables	7	10,001	15,734
Restricted monetary assets	8	3,562	2,577
Cash and deposits	9	42,040	29,169
		55,603	47,480
Current liabilities			
Payables	10	(21,929)	(29,944)
Net current assets		33,674	17,536
Total assets less current liabilities		594,674	645,286
Non-current liabilities			
Payables	11	(884)	(1,934)
Net assets		593,790	643,352
Represented by:			
Partners' equity			
Partners' capital accounts	12	149,151	149,151
Partners' current accounts	12	444,639	494,201
Total Partners' equity		593,790	643,352

The financial statements were authorised for issue by the Directors of the General Partner on 25 May 2022 and were signed on its behalf.



H.A. Badham
Director

Partnership registration: LP6353

THE BULL RING LIMITED PARTNERSHIP

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

	Partners' capital accounts £'000	Partners' current accounts £'000	Total Partners' equity £'000
At 1 January 2020	149,151	812,203	961,354
Loss and total comprehensive expense for the financial year	-	(312,255)	(312,255)
Distributions to Partners	-	(5,747)	(5,747)
At 31 December 2020	149,151	494,201	643,352
Loss and total comprehensive expense for the financial year	-	(49,562)	(49,562)
At 31 December 2021	149,151	444,639	593,790

THE BULL RING LIMITED PARTNERSHIP

CASH FLOW STATEMENT

For the year ended 31 December 2021

	2021 £'000	2020 £'000
Operating activities		
Operating profit before property revaluation losses	28,842	22,136
(Increase)/Decrease in restricted monetary assets	(985)	7,248
Decrease/(Increase) in receivables	11,743	(20,788)
(Decrease)/Increase in payables	(7,553)	2,400
Non-cash items*	(4,869)	15,626
Cash generated from operations	27,178	26,622
Interest received	-	12
Interest paid	(1)	(1)
Cash flows from operating activities	27,177	26,633
Investing activities		
Capital expenditure	(14,306)	(4,342)
Cash flows used in investing activities	(14,306)	(4,342)
Financing activities		
Distributions to Partners	-	(5,747)
Cash flows used in financing activities	-	(5,747)
Increase/(Decrease) in cash and deposits in the year	12,871	16,544
Opening cash and deposits	29,169	12,625
Closing cash and deposits	42,040	29,169

* The adjustment for non-cash items includes the decrease in loss allowance provision against trade receivables and increase in impairment provision against lease incentives, totalling £5,881,000 (2020: £11,309,000 increase) and an increase in impairment provision against amounts due from the Limited Partners of £nil (2020: £615,000).

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the current and preceding year, unless otherwise stated.

(a) Basis of accounting

Basis of preparation

The Bull Ring Limited Partnership (the "Partnership") is registered pursuant to the provisions of The Limited Partnerships Act 1907. The Partnerships and Unlimited Companies (Accounts) Regulations 2008 (SI 2008/569) require certain qualifying partnerships to prepare and have audited financial statements as required for a company by the Companies Act 2006. The nature of the Partnership's operations and its principal activities are set out on page 4. The address of the registered office of the General Partner is the same as that of Hammerson plc, one of the ultimate controlling parties, which is Kings Place, 90 York Way, London, N1 9GE.

These financial statements were prepared in compliance with Financial Reporting Standard 102 ("FRS 102") as issued by the Financial Reporting Council and the Companies Act 2006.

The presentation currency used is sterling and amounts have been presented in round thousands ("£000s"). The financial statements have been prepared on a historical cost basis, except for the revaluation of investment properties. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The Partnership is a joint venture between Hammerson plc, Canada Pension Plan Investment Board and the UK Shopping Centre Fund and is equity accounted into the group financial statements of these entities of which are all publicly available (see note 17).

(b) Going concern

In considering going concern the Directors of the General Partner (the "Directors") initially note that the Partnership has a strong balance sheet, with net current assets and net assets, and no external borrowings or debt covenants. The Directors have performed a detailed review of the current and projected financial position of the Partnership, making reasonable assumptions about the future trading performance. This involved preparing two forecast scenarios: a Base scenario and a Severe but plausible scenario. The scenarios take into account the current and near-term assessment of the Partnership's principal risks, which are explained in the Strategic Report on page 5 and also reflect the discretion available to the Directors to manage liquidity in relation to uncommitted future capital expenditure and Partner distributions.

In the second half of 2021, the uncertainties and disruption caused by the pandemic have eased and trading conditions have improved following relaxation of Covid-19 restrictions. The Directors' scenario modelling has been undertaken against this backdrop and the key assumptions adopted for the scenarios are as follows:

Base scenario

- a slow, but steady, recovery from the Covid-19 pandemic over the course of 2022 with leasing volumes and collections returning to pre-pandemic levels from 2023; and
- valuation capitalisation yields remain stable, with liquidity and investor appetite for retail assets continuing to strengthen.

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

(b) Going concern (continued)

Severe but plausible scenario

The Directors recognise however that uncertainty and downside risks remain, particularly from the emergence of new variants of the Covid-19 virus that may result in the UK government re-imposing containment measures, such as social distancing or trading restrictions on certain types of commercial activity. The Directors' Severe but plausible scenario has been prepared to incorporate the downside impact on occupational and investment markets that it would envisage in this type of challenging environment with adverse factors such as:

- lower collections;
- tenant restructuring;
- weaker leasing performance and higher vacancy levels; and
- reduced variable income from turnover rent, car parks and commercialisation.

Under this scenario, NRI in both 2022 and 2023 is forecast to be over 50% and 40% lower respectively, when compared with 2019.

Conclusion

Based on the above assessment, under both the Base and Severe but plausible scenarios, the Partnership has sufficient liquidity on a stand-alone basis for a period of at least 12 months from the date of signing these financial statements. Accordingly the Directors are satisfied that they can continue to adopt the going concern basis in preparing the Annual Report and financial statements.

(c) Net rental income

Rental income from investment property in the United Kingdom leased out under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term. Non-rental income such as car park or commercialisation income or contingent rents, such as turnover rents, rent reviews and indexation, are recorded as income in the period in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Lease incentives and costs associated with entering into tenant leases are added to the costs of property and are amortised over the lease term or, if the probability that the break option will be exercised is considered high, over the period to the first break option.

Changes in rental income arising from rent concessions are recognised over the period that the change in lease payments is intended to compensate, unless there are other significant changes to the terms and conditions of the lease. Covid-19 related rent concessions which include a change to the lease term are capitalised within investment property additions and amortised over the lease term.

Movements in the impairment provisions against trade receivables and unamortised lease incentives are included within net rental income, as shown in note 3, either within 'other property outgoings' or 'change in the provision for amounts not yet recognised in the statement of comprehensive income'. Further details of the criteria used to assess the level of impairment provisions required are set out in note 1(m).

Property operating expenses are expensed as incurred and any property operating expenditure not recovered from tenants through service charges is charged to the statement of comprehensive income as incurred.

Included in net rental income is £1,367,000 (2020: £573,000) of contingent rents calculated by reference to tenants' turnover.

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

(d) Net finance income

Net finance income includes interest payable on borrowings, net of interest receivable on funds invested and is included in the statement of comprehensive income.

(e) Distributions

Distributions are paid to the Partners out of realised profits which are available for distribution. For the purposes of calculating the Partnership's realised profits, revaluation gains and losses on properties are excluded. Distributions are recognised on a cash basis upon payment and shown in the statement of changes in equity.

(f) Investment properties

The Partnership applies the fair value accounting model to investment properties, being market value determined by professionally qualified external valuers. Changes in fair value are recognised in the statement of comprehensive income. All costs directly associated with the purchase and construction of a property are capitalised.

(g) Loans receivable

Loans receivable are financial assets which are initially measured at fair value, plus acquisition costs and are subsequently measured at amortised cost, using the effective interest method, less any impairment.

(h) Trade and other receivables and payables

Trade and other receivables and payables are initially measured at fair value, subsequently measured at amortised cost and, where the effect is material, discounted to reflect the time value of money. Trade and other receivables are shown net of any loss allowance provision.

(i) Impairment provisioning

The Partnership applies a simplified approach to determine the impairment provision on trade receivables and unamortised tenant incentives. In addition to the loss allowance provision which is based on income earned in the year but not collected as at the balance sheet date, there are two other sources of impairment loss:

- Provision for impairment of unamortised tenant incentives: The movement in the loss allowance provision in the period against unamortised tenant incentives held within investment properties, including cash incentives and rent free periods, included within other property outgoings.
- Provision for amounts not yet recognised in the statement of comprehensive income: The movement in the loss allowance in the period against trade receivables at the balance sheet date which relate to a future reporting period and where the corresponding liability is classified within payables, including rent and service charge arrears.

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

(j) Borrowings

Borrowings are recognised initially at fair value, after taking account of any discount on issue and attributable transaction costs. Subsequently, borrowings are held at amortised cost, such that discounts and costs are charged to the statement of comprehensive income over the term of the borrowing at a constant return on the carrying value of the liability.

(k) Cash and deposits and restricted monetary assets

Cash and deposits comprise cash and short-term bank deposits with an original maturity of three months or less which are readily accessible. Restricted monetary assets relate to cash balances which legally belong to the Partnership but which the Partnership cannot readily access. These do not meet the definition of cash and cash equivalents and consequently are presented separately from cash and deposits in the Partnership's balance sheet.

(l) Financial instruments

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial assets and liabilities are subsequently carried at amortised cost using the effective interest method.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Partnership intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Partnership transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Partnership, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(m) Critical accounting policies and estimation uncertainties

In the application of the Partnership's accounting policies, the Directors of the General Partner (the "Directors") are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions 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 the current and future periods.

The Partnership's critical judgements and areas of estimation uncertainty are in respect of property valuations and impairment provisions.

Property valuations

The Partnership's investment property, which is carried in the balance sheet at fair value, is valued six-monthly by professionally qualified external valuers and the Directors must ensure that they are satisfied that the valuation of the Partnership's property is appropriate for the financial statements.

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

(m) Critical accounting policies and estimation uncertainties (continued)

Property valuations (continued)

Valuation backdrop

The valuation of the Partnership's properties, which are carried in the balance sheet at fair value, is the most material area of estimation due to its inherent subjectivity, reliance on assumptions and sensitivity to market fluctuations.

During the first half of 2021, the retail investment market continued to be adversely impacted by the closure of non-essential shops, compounding the recent structural changes and accelerating the shift online. The second half of 2021 saw a noticeable improvement in investment sentiment and transaction activity. Areas of estimate highlighted in the external valuer's valuation report included estimation of market rents based on an increased level of activity, the consideration of appropriate levels of void costs and rent-free periods, the impact of extension of the rent moratorium in the UK and the basis of yield assumptions recognising the selective return of investor appetite towards the retail sector. The key inputs into the valuation continue to be yields (nominal equivalent yield) and market rental income (ERV).

The external valuer's report also included an explanatory note, in accordance with RICS guidance, outlining the ongoing impact Covid-19 continues to have on global real estate markets. The guidance states that property markets are mostly functioning again, with transaction levels and sufficient other relevant evidence available on which to base opinions of value.

Valuation methodology

Investment properties, excluding properties held for development, are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to estimated future rental income streams reflecting contracted income reverting to ERV with appropriate adjustments for income voids arising from vacancies, lease expiries or rent-free periods. These capitalisation yields and future income streams are derived from comparable property and leasing transactions and are considered to be key inputs to the valuations. Where comparable evidence of yield movement is lacking, valuers are reliant on sentiment or the movement of less comparable assets.

At 31 December 2021, the valuers had removed most of the specific Covid-19 allowances included at the prior year end. Other factors that are taken into account include, but are not limited to, the location and physical attributes of the property, tenure, tenancy details, lease expiry profile, rent collection, local taxes, structural and environmental conditions. With regards to the latter factor, the valuers made no explicit adjustment to their valuation as at 31 December 2021 in respect of environmental, social and governance ('ESG') matters. However, both the Directors and the valuers anticipate that ESG will have a greater influence on valuations in the future as investment markets place a greater emphasis on this topic and valuers comply with the RICS Guidance Note Sustainability and ESG in Commercial Property Valuation, which took effect from 31 January 2022.

The Directors have satisfied themselves that the valuation process is sufficiently rigorous and supports the carrying value of the Partnership's properties in the financial statements.

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

(m) Critical accounting policies and estimation uncertainties (continued)

Property valuations (continued)

A sensitivity analysis showing the impact on valuations of changes in yields and market rental income is detailed in the table below.

Investment property valuation 2021 £'000	Impact on valuation of 100bp change in nominal equivalent yield		Impact on valuation of 10% change in estimated rental value (ERV)	
	Decrease £'000	Increase £'000	Increase £'000	Decrease £'000
561,000	93,876	(70,336)	56,100	(56,100)

Impairment provisions

The estimation of impairment provisions requires a degree of estimation about future events and is therefore inherently subjective. In assessing the current year provision, consideration has been given to the outturn of the prior year provision.

Consistent with the approach adopted at 31 December 2020, the Directors adopted a provisioning matrix, grouping receivables dependent on the risk level, taking into account historical default rates, future expectations, credit ratings and ageing, and applying an appropriate provision percentage after taking into account VAT, rent deposits and personal or corporate guarantees held. Where information is available to suggest that a higher level of provisioning is required, provision is made against 100% of the trade receivable or tenant incentive.

The table below presents the trade receivables due at the balance sheet date, and the total loss allowance analysed between amounts recognised before 31 December 2021 and those for which the corresponding credit to the statement of comprehensive income has yet to be recognised.

	2021 £'000	2020 £'000
Gross trade receivables	9,353	22,403
Loss allowance provision for amounts:		
- recognised in the statement of comprehensive income	(3,521)	(7,285)
- not yet recognised in the statement of comprehensive income	(778)	(3,024)
	<u>(4,299)</u>	<u>(10,309)</u>
Trade receivables (see note 7)	<u>5,054</u>	<u>12,094</u>

The Directors have adopted a similar provisioning matrix to tenant incentives, by grouping unamortised incentives dependent on the risk level, taking into account historical default rates, and credit ratings, and applying an appropriate provision percentage. Provisioning rates against unamortised tenant incentives are lower than those against trade receivables as the credit risk of tenants not paying rent for future periods, and hence unamortised tenant incentives not being recovered, is lower than the credit risk on trade receivables.

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

(m) Critical accounting policies and estimation uncertainties (continued)

Impairment provisions (continued)

The table below presents the unamortised tenant incentives at the balance sheet date, together with the loss allowance provision.

	2021 £'000	2020 £'000
Unamortised tenant incentives	4,840	5,314
Loss allowance provision	<u>(1,452)</u>	<u>(1,323)</u>
	<u>3,388</u>	<u>3,991</u>

2. LIMITED PARTNERSHIP AGREEMENT ('The Agreement')

- (a) The Agreement dated 21 July 1999 states that the purpose of the Partnership is to carry out property investment and development.
- (b) During the year Bull Ring (GP) Limited acting as the General Partner had an interest of 0.46% (2020: 0.46%) in the profits and assets of the Partnership.
- (c) At 31 December 2021, Hammerson Bull Ring Limited and Bull Ring Joint Venture Unit Trust acting as Limited Partners had interests of 33.18% (2020: 33.18%) each in the profits and assets of the Partnership. HSCF BRLP1 Limited and HSCF BRLP2 Limited acting as Limited Partners had interests of 16.9218% (2020: 16.9218%) and 16.2582% (2020: 16.2582%) respectively in the profits and assets of the Partnership.

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

3. NET RENTAL INCOME

	2021 £'000	2020 £'000
Base rent	25,916	37,248
Turnover rent	1,367	573
Car park income	5,063	4,785
Lease incentive recognition	(763)	(1,945)
Other rental income	4,776	3,057
	<hr/>	<hr/>
Gross rental income	36,359	43,718
Service charge income	7,413	9,592
	<hr/>	<hr/>
Revenue	43,772	53,310
Service charge expenses	(10,086)	(10,977)
Inclusive lease costs recovered through rent	(598)	(283)
Other property outgoings*	(5,156)	(15,542)
	<hr/>	<hr/>
Rents payable and other property outgoings	(15,840)	(26,802)
Change in the provision for amounts not yet recognised in the statement of comprehensive income	2,246	(3,024)
	<hr/>	<hr/>
Net rental income	30,178	23,484

* Includes decrease in provision against trade receivables, for amounts recognised in the statement of comprehensive income, of £3,764,000 (2020: £6,962,000 increase) and increase in provision against unamortised tenant incentives of £129,000 (2020: £1,323,000).

4. ADMINISTRATIVE EXPENSES

	2021 £'000	2020 £'000
Management fees payable to Hammerson UK Properties Limited (formerly Hammerson UK Properties plc)*	1,354	759
Valuation fees	45	45
Impairment of amounts owed by Limited Partners (see note 7)	-	615
Fees payable to the Partnership's auditors for the audit of the Partnership's financial statements	37	26
Insurance administration credit	(126)	(92)
Other expenses/(income)	26	(5)
	<hr/>	<hr/>
	1,336	1,348

* The management fee for 2021 was £884,000, with the remaining £470,000 relating to fee increases for 2016-2020 following Board agreement during the year.

The Partnership had no employees in the current or preceding financial year.

The Directors of the General Partner did not receive any remuneration for their services from the Partnership in the year (2020: £nil), having been paid by other related undertakings. It is deemed impractical to allocate their remuneration between related undertakings for the purpose of disclosure. The services of the Directors of the General Partner are of a non-executive nature.

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

5. NET FINANCE (COSTS)/INCOME

	2021 £'000	2020 £'000
Interest receivable	-	12
Other interest payable	(1)	(1)
	<u>(1)</u>	<u>11</u>

6. INVESTMENT PROPERTIES

(a) The movements in the year on the valuation of properties were:

	2021 £'000	2020 £'000
Long leasehold		
At 1 January	627,750	961,150
Additions	12,794	6,027
Amortisation of lease incentives*	(1,141)	(5,025)
Revaluation loss	<u>(78,403)</u>	<u>(334,402)</u>
At 31 December	<u>561,000</u>	<u>627,750</u>

* Includes increase in provision against unamortised tenant incentives of £129,000 (2020: £1,323,000). See note 1(m) for further details.

(b) The properties are stated at fair value at 31 December 2021, valued by professionally qualified external valuers, CBRE Limited, Chartered Surveyors. The valuations have been prepared in accordance with the RICS Valuation – Global standards based on certain assumptions as set out in note 1(m).

(c) The historical cost of investment property at 31 December 2021 was £499,008,000 (2020: £487,355,000).

(d) At 31 December 2021 the Company had capital commitments of £25,400,000 (2020: £21,800,000).

7. RECEIVABLES: CURRENT ASSETS

	2021 £'000	2020 £'000
Trade receivables	5,054	12,094
Amounts owed by Hammerson UK Properties Limited (formerly Hammerson UK Properties plc)	-	1,865
Amounts owed by Hammerson Operations Limited	28	-
Amounts owed by Limited Partners	73	89
Other receivables	3,787	1,516
Prepayments	<u>1,059</u>	<u>170</u>
	<u>10,001</u>	<u>15,734</u>

All amounts shown under receivables fall due for payment within one year and are repayable on demand. The amounts owed by Hammerson UK Properties Limited, Hammerson Operations Limited and the Limited Partners are non-interest bearing. The amounts owed are unsecured.

Trade receivables and other receivables are shown after deducting loss allowance provisions of £4,299,000 (2020: £10,309,000) and £230,000 (2020: £119,000) respectively. In addition, amounts owed by Limited Partners are shown after a loss allowance provision of £615,000 (2020: £615,000).

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

8. RESTRICTED MONETARY ASSETS

	2021 £'000	2020 £'000
Cash held on behalf of third parties	<u>3,562</u>	<u>2,577</u>

The Partnership's managing agent holds cash on behalf of its tenants to meet future service charge costs and related expenditure. The cash has restricted use and as such, does not meet the definition of cash and cash equivalents.

9. CASH AND DEPOSITS

	2021 £'000	2020 £'000
Cash at bank	<u>42,040</u>	<u>29,169</u>

At 31 December 2021, the Partnership's managing agent held cash of £11,592,000 (2020: £5,230,000) on behalf of the Partnership which is not restricted and is available to the Partnership and as such has been included in cash and deposits.

10. PAYABLES: CURRENT LIABILITIES

	2021 £'000	2020 £'000
Trade payables	10,029	10,240
Amounts due to Hammerson Group Management Limited	84	144
Amounts due to Hammerson Operations Limited	-	22
Amounts due to Bull Ring (GP) Limited	448	472
Amounts owed to Limited Partners	1,216	1,216
Other payables and accruals	3,997	10,193
Deferred income	<u>6,155</u>	<u>7,657</u>
	<u>21,929</u>	<u>29,944</u>

The amounts due to Hammerson Group Management Limited, Hammerson Operations Limited, Bull Ring (GP) Limited and the Limited Partners are repayable on demand and are non-interest bearing. All amounts owed are unsecured.

11. PAYABLES: NON-CURRENT LIABILITIES

	2021 £'000	2020 £'000
Other payables		
- Within one to two years	90	1,144
- Over five years	<u>794</u>	<u>790</u>
	<u>884</u>	<u>1,934</u>

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

12. PARTNERS' EQUITY

	2021 £'000	2020 £'000
Partners' capital accounts		
- General Partner	686	686
- Limited Partners	<u>148,465</u>	<u>148,465</u>
	149,151	149,151
Partners' current accounts	<u>444,639</u>	<u>494,201</u>
	<u>593,790</u>	<u>643,352</u>

Under the Limited Partnership Agreement no further capital is required to be injected and no interest is payable on the capital.

The Partners' current accounts represent the cumulative profits and losses of the Partnership after deduction of distributions to the Partners.

13. THE PARTNERSHIP AS LESSOR – OPERATING LEASE RECEIPTS

At the balance sheet date, the Partnership had contracted with tenants for the future minimum lease receipts as shown in the table below. The data is for the period to the first tenant break option.

	2021 £'000	2020 £'000
Within one year	27,066	29,687
From one to two years	24,356	27,651
From two to five years	38,149	56,212
Over five years	<u>30,234</u>	<u>44,617</u>
	<u>119,805</u>	<u>158,167</u>

14. FINANCIAL INSTRUMENTS

The carrying values of the Partnership's financial assets and liabilities are summarised by category below:

	2021 £'000	2020 £'000
Financial assets		
<i>Measured at amortised cost:</i>		
Trade receivables	5,054	12,094
Amounts owed by Hammerson UK Properties Limited (formerly Hammerson UK Properties plc)	-	1,865
Amounts owed by Hammerson Operations Limited	28	-
Amounts owed by Limited Partners	73	89
Other receivables	3,787	1,516
Restricted monetary assets	3,562	2,577
Cash at bank	<u>42,040</u>	<u>29,169</u>
	<u>54,544</u>	<u>47,310</u>

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

14. FINANCIAL INSTRUMENTS (CONTINUED)

	2021 £'000	2020 £'000
Financial liabilities		
<i>Measured at amortised cost:</i>		
Trade payables	10,029	10,240
Amounts due to Hammerson Group Management Limited	84	144
Amounts due to Hammerson Operations Limited	-	22
Amounts due to Bull Ring (GP) Limited	448	472
Amounts owed to Limited Partners	1,216	1,216
Other payables and accruals	3,997	10,193
Payables: Non-current liabilities	884	1,934
	16,658	24,221

The Partnership's income, expense, gains and losses in respect of financial instruments are summarised below:

	2021 £'000	2020 £'000
Movement on impairment provision against trade receivables:		
- recognised in the statement of comprehensive income	(3,764)	6,962
- not yet recognised in the statement of comprehensive income	(2,246)	3,024
	(6,010)	9,986
Movement on impairment provision against:		
- amounts due from Limited Partners	-	615
- other receivables	111	119
Net finance (costs)/income (see note 5)	(1)	11

15. ADVANCES, CREDIT AND GUARANTEES

The General Partner did not grant any credits, advances or guarantees of any kind to its Directors during the current or preceding year.

16. RELATED PARTIES

Other than disclosed in the statement of changes in equity and in notes 4, 7 and 10 there were no material related party transactions during the current or preceding year.

The Partnership entered into related party transactions or had balances outstanding with the following related parties:

Related party	Relationship
Bull Ring (GP) Limited	General Partner
Bull Ring Joint Venture Unit Trust	Limited Partner
Hammerson Bull Ring Limited	Limited Partner
HSCF BRLP1 Limited	Limited Partner
HSCF BRLP2 Limited	Limited Partner
Hammerson Group Management Limited	Direct subsidiary of ultimate parent company
Hammerson Operations Limited	Indirect subsidiary of ultimate parent company
Hammerson UK Properties Limited (formerly Hammerson UK Properties plc)	Indirect subsidiary of ultimate parent company

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2021

17. ULTIMATE CONTROLLING PARTIES

The Partners listed in note 2 are the immediate controlling parties of the Partnership. The ultimate controlling parties are Hammerson plc, Canada Pension Plan Investment Board and the UK Shopping Centre Fund, which are registered in England and Wales and overseas.

The consolidated financial statements of the ultimate controlling parties are available from their registered offices:

Hammerson plc
The Company Secretarial Department
Kings Place
90 York Way
London N1 9GE

Canada Pension Plan Investment Board
Company Secretary
Suite 2600
One Queen Street East, Toronto
M5C 2W5, Canada

UK Shopping Centre Fund
BNP Paribas Jersey Trust Corporation and Anley Trustees Limited
BNP Paribas House
Anley Street, St Helier
Jersey, JE2 3QE