Company Registration No. 02028741

CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED

Annual Report and Financial Statements
For the year ended 31 December 2021

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CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

L Hutchings
J Ryman
S Wetherly

SECRETARY

S Wetherly

REGISTERED OFFICE

22 Chapter Street
London
SW1P 4NP

AUDITOR

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ

SOLICITORS

CMS Cameron McKenna Nabarro Olwang LLP
Cannon Place
London
EC4N 6AF

CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED

STRATEGIC REPORT

Capital & Regional Property Management Limited ("the Company") earns fees from property and asset management services. There has been no change to the principal activity of the Company during the year and the directors do not expect a change in the foreseeable future.

TRADING REVIEW AND KEY PERFORMANCE INDICATORS

The key performance indicators which the directors use to monitor the business are profit before tax and net asset value. Given the nature of the Company, the directors consider that the results for the year are acceptable, and expect a similar level of activity to continue in the foreseeable future.

Management fee income increased marginally from £6,029,583 to £6,051,511 in 2021 driven by an increase in property management fees. Profit before tax has risen to £19,648,087 from a loss of £15,989,153 in 2020. The largest contributor to this is a reversal of impairment of group receivables of £18,072,378 (2020: impairment of £18,147,563).

Net asset value has increased by £20,062,563 to £45,439,156 in 2021. This is also driven by the intercompany impairment reversal.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations expose it to financial risks. Since the financial assets and liabilities of the Company are predominantly balanced with other Group undertakings and balances with suppliers, the risks to which the Company is exposed include credit risk, liquidity risk, price risk, interest rate cash flow risk and foreign exchange risk. The directors carry out an annual risk review to ensure that risks associated with the Company's financial assets and liabilities are correctly managed and reported. The most recent risk review carried out concluded that the profile of the risks broadly remain unchanged at 30 December 2021 but the pervasive and ongoing impact of the pandemic has increased the risk of further Business Disruption, treasury risk and economic risk.

COVID-19

The impact of COVID-19 remains incorporated within our Business disruption from a major incident risk. During 2021 all of the Group's shopping centres which pay an asset management fee to the Company remained open to provide essential services.

FINANCIAL RISK MANAGEMENT POLICIES

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department in the areas of credit, liquidity and price risk. Interest rate cash flow risk is managed by the Company's intermediate parent company Capital & Regional plc. Foreign exchange risk is not considered material so it is not hedged.

The Company's credit risk is primarily attributable to balances owed by other Group undertakings and trade receivables, and as such are not believed to be at risk of default as the Company has detailed information on the financial position of these entities.

The Company is exposed to price risks as certain management contracts generate revenues based on the value of property under management. To manage this risk, the Company has other contracts that pay fixed amounts and the directors forecast future property values to ensure the Company is not exposed to excessive price risk. The Company has no exposure to commodity price risk or securities price risk.

STRATEGIC REPORT

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

The management of financial risks is coordinated with those undertaken at a Group level by Capital & Regional plc, more of which can be found in the Capital & Regional plc 2021 Annual Report.

Section 172 Statement

The Directors have regard to the matters set out in Section 172(1) of the Companies Act 2006 when performing their duties under Section 172 to promote the success of the Company. When making decisions, the Directors pay due regard to: the likely consequences of decisions in the long-term; the interests of stakeholders, the interests of the company's employees, the impact actions have on the communities in which we operate and the environment; maintaining high standards of business conduct; and acting fairly at all times. Our key stakeholders include our employees, customers, the communities in which we operate and our impact on the environment. The directors paid due regard to all stakeholders in the decisions taken in response to the pandemic and received regular reports regarding the impact of Covid-19 on the business, its operations and its employees. Areas of discussion included changes to operational standards and processes to ensure compliance with COVID-secure measures; the approach taken to outstanding rent collection and the granting of concessions; the use of the Coronavirus Job Retention Scheme and restructuring plans across the Group; and employee support and wellbeing.

S Wetherly
Director

29 June 2022

CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED

DIRECTORS' REPORT

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

The Company has chosen, in accordance with section 414c(11) of the Companies Act 2006, and as noted in this directors' report, to include certain additional matters in its strategic report that would otherwise be required to be disclosed in this directors' report.

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

GOING CONCERN

The financial statements are prepared on a going concern basis as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future, being at least 12 months from the approval of these financial statements as disclosed in the notes to the financial statements – accounting policies.

INCORPORATION

The Company is incorporated in the United Kingdom and registered in England and Wales.

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £19,642,563 (2020: loss of £15,793,880).

The directors did not recommend the payment of a dividend in the year (2020: £nil).

The directors who served during the year and up to the date of this report were as follows:

L Hutchings
J Ryman
S Wetherly

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

SUPPLIER PAYMENT POLICY

The policy of the Capital & Regional plc group of companies ("the Group") is to settle supplier invoices within the terms of trade agreed with individual suppliers. Where no specific terms have been agreed, the Group endeavours to make payment within one month of the receipt of the goods or service.

AUDITOR

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

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED

DIRECTORS' REPORT

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed as reappointed as auditor in the absence of an Annual General Meeting.

Authorised for issue on behalf of the Board:

S Wetherly
Director

29 June 2022

CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Capital & Regional Property Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

Matthew Hall

Matthew Hall FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 June 2022

CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 Restated[1] £
Revenue			
Management fees	3	6,051,511	6,029,583
Gross profit		6,051,511	6,029,583
Administrative expenses		(5,972,628)	(5,728,971)
Other operating income	5	-	13,972
Operating profit		78,883	314,584
Investment revenue	6	1,517,709	1,555,285
Finance costs		(20,883)	(21,159)
Other gains and losses	7	18,072,378	(17,837,864)
Profit/(loss) before taxation	8	19,648,087	(15,989,154)
Tax (charge)/credit	9	(5,524)	15,273
Profit/(loss) for the financial year attributable to owners of the company		19,642,563	(15,973,881)

[1] 2020 results have been restated for a prior year adjustment of £565,191 to the treatment of Software as a Service (SaaS) configuration costs as explained in Note 2.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December 2021 £	Year ended 31 December 2020 Restated[1] £
Profit/(loss) for the year	19,642,563	(15,973,881)
Items that may be reclassified subsequently to profit or loss:		
Loss arising during the period net of tax (note 13)	(29,218)	(127,883)
Total comprehensive income/(expense) for the year attributable to owners of the company	19,613,345	(16,101,764)

[1] 2020 results have been restated for a prior year adjustment of £565,191 to the treatment of Software as a Service (SaaS) configuration costs as explained in Note 2.

The notes on pages 15 to 32 form an integral part of these financial statements.

CAPITAL & REGIONAL PROPERTY MANAGEMENT LIMITED
COMPANY REGISTRATION NO. 02028741

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 Restated[1] £
Non-current assets			
Plant and equipment	10	95,955	166,785
Right of use assets	11	137,278	367,124
Intangible assets		-	12,831
Investments in subsidiaries	12	100	100
Other investments	13	18,775	26,725
Other receivables	14	43,856,808	24,531,646
Deferred taxation	16	29,889	35,413
		44,138,805	25,140,624
Current assets			
Trade and other receivables	14	1,282,969	1,461,410
Cash and bank balances		959,738	735,232
		2,242,707	2,196,642
Current liabilities			
Trade and other payables	15	(872,229)	(1,751,610)
		(872,229)	(1,751,610)
Net current assets		1,370,478	445,032
Total assets less current liabilities		45,509,283	25,585,656
Non-current liabilities			
Other payables	15	(70,127)	(209,063)
		(70,127)	(209,063)
Net assets		45,439,156	25,376,593
Equity			
Share capital	18	25,000,000	25,000,000
Retained earnings		20,439,156	376,593
Equity attributable to owners of the Company		45,439,156	25,376,593

[1] 2020 results have been restated for a prior year adjustment to the treatment of SaaS configuration costs, 2020 results have been further restated to reclassify receivables from group entities as non-current rather than current as explained in Note 2.

The notes on pages 15 to 32 form an integral part of these financial statements.

The financial statements of Capital & Regional Property Management Limited (registered number 02028741) were approved by the Board of Directors and authorised for issue on 29 June 2022. They were signed on its behalf by:

S Wetherly
Director

29 June 2022

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

	Share capital £	Retained earnings restated[1] £	Total £
Balance at 1 January 2020[1]	25,000,000	16,042,778	41,198,379
Loss for the period[1]	-	(15,973,881)	(15,973,880)
Other comprehensive income for the period (note 13)	-	(127,883)	(127,883)
Total comprehensive income for the period	-	(16,101,764)	(16,101,763)
Credit to equity for equity–settled share based payments	-	435,579	435,579
Balance at 31 December 2020[1]	25,000,000	376,593	25,376,593
Profit for the period	-	19,642,563	19,642,563
Other comprehensive expense for the period (note 13)	-	(29,218)	(29,218)
Total comprehensive income for the period	-	19,613,345	19,613,345
Credit to equity for equity–settled share based payments	-	449,218	449,218
Balance at 31 December 2021	25,000,000	20,439,156	45,439,156

All results from both years arise from continuing operations.

The notes on pages 15 to 32 form part of these financial statements.

[1]2020 results and opening equity have been restated for a prior year adjustment to the treatment of SaaS configuration costs as explained in Note 2.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

1. General information

Capital & Regional Property Management Limited (the "Company") is a company domiciled and incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is 22 Chapter Street, London, SW1P 4NP.

The Company is a private Company limited by shares and is registered in England and Wales.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements are presented in pounds sterling which is the functional currency of the Company because that is the currency of the economic environment in which the Company operates.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Capital & Regional plc (the "Group"). The group accounts of Capital & Regional plc are available to the public and can be obtained as set out in note 21.

2. Significant accounting policies

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

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Summary of disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and related party transactions.

Where relevant, equivalent disclosures have been given in the Group financial statements of Capital & Regional plc.

Accounting developments and changes

The accounting policies used in these financial statements are consistent with those applied in the last annual financial statements, as amended where relevant to reflect the adoption of new standards, amendments and interpretations which became effective during the year.

The 2020 financial statements have been restated to reclassify receivables from group entities as non-current rather than current. The receivables are repayable on demand however repayment was not expected within twelve months of the previous reporting period, so these assets did not meet the definition of a current asset. In adopting the above treatment, the Company has restated the 2020 results for a prior year adjustment.

2. Significant accounting policies (continued)

Accounting developments and changes (continued)

The following table summarises the impact of the change in policy on the financial statements of the Company. There is no impact of the change in policy on net assets.

	31/12/2020
	£
Balance sheet	
Non-current assets	24,531,646
Current assets	(24,531,646)
Change in net assets	-

In April 2021 the IFRS Interpretations Committee published a decision which addressed how a customer should account for their costs configuring or customising software that is utilised through a Software as a Service (SaaS) agreement that is determined to be a service contract. They concluded that:

- Where the configuration and customisation costs do not result in an intangible asset of the customer, the customer should recognise the costs as an expense when the configuration or customisation services are received. If the customer pays the supplier before receiving those services, the prepayment should be recognised as an asset.
- If the configuration or customisation services are performed by the supplier of the application software (or its agent) and the services received are not distinct from the right to receive access to the supplier's application software, then the customer should recognise the costs as an expense over the term of the SaaS arrangement.
- In limited circumstances, certain configuration and customisation activities undertaken in implementing SaaS arrangements may give rise to a separate asset. This may be the case if the arrangement results, for example, in additional code from which the customer has the power to obtain the future economic benefits and to restrict others' access to those benefits. In this case the customer should recognise an intangible asset if the additional code is "identifiable" and meets the recognition criteria in IAS 38 Intangible Assets.

In adopting the above treatment the Company has restated the 2020 results for a prior year adjustment of £565,191. 2020 Opening equity has been restated by £155,601.

The following table summarises the impact of the change in policy on the financial statements.

	31/12/2020
	£
Income statement	
Increase in administrative costs	565,191
Increase in loss for the financial year	565,191
Balance sheet	
Decrease in plant and equipment	720,792
Decrease in net assets	720,792
Statement of changes in equity	
Decrease in 2020 opening retained earnings	155,601

2 Significant accounting policies (continued)

Significant judgements and 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 amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The directors do not believe that there significant judgements affecting the financial statements.

The following is the key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements:

Impairment of investments

Where there is an indication that an investment is impaired, an impairment review is carried out by comparing the carrying value of the investment against its recoverable amount, which is the higher of its estimated value in use and fair value. This review involves judgements about the future cash flows from the underlying funds.

Going concern

The Company is forecast to be profitable and cash generative in the foreseeable future being at least 12 months from the date of approval of this annual report. As a result the Company is forecast to have adequate resources to continue to fund itself and meet its obligations as they fall due.

We have considered specifically the impact on the business of the significant disruption arising from COVID-19. At the time of writing all of the Group's shopping centres which pay an asset management fee to the Company were open for trading.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Additionally the Company has a £19,196,208 (2020: £19,050,256) receivable from its intermediate parent companies which is payable on demand. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2021.

Revenue recognition

Revenue represents amounts receivable as management fees and amounts receivable or repayable as performance fees for services provided in the normal course of business, net of VAT.

Management fees are recognised, in line with the property management contracts, in the period to which they relate. Management fees include income in relation to services provided by the Company to the Group's joint ventures and associates for asset management, rent reviews, lettings, project co-ordination, procurement, service charges and directly recoverable expenditure.

Other operating income in 2020 relates to funds received from HMRC as part of the coronavirus job retention scheme for furloughed employees between April to December 2020. This has not been credited against staff costs in the income statement.

The accounting policies used in these financial statements are consistent with those applied in the last annual financial statements, as amended, where relevant, to reflect the adoption of new standards, amendments and interpretations which became effective during the year. These amendments have not had impact on these financial statements.

Investments

Investments are stated at cost less impairment, based on the lower of the recoverable amount and the carrying value. The recoverable amount is defined as the higher of the net realisable value and the value in use of the investments.

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL),"fair value through other comprehensive income (FVOCI)" and "amortised cost". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest rate method

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

Loans and receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as amortised cost. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Trade receivables

Trade receivables are carried at the original invoice amount less provision for expected credit losses. Discounts and similar allowances are recorded on an accrual basis, consistent with the recognition of the related sales, using estimates based on existing contractual obligations, historical trends and the Company's experience. Long-term accounts receivables are discounted to take into account the time value of money, where material.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses ("ECLs").The Company calculates impairment of trade receivables using the expected credit loss model as required by IFRS 9. ECLs are calculated by: (a) identifying scenarios in which a loan or receivable defaults; (b) estimating the cash shortfall that would be incurred in each scenario if a default were to happen; (c) multiplying that loss by the probability of the default happening; and (d) summing the results of all such possible default events. The Company has adopted the simplified "provision matrix" approach to calculate expected credit losses on trade receivables. The Company loss allowance is based on the expected credit loss as calculated using the provision matrix approach and a forward looking component based on individual tenant profiles. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full. The Company writes off trade receivables when there is no reasonable expectation of recovery, receivables are written off after six months.

Cash and cash equivalents

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

Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL.

Borrowings

Borrowings are initially measured at fair value net of transaction costs. Borrowings are subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis.

2. Significant accounting policies (continued)

Trade payables

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

Plant and equipment

Plant and equipment assets are stated at cost or valuation, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided so as to write off the cost of the assets, less their estimated residual values, on a straight-line basis over their expected useful lives, which are given below. The expected useful lives of the assets are reassessed periodically in the light of experience.

Fixtures and Fittings	20% per annum on cost
Computers	33% per annum on cost
Leasehold improvements	Over the term of the lease

Deferred income

Revenue due in advance of the delivery of services is included in deferred income and as services are rendered the proportionate share is recognised in the income statement.

Provisions

A provision is recognised as a liability when the Company has a present legal or constructive obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation. The amount provided for is management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Interest

Interest receivable and similar income and interest payable and similar charges are recognised in the income statement as they accrue.

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

2. Significant accounting policies (continued)

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Pension costs

Defined contribution pension costs are charged to the income statement in the year in which they accrue.

Foreign currency translation

Trading activities denominated in foreign currencies are recorded in sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 31 December rates of exchange. Currency gains or losses arising from translation are included in the income statement.

Tax

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

2. Significant accounting policies (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Share-based payments

The Group has applied the arrangements of IFRS 2 Share-based Payment. Equity settled share-based payments are measured at fair value at the date of grant. The fair values of the LTIP and the SAYE scheme are calculated using Monte Carlo simulations or the Black-Scholes model as appropriate. The fair values are dependent on factors including the exercise price, expected volatility, period to exercise and risk free interest rate. Market related performance conditions are reflected in the fair values at the date of grant and are expensed on a straight-line basis over the vesting period. Non-market related performance conditions are not reflected in the fair values at the date of grant. At each reporting date, the Group estimates the number of shares likely to vest under non-market related performance conditions so that the cumulative expense will ultimately reflect the number of shares that do vest. Where awards are cancelled, including when an employee ceases to pay contributions into the SAYE scheme, the remaining fair value is expensed immediately.

Employee Share Ownership Trust

The income, expenses, assets and liabilities of the Capital & Regional 2002 Employee Share Trust and the Capital & Regional 2004 Employee Share Trust are included in these financial statements as the Company is considered to be its sponsoring entity.

3. Revenue

The Company has one class of business (2020: one), which is property management on behalf of other undertakings in the Group. The Company operates in one (2020: one) geographical market, being the United Kingdom.

4. Auditor's remuneration

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	15,000	13,050

5. Staff costs

The aggregate payroll costs, including directors, net of recharges to the parent company, were as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Salaries and wages	1,561,559	1,954,859
Discretionary bonuses	456,623	110,764
Total salaries	2,018,182	2,065,623
Social security costs	360,171	371,873
Pension costs – defined contribution	104,971	125,686
Share-based payments – equity settled (note 17)	451,729	190,469
	2,935,053	2,573,651

There were no outstanding pension contributions at the year end (2020: £nil).

Two (2020: two) directors of the Company are also directors of the parent company Capital & Regional plc. Payroll costs in respect of these directors were paid directly by Capital & Regional plc.

The balances shown above are after a recharge of £770,220 (2020: £741,101) to the parent company Capital & Regional to represent certain expenses and the payroll costs of the directors, non executive directors and other staff that were applicable to the parent company but paid by the Company. The 2021 recharge consists of £404,085 related to salaries (2020: £411,615), £nil related to director bonuses (2020: £nil), £nil related to ex-gratia payments (2020: £nil), £55,246 related to social security costs (2020: £62,572), £15,175 related to pensions (2020: £14,756) and £295,713 related to share based payments (2020: £252,158).

The Company received £nil (2020: £13,972) in funds from HMRC for furloughed employees in 2021. During the year the Company repaid amounts received for furloughed employees in 2020 to HMRC.

The monthly average number of employees (excluding executive directors), being full-time equivalents, employed by the Company during the year was as follows:

	2021	2020
Management and administration	38	41

6. Investment revenue

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Bank interest receivable	-	1,367
Interest receivable from Capital & Regional plc	650,948	599,196
Interest receivable from intermediate parent company	866,761	864,511
Other interest receivable	-	90,211
	1,517,709	1,555,285

7. Other gains and losses

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Impairment of investment reversal/(impairment loss) (note 12)	22,791	(18,628)
Income received by ESOT	-	309,699
Reversal of impairment/(impairment) of debtor	18,072,378	(18,147,563)
(Loss)/gain on foreign exchange (note 12)	(22,791)	18,628
	18,072,378	(17,837,864)

8. Profit/(loss) before taxation for the year

Profit/(loss) before taxation is stated after (crediting) / charging:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Other gains and losses (note 7)	18,072,378	(17,837,864)
Share-based payments – equity settled (note 17)	451,729	190,469
Depreciation of plant and equipment (note 10)	77,116	299,524
Depreciation of right of use assets (note 11)	229,846	230,476

The share-based payments charge is stated after a recharge to Capital & Regional plc of £295,713 (2020: £241,633).

9. Tax

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Current tax charge		
Current year tax at 19% (2020: 19%)	-	-
Adjustment in respect of prior year	-	-
Total tax credit	-	-
Deferred tax		
On origination and reversal of timing differences	1,543	15,273
Adjustment in respect of prior years	(7,067)	-
Total deferred tax (charge)/credit (note 16)	(5,524)	15,273
Total tax (charge)/credit	(5,524)	15,273

Tax reconciliation

The charge for the year can be reconciled to the profit in the income statement as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Profit/(loss) on ordinary activities before tax	19,648,087	(15,423,963)
Expected tax (charge)/credit at 19% (2020: 19%) thereon	(3,733,137)	2,930,553
Effects of:		
Items not taxable and expenses not deductible for tax purposes	3,353,184	(3,416,701)
Adjustment in respect of prior year	(7,067)	16,683
Group relief claim for which no payment is due	374,322	484,738
Effect of rate change on deferred tax	7,174	-
Current tax (charge)/credit	(5,524)	15,273

Unutilised losses	2021 £	2020 £
Carried forward losses not recognised (see note 16)	-	-

Finance Act 2020 enacted provisions maintaining the main rate of UK corporation tax at 19% for the years starting 1 April 2020 and 1 April 2021. On 10 June 2021 Finance Act 2021 received Royal Assent maintaining the main corporation tax rate at 19% for the year commencing 1 April 2022 and increasing the rate to 25% for the year commencing 1 April 2023.

Consequently the UK corporation tax rate at which deferred tax is booked in the Financial Statements is 25% (2020: 19%).

10. Plant and equipment

	Fixtures and fittings	Computers Restated[1]	Leasehold improvements	Total
	£	£	£	£
Cost				
At 1 January 2021[1]	143,877	456,507	772,964	1,373,348
Additions	-	50,981	3,740	54,721
Disposals	(143,877)	(256,178)	(441,004)	(841,059)
At 31 December 2021	-	251,310	335,700	587,010
Accumulated depreciation				
At 1 January 2021[1]	143,877	401,076	661,610	1,206,563
Charge for the year	-	19,472	57,644	77,116
Disposals	(143,877)	(207,743)	(441,004)	(792,624)
At 31 December 2021	-	212,805	278,250	491,055
Carrying value				
At 31 December 2021	-	38,505	57,450	95,955
At 31 December 2020[1]	-	55,431	111,354	166,785

[1] 2020 results have been restated for a prior year adjustment to the treatment of SaaS configuration costs as explained in Note 2.

11. Leases

	Buildings
Right of use assets	£
Cost	
At 1 January 2021	823,669
Additions	-
Disposals	-
At 31 December 2021	823,669
Accumulated depreciation	
At 1 January 2021	456,544
Charge for the year	229,847
Disposals	-
At 31 December 2021	686,391
Carrying value	
At 31 December 2021	137,278
At 31 December 2020	367,124

Lease commitments relate to the leasing of the Company's registered office.

The maturity analysis of lease liabilities is presented in note 19.

11. Leases (continued)

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	229,846	230,476
Interest expense on lease liabilities	11,880	21,159

12. Investments

	Euro B Note Holding Limited*	Mall People Limited	Total
	£	£	£
Cost			
At 1 January 2021	341,620	100	341,720
Translation of investment	(22,791)	-	(22,791)
At 31 December 2021	318,829	100	318,929
Impairment			
At 1 January 2021	341,640	-	341,640
Translation of investment	(22,791)	-	(22,791)
At 31 December 2021	318,829	-	318,829
Carrying value			
At 31 December 2021	-	100	100
At 31 December 2020	-	100	100

*The Employee Share Ownership Trust owns 10% of the ordinary share capital of Euro B Note Holding Limited, a company incorporated in Jersey with a principal activity of investment. The investment has been fully impaired at 31 December 2021. Euro B Note Holding Limited is registered at 47 The Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands.

The Company's investments at 31 December 2021 and 31 December 2020 are as shown in the table below. Mall People Limited is registered at the same address as the Company.

Company	Address and country of incorporation	Class of share held	Percentage of class held	Principal Activity
Mall People Limited	22 Chapter Street, London, SW1P 4NP, United Kingdom	Ordinary	100%	People management
Euro B Note Holding Limited	22 Grenville Street, St Helier, Jersey	Ordinary	10%	Investment

13. Other investments

Investments carried at fair value

	2021 £	2020 £
As at 1 January	26,725	154,608
Disposals	-	-
Additions	21,268	-
Revaluation loss	(29,218)	(127,883)
As at 31 December	18,775	26,725

At 31 December 2021 the ESOT held 31,876 (2020: 38,070) shares in Capital & Regional plc, representing an interest of 0.02% (2020: 0.03%), in connection with the Employee Share Ownership Trust as described in note 17. The right to dividends on these shares has been waived.

These shares are not held for trading and are classified as fair value through profit and loss. The fair values are based on quoted market prices. The cost of the shares on acquisition was £3,237 (2020: £3,807). The disposal of the Capital & Regional plc investment relates to the exercise of share option awards during the year.

14. Trade and other receivables

Amounts falling due within one year

	2021 £	2020 Restated[1] £
Trade debtors	968,611	948,829
Other debtors	166	104,799
Prepayments and accrued income	314,192	407,782
	1,282,969	1,461,410

Amounts falling due after more than one year

	2021 £	2020 Restated[1] £
Amounts owed by Capital & Regional plc	19,196,208	19,050,256
Amounts owed by intermediate parent companies	24,630,719	5,448,514
Amounts owed by other group companies	29,881	32,876
	43,856,808	24,531,646

[1]2020 results have been restated to reclassify receivables from group entities as non-current rather than current as explained in Note 2.

Amounts owed by Capital & Regional plc, intermediate parent companies and other Group companies are unsecured and repayable on demand. Interest is charged at 3.5% above Bank of England base rate per annum.

15. Trade and other payables

Amounts falling due within one year

	2021 £	2020 £
Other creditors	25,758	16,971
Taxation and social security	119,726	1,112,398
Accruals and deferred income	579,642	379,436
Lease liability	147,103	242,805
	872,229	1,751,610

Amounts falling due after more than one year

	2021 £	2020 £
Provision for National Insurance payable on LTIP (note 17)	70,127	67,615
Lease liability	-	141,448
	70,127	209,063

The provision will be utilised as the underlying options are exercised by award holders.

16. Deferred tax

Amounts provided	2021 £	2020 £
Accelerated capital allowances	29,889	35,413
	29,889	35,413

Losses carried forward at 31 December 2021 are £nil (2020: £nil).

Future forecasts for the Company indicate that there is sufficient profit in order to utilise the deferred tax asset as it crystallises.

Movement in deferred tax asset	2021 £	2020 £
At the start of the year	35,413	20,140
(Charge)/credit to the income statement (note 9)	(5,524)	15,273
At the end of the year	29,889	35,413

17. Shared based payments

Employees of the Company are eligible for a number of share-based incentive schemes operated by the Group. These comprise the 2008 LTIP. In accordance with IFRS 2, the fair value of equity-settled share-based payments to employees is determined at the date of grant, calculated, where appropriate, using either a Black-Scholes option pricing model or a Monte Carlo simulation. Any Employers' National Insurance payable on these awards is treated as a cash-settled share-based payment, for which the Company held a liability of £70,127 (2020: £67,615) at the end of the year (see note 15).

The Company incurred a total charge of £747,443 (2020: £432,102) relating to equity-settled share-based transactions during the year £295,713 (2020: £241,633) was recharged to Capital & Regional in respect of expenses relating to the directors and other staff, leaving an income statement charge in the Company of £451,730 (2020: £190,469). All figures quoted in this note are before this recharge. Full details of all the share-based incentive schemes can be found in the Capital & Regional plc 2021 Annual Report.

Analysis of income statement charge before recharges

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
2008 LTIP	747,443	432,102
Equity-settled share-based payments	747,443	432,102

Movements during the year

	Numbers of options
Outstanding at 31 December 2019	8,209,256
Granted during the year	-
Exercised during the year[1]	(234)
10:1 share consolidation adjustment	(7,388,369)
Forfeited during the year	(441,670)
Outstanding at 31 December 2020	378,983
Exercisable at the end of the year	5,403
Granted during the year	-
Exercised during the year	(37,341)
Forfeited during the year	(341,642)
Outstanding at 31 December 2021	-
Exercisable at the end of the year	-

[1]The weighted average share price of options exercised during the year was 60.0p (2020: 55.9p).

17. Share based payments (continued)

All options in the tables above have a nil exercise price.

On 19 April 2018 a new award was made under the 2008 LTIP. The assumptions of which are shown below alongside those for the award made on 16 August 2013, 14 August 2014, 6 March 2015 and 22 August 2017. Further details are disclosed in the Capital & Regional plc annual report.

Assumptions

The key assumptions and inputs used in the fair value models were:

	March 2015	August 2016	April 2017	April 2018
Share price at grant date	57.8p	59.5p	59.5p	53.5p
Exercise price	0.0p	0.0p	0.0p	0.0p
Expected volatility	34%	27%	19%	16%
Expected life including holding period (years)	4.50	5.00	5.00	5.00
Average life remaining including holding period (years)	0.68	2.64	3.30	4.30
Risk free rate	0.96%	0.56%	0.53%	1.14%
Expected dividend yield	5.00%	5.00%	5.70%	6,80%
Lapse rate	0%	0%	0%	0%
Fair value of award at grant date per share	23p	26p	25p	21p

Expected volatility is based on the historical volatility of the Company's share price over the three years to the date of grant. The 10 year UK Gilt rate at time of grant is used for estimating the risk free rate. Options are assumed to be exercised at the earliest possible date.

ESOT

As described in note 13 31,876 (2020: 38,070) shares were held by an Employee Share Ownership Trust ("ESOT") at 31 December 2021 to help enable the Group to meet the outstanding shares awarded under the plans described above. The ESOT transfers shares to employees when their awards vest. The market value of these shares at the end of the year was £18,775 (2020: £26,725). The right to receive dividends on these shares has been waived.

17. Share based payments (continued)

ESOT shareholding	2021 Number	2020 Number
At the start of the year	38,070	608,694
New shares purchased	36,783	-
10:1 Share consolidation adjustment	-	(547,273)
Disposal	(42,977)	-
Transferred to individuals on exercise of awards	-	(23,351)
At the end of the year	31,876	38,070

18. Share capital

	2021 £	2020 £
Issued and fully paid:		
25,000,000 ordinary shares of £1 each	25,000,000	25,000,000
Total issued and fully paid share capital	25,000,000	25,000,000

19. Lease commitments

The Company as lessee

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable leases related to land and buildings, which fall due as follows:

	2021 £	2020 £
Within one year	149,696	248,926
In the second to fifth years inclusive	-	149,696

Lease commitments relate to the leasing of the Company's registered office.

20. Related party transactions

As a qualifying entity the Company has taken advantage of the exemption under section 8(i) of FRS 101 from disclosing transactions with other entities wholly owned by the same ultimate parent company. Other related party transactions with associates and joint ventures of the Group were as follows:

Management fees receivable from related parties	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Kingfisher Limited Partnership	519,669	528,611

Amounts receivable from related parties	2021 £	2020 £
Kingfisher Limited Partnership	19,911	108,365

21. Ultimate parent company and controlling party

The immediate parent is Capital & Regional Earnings Limited, a company incorporated in the United Kingdom.

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

The parent company of the smallest group of which the company is a member and for which consolidated accounts are prepared is Capital & Regional plc, a company incorporated in the United Kingdom. The registered address of Capital & Regional plc is 22 Chapter Street, London SW1P 4NP.