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Company Registration No. 4139737

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2022

ASHFORD INVESTOR (GENERAL PARTNER) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

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ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T G Kidd (Resigned 13 January 2022)
N J L Parsons
M J Lawrence
C S Hargreave
S J Johnston

SECRETARY
L Meister

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

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

SOLICITORS
Macfarlanes LLP
20 Cursitor Street
London, EC4A 1LT

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

DIRECTORS' REPORT (CONTINUED)

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

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

PRINCIPAL ACTIVITIES

The principal activity of the Ashford Investor (General Partner) Limited ("the Company") is to act as the General Partner for The Ashford Investor Limited Partnership ("the Limited Partnership"), a limited partnership registered in England and Wales in accordance with the Limited Partnership Act 1907. The Limited Partnership's principal activity is the business of acquiring, developing, managing and holding the McArthurglen Ashford Designer Outlet Centre for investment purposes.

RESULTS AND DIVIDENDS

The Company made a profit of £142,333 before taxation for the period (2021: loss of £17,268).
The directors have paid dividend of £nil during the year (2021: £nil).

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

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

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

POST BALANCE SHEET EVENTS

There have been no material events arising from the activities of the Company from 31 December 2022 to the date of approval of the annual accounts.

GOING CONCERN

Management considers that the Company will continue as a going concern over the going concern review period that runs from the date of approval of the year ended 31 December 2022 financial statements until 31 December 2024. This assumes that the Company will be able to meet its liabilities as and when they fall due for the foreseeable future. As at 31 December 2022, the Company is in a net asset position of £153,392 (2021 net assets: £27,565) and the Limited Partnership is in a positive net asset position of £89,998,057 (2021: £98,755,679).

Management have prepared forecast base cashflows for the Company for the going concern period. The basis for the Company's forecasted operational expenses was the Company's current fees, along with an appropriate inflationary increase throughout the going concern period. The cashflows for the Company are predictable given the nature of the entity's operations and as such, management consider these assumptions to be appropriate for the assessment. Based on this forecast, management noted that the Company has adequate resources to continue in operational existence for the foreseeable future.

On 23 May 2022, the Limited Partnership refinanced its existing loan with Bayerische Landesbank for a total amount of £103,500,000, for which the General Partner acted as a guarantor as per the terms of the bank loan agreement. This loan facility is due to expire on 23 May 2027, outside the going concern review period.

GOING CONCERN (CONTINUED)

On 24 February 2022, Russia invaded Ukraine. The ongoing war has led to inflationary pressures, increasing interest rates, slowdown in economic growth, as well as supply chain disruptions. This has naturally had an adverse impact on both UK businesses and consumers and can lead to pressures on the performance of the McArthurGlen Ashford Designer Outlet Centre, as well as on the turnover of the brands in the Centre. Based on latest sales results and key performance indicators, such as footfall and average spend per visitor, the Centre is trading ahead of the financial year ended 31 December 2022. Management have considered the specific impact of these events on the Centre and do not believe that they have led to a significant impact on the Limited Partnership's sales, nor on the turnover of its brand partners. Given that the conflict is ongoing at the date of approval of these financial statements, there remains a level of unpredictability, and therefore management will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Limited Partnership, taking necessary steps to mitigate these effects proactively.

Management prepared a base cash flow forecast for the Limited Partnership for the going concern period. The forecasted figures until the end of 2023 were based on the approved budget, whilst 2024 figures were based on the estimated profit and loss figures included as part of an overall 10 year plan prepared by management. This assumes an increased total income by the end of 2024 compared to 2023 by 10.2% as well a projected increase in net operating profit by 30.9%. Based on this forecast, management noted that the Partnership will generate positive cash flows and will not breach any bank covenants during the going concern review period.

Under the terms of the bank loan agreement in place for the Partnership, it must comply with a Historical Interest Cover ratio covenant throughout the loan term and up until the loan maturity date. As at the signing date of the financial statements of the Partnership, no breach in the Historical Interest Cover ratio loan covenant on the bank loan facility has occurred, and management's base cashflow forecast indicates that there are no covenant breaches in the forecasted cashflows over the going concern review period. However, after applying sensitivities to this base forecast, management notes that the Partnership may breach the Historical Interest Cover ratio loan covenant for the quarters ending March 2024 to December 2024. The key downside sensitivities applied in this forecast are to align income and expenditure for the forecasted period to December 2023 and for the year to December 2024 to be in line with the year ended 2022, and therefore no rental income growth is assumed. The downside sensitivity also applies a worst case inflationary rate to expenditure.

Management has also received an external valuation for the McArthurGlen Ashford Designer Outlet Centre that notes the fair value of the outlet centre to be £226,800,000 (2021: £225,400,000) as at 31 December 2022, a 0.6% increase in value from 31 December 2021. Based on the same, there are no Loan-to-Value ("LTV") covenant breaches in the forecasted cashflows over the going concern review period, with this valuation being management's best estimate of the fair value of the McArthurGlen Ashford Designer Outlet Centre as at the date of signing of these financial statements.

Based on the above, given that the Company is an obligor on the Partnership's bank loan and so its assets are included as part of the security for the financing, management has identified the following material uncertainty with respect to the going concern assumption arising from the downside sensitivity analysis:

1. The Qualifying Partnership's forecast compliance with the Historical Interest Cover ratio covenant related to its bank debt secured against the assets of the Qualifying Partnership and General Partner, including the McArthurGlen Ashford Designer Outlet Centre, caused by uncertainty associated with the future trading performance as a result of macro-economic factors.

GOING CONCERN (CONTINUED)

The aforementioned condition constitutes a material uncertainty that may cast significant doubt upon the ability of the Company to continue as a going concern. Going forward, management will continue to routinely monitor the Qualifying Partnership's cashflow position and if necessary, will curtail any discretionary expenditures which are not committed to over the going concern review period, such as non-essential capital expenditure, asset management initiatives, and discretionary marketing expenditure. Management also believe that funding calls can be made to investors in scenarios where cash is required. Furthermore, if any challenges arise in meeting the loan covenants, management believe that there would be potential to seek waiver letters, given the existing relationship in place with the bank. Management therefore have a reasonable expectation that the Qualifying Partnership will be able to operate in line with the base case cash flow scenario and continue its operations for the foreseeable future. Accordingly, management believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required should the Company be unable to continue as a going concern.

BOARD OF DIRECTORS

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

T G Kidd (Resigned 13 January 2022)
N J L Parsons
M J Lawrence
C S Hargreave
S J Johnston

STRATEGIC REPORT

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

AUDITORS

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

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

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

DocuSigned by:

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S Johnston
Director

Date: 20 December 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 ("FRS 102"), 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK Accounting Standards, included FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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 that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a directors report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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

Opinion

We have audited the financial statements of Ashford Investor (General Partner) Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 11, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"(United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial statements that disclose material uncertainty about the Company's ability to continue as a going concern. The material uncertainty relates to the Company being a guarantor to the bank debt held by the Limited Partnership. The Limited Partnership's forecast breach of the Historical Interest Cover covenant related to its bank debt secured against the assets of the Limited Partnership and General Partner, including the McArthurGlen Ashford Designer Outlet Centre, caused by the sensitivity analysis performed to address the uncertainty associated with the future trading performance as a result of macro-economic factors.

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

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

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

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

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 6, 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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

• We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are: (1) those that directly affect the financial statements, in particular the financial reporting framework (including related companies legislation), and any relevant direct and indirect tax compliance regulation in the United Kingdom; and (2) those that indirectly affect the financial statements where non-compliance would have a material effect on the financial statements.

• We understood how the company is complying with those frameworks through inquiry with management, in particular those responsible for regulatory and legal compliance, and by identifying the entity's policies and procedures regarding compliance with laws and regulation. We corroborated our inquiries through:

  ◦ Inquiring of management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;

  ◦ Reading minutes of Board meetings and other meetings of those charged with governance as well as validating how policies and procedures in these areas are communicated and monitored;

  ◦ Reading correspondence from legal and regulatory bodies and reviewing legal expenses incurred;

  ◦ Considering the results of our other audit procedures to either corroborate or provide contrary evidence.

• We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, in particular (1) the risk that management may be in a position to make inappropriate accounting entries and (2) the risk of inappropriate investment income recognition.

Our fraud risk assessment included enquiring of management, and inspection of documentation, as to the Company's policies and procedures to prevent and detect fraud, as well as to whether they have any knowledge of suspected or alleged fraud together with reading Board minutes and using analytical procedures to identify unusual or unexpected relationships in the financial information.

Our procedures in respect of identified fraud risks included:

- Testing revenue recognition using test of details;
- Challenging, and using specialists where appropriate, the methods and key inputs into key estimates;
- Journal entry testing, with a focus on unusual entries or transactions based on our understanding of the business, including post year-end closing journals.

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

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

Use of our report

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

LLP

David Wilson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 21 December 2023

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	2022 £	2021 £
Income from investments		155,000	-
Administrative expenses		(15,929)	(17,238)
OPERATING PROFIT/(LOSS)		139,071	(17,238)
Interest receivable and similar income		3,382	-
Interest payable and similar charges		(120)	(30)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	142,333	(17,268)
Tax on profit/(loss) on ordinary activities	3	(16,506)	228
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION BEING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		125,827	(17,040)

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

The notes on pages 14 to 20 form an integral part of the financial statements.

BALANCE SHEET
31 December 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Investments	4	1,000	1,000
CURRENT ASSETS			
Debtors: amounts due within one year	5	175	175
Debtors: amounts due after more than one year	5	-	1,480
Cash at bank and in hand		491,381	69,041
		491,556	70,696
CREDITORS: amounts falling due within one year	6	(339,164)	(44,131)
NET ASSETS		153,392	27,565
CAPITAL AND RESERVES			
Called up share capital	7	1,000	1,000
Profit and loss account		152,392	26,565
SHAREHOLDERS' FUNDS		153,392	27,565

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

These financial statements were approved by the Board of Directors and authorised for issue on 20 December 2023 and are signed on behalf of the Board of Directors by

DocuSigned by:
063FB5899902413...
S Johnston
Director

Company Registration No. 4139737

The notes on pages 14 to 20 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Partners' capital accounts	Partners' current accounts	Total
	£	£	£
Balance as at 31 December 2020	1,000	43,605	44,605
Total comprehensive loss for the year	-	(17,040)	(17,040)
Balance as at 31 December 2021	1,000	26,565	27,565
Total comprehensive income for the year	-	125,827	125,827
Balance as at 31 December 2022	1,000	152,392	153,392

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of accounts preparation

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

Statement of compliance

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

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

Cash flow

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

Going concern

Management considers that the Company will continue as a going concern over the going concern review period that runs from the date of approval of the year ended 31 December 2022 financial statements until 31 December 2024. This assumes that the Company will be able to meet its liabilities as and when they fall due for the foreseeable future. As at 31 December 2022, the Company is in a net asset position of £153,392 (2021 net assets: £27,565) and the Limited Partnership is in a positive net asset position of £89,998,057 (2021: £98,755,679).

Management have prepared forecast base cashflows for the Company for the going concern period. The basis for the Company's forecasted operational expenses was the Company's current fees, along with an appropriate inflationary increase throughout the going concern period. The cashflows for the Company are predictable given the nature of the entity's operations and as such, management consider these assumptions to be appropriate for the assessment. Based on this forecast, management noted that the Company has adequate resources to continue in operational existence for the foreseeable future.

On 23 May 2022, the Limited Partnership refinanced its existing loan with Bayerische Landesbank for a total amount of £103,500,000, for which the General Partner acted as a guarantor as per the terms of the bank loan agreement. This loan facility is due to expire on 23 May 2027, outside the going concern review period.

On 24 February 2022, Russia invaded Ukraine. The ongoing war has led to inflationary pressures, increasing interest rates, slowdown in economic growth, as well as supply chain disruptions. This has naturally had an adverse impact on both UK businesses and consumers and can lead to pressures on the performance of the McArthurGlen Ashford Designer Outlet Centre, as well as on the turnover of the brands in the Centre. Based on latest sales results and key performance indicators, such as footfall and average spend per visitor, the Centre is trading ahead of the financial year ended 31 December 2022. Management have considered the specific impact of these events on the Centre and do not believe that they have led to a significant impact on the Limited Partnership's sales, nor on the turnover of its brand partners. Given that the conflict is ongoing at the date of approval of these financial statements, there remains a level of unpredictability, and therefore management will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Limited Partnership, taking necessary steps to mitigate these effects proactively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

Management prepared a base cash flow forecast for the Limited Partnership for the going concern period. The forecasted figures until the end of 2023 were based on the approved budget, whilst 2024 figures were based on the estimated profit and loss figures included as part of an overall 10 year plan prepared by management. This assumes an increased total income by the end of 2024 compared to 2023 by 10.2% as well a projected increase in net operating profit by 30.9%. Based on this forecast, management noted that the Partnership will generate positive cash flows and will not breach any bank covenants during the going concern review period.

Under the terms of the bank loan agreement in place for the Partnership, it must comply with a Historical Interest Cover ratio covenant throughout the loan term and up until the loan maturity date. As at the signing date of the financial statements of the Partnership, no breach in the Historical Interest Cover ratio loan covenant on the bank loan facility has occurred, and management's base cashflow forecast indicates that there are no covenant breaches in the forecasted cashflows over the going concern review period. However, after applying sensitivities to this base forecast, management notes that the Partnership may breach the Historical Interest Cover ratio loan covenant for the quarters ending March 2024 to December 2024. The key downside sensitivities applied in this forecast are to align income and expenditure for the forecasted period to December 2023 and for the year to December 2024 to be in line with the year ended 2022, and therefore no rental income growth is assumed. The downside sensitivity also applies a worst case inflationary rate to expenditure.

Management has also received an external valuation for the McArthurGlen Ashford Designer Outlet Centre that notes the fair value of the outlet centre to be £226,800,000 (2021: £225,400,000) as at 31 December 2022, a 0.6% increase in value from 31 December 2021. Based on the same, there are no Loan-to-Value ("LTV") covenant breaches in the forecasted cashflows over the going concern review period, with this valuation being management's best estimate of the fair value of the McArthurGlen Ashford Designer Outlet Centre as at the date of signing of these financial statements.

Based on the above, given that the Company is an obligor on the Partnership's bank loan and so its assets are included as part of the security for the financing, management has identified the following material uncertainty with respect to the going concern assumption arising from the downside sensitivity analysis:

1. The Qualifying Partnership's forecast compliance with the Historical Interest Cover ratio covenant related to its bank debt secured against the assets of the Qualifying Partnership and General Partner, including the McArthurGlen Ashford Designer Outlet Centre, caused by uncertainty associated with the future trading performance as a result of macro-economic factors.

The aforementioned condition constitutes a material uncertainty that may cast significant doubt upon the ability of the Company to continue as a going concern. Going forward, management will continue to routinely monitor the Qualifying Partnership's cashflow position and if necessary, will curtail any discretionary expenditures which are not committed to over the going concern review period, such as non-essential capital expenditure, asset management initiatives, and discretionary marketing expenditure. Management also believe that funding calls can be made to investors in scenarios where cash is required. Furthermore, if any challenges arise in meeting the loan covenants, management believe that there would be potential to seek waiver letters, given the existing relationship in place with the bank. Management therefore have a reasonable expectation that the Qualifying Partnership will be able to operate in line with the base case cash flow scenario and continue its operations for the foreseeable future. Accordingly, management believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required should the Company be unable to continue as a going concern.

Significant accounting policies

Investments and investment income

Fixed asset investments are stated at cost less provisions for any impairment. Investment income consists of distributions received from investments and is recognised when the Company obtains the right to the distribution.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Interest receivable and similar income

Interest receivable and similar income includes interest received on funds invested in the Company's bank account. Interest income is recognised in the profit or loss account as it accrues.

Taxation

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

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 3.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

• the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and

• the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Trade and other debtors / creditors

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

Cash and cash equivalents

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

Judgements and key sources of estimation uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Judgements and key sources of estimation uncertainty (continued)

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

There are no significant judgements or estimations for the Company.

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2022	2021
	£	£
Auditor's remuneration:		
Fees payable to auditors for audit of Company's annual accounts	17,067	13,695
Non-audit tax compliance fees paid to the auditor	3,649	3,543

No staff were employed by the Company during the period (2021: nil).

Directors are remunerated through other undertakings for which no remuneration relates to the Company. The level of qualifying services of the directors of the Company is considered to be incidental and negligible compared to the services provided to the other undertakings. There are no management charges to Ashford Investor (General Partner) Limited from the other undertakings for these services. Consequently, it is deemed that the remuneration for such qualifying services is £nil (2021: £nil).

3. TAXATION

a) **Tax on profit/(loss) on ordinary activities**

	2022	2021
	£	£
Current tax:		
Current corporation tax charge/(credit)	15,026	2,868
Adjustments relating to prior years	-	-
Deferred tax:		
Tax losses utilised in the period	1,830	(2,868)
Effect of change in tax rate on deferred tax balances	-	228
Adjustments relating to prior years	(350)	-
Total tax charge/(credit) for the year	16,506	228

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TAXATION (CONTINUED)

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

The tax assessed for the period is different from the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are:

	2022	2021
	£	£
Profit/(loss) on ordinary activities before tax	142,333	(17,268)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	27,043	(3,281)
Effect of:		
Share of Limited Partnership profits	19,466	12,301
Income not subject to tax	(30,093)	-
Adjustments relating to prior years	(350)	(6,152)
Effect of change in tax rate on deferred tax balances	(1,390)	228
Tax losses utilised in the period	1,830	(2,868)
Total tax charge/(credit) for the year	16,506	228

c) Factors affecting future tax charge

On 5 March 2021, the Chancellor announced that the corporation tax rate will increase to 25% in the UK for financial years from 1 April 2023. There have been no further changes since this announcement. The increase will be factored into the tax charge in the financial statements for the year ended 31 December 2023 accordingly. There is no direct impact for the financial statements for the year ended 31 December 2022.

d) Deferred tax

No deferred tax asset balance has been recognised as the Company has fully utilised its available accumulated losses against the current year taxable profit. As a result the Company has no tax losses arising in the UK (2021: £5,914) to carry forward to offset against future taxable profits of the Company. Refer to Note 5 for more information.

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

	2022	2021
	£	£
Debtors: amounts due in more than one year (Note 5)	-	1,480

	2022	2021
	£	£
As at 1 January	1,480	5,052
Tax losses utilised in the period	(1,830)	(2,868)
Effect of change in tax rate on deferred tax balances	-	228
Other movements	350	(932)
As at 31 December	-	1,480

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS

	2022	2021
	£	£
Cost		
Investment in The Ashford Investor Limited Partnership	1,000	1,000
Net book value	1,000	1,000

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

5. DEBTORS

	2022	2021
	£	£
Amounts due within one year:		
VAT recoverable	175	175
Corporation tax	-	-
	175	175

	2022	2021
	£	£
Amounts due in more than one year:		
Deferred tax asset	-	1,480
	-	1,480

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

6. CREDITORS

	2022	2021
	£	£
Amounts due within one year:		
Trade creditors	-	16,896
Amounts owed to Ashford Investor Limited Partnership	297,573	11,945
Accruals	26,385	15,290
Corporation tax	15,026	-
Amounts owed to McArthurGlen UK Limited	180	-
	339,164	44,131

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

The prior year disclosure note included errors in the line items which comprise Creditors. While management did not consider it material to adjust the prior year comparative, if corrected the amounts owed to Ashford Investor Limited Partnership would be revised from £11,945 to £23,993, trade creditors would be revised from £16,896 to £nil, and accruals would be revised from £15,290 to £20,138. The overall creditors total remains unchanged.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. CALLED UP SHARE CAPITAL

	2022	2021
	£	£
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000

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

8. COMMITMENTS

The Company has provided a guarantee in respect of the £103,500,000 bank loan facility with Bayerische Landesbank held by The Ashford Investor Limited Partnership via a fixed and floating charge on its assets.

9. RELATED PARTY TRANSACTIONS

The Company is the General Partner of The Ashford Investor Limited Partnership, in which it has a 1% interest. The share of the Partnership profit attributable to the General Partner was £63,214 for the financial year-ended 31 December 2022 (2021 profit: £50,889). The share of the Partnership current account attributable to the General Partner was £894,773 at 31 December 2022 (2021: £986,559). Distributions of £155,000 (2021: £ nil) were paid to the General Partner for the financial year-ended 31 December 2022. The Limited Partnership paid costs of £nil (2021: £nil) on behalf of the Company for the financial year-ended 31 December 2022. During the year, the Company received VAT refunds totalling £264,078 (2021: £402,456) on behalf of the Limited Partnership. At the year end, the Company owed £297,573 (2021: £23,993) to the Limited Partnership. As per note 6, the creditors disclosure in the financial statements for the year ended 31 December 2021 states amounts owed to the Limited Partnership of £11,945, as opposed to £23,993 already mentioned. This was a prior year error that was not considered by management to be materially incorrect.

At the year end, the Company owed £180 (2021: £nil) to McArthurGlen UK Limited.

10. CONTROLLING PARTY

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

	2022	2021
	%	%
Outlet Site Holdings Sarl	50	50
The Royal London Mutual Insurance Society Limited	25	25
Staffordshire County Council Pension Fund	25	25

11. POST BALANCE SHEET EVENTS

There have been no material events arising from the activities of the Company from 31 December 2022 to the date of approval of the annual accounts.

Company Registration No. LP007517

THE ASHFORD INVESTOR LIMITED PARTNERSHIP

Annual Report and Financial Statements

For the year ended 31 December 2022

ANNUAL REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2022

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PARTNERS AND PROFESSIONAL ADVISERS

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

GENERAL PARTNER
Ashford Investor (General Partner) Limited

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

SOLICITORS
Macfarlanes LLP
20 Cursitor Street
London, EC4A 1LT

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

REGISTERED PLACE OF BUSINESS
Nations House, 3rd Floor
103 Wigmore Street
London, W1U 1QS

Registration Number: LP007517

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the General Partner ("Directors") present their strategic report of The Ashford Investor Limited Partnership (the "Partnership" or "LP") for the year from 1 January to 31 December 2022.

REVIEW OF THE PARTNERSHIP'S BUSINESS

The key performance indicators monitored by the General Partner include net rental income, void unit levels and property value. Turnover increased by 27% to £19,527,697 (2021: £15,382,086), and rental income has increased by 26.9% to £12,380,795 (2021: £9,754,945). The property's appraised value at 31 December 2022 was £226,800,000 (2021: £225,400,000). The centre vacancy at 31 December 2022 was 15.5% (2021: 17.1%).

PRINCIPAL RISKS AND UNCERTAINTIES

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

i) Retail market risk

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

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

ii) Property investment market risk

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

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

iii) Financial instrument risk

The General Partner has considered the risks attached to the Partnership's financial instruments, which principally comprise cash, external bank debt as well as short-term and long-term debtors and creditors. The General Partner has taken a prudent approach in its consideration of the various risks attached to the financial instruments of the Limited Partnership. The Partnership has entered into derivatives (in the form of interest rate swaps) in order to manage and reduce its exposure to interest rate fluctuations on the bank loan. Furthermore a letter of support has been received from each of the Limited Partners confirming that they do not intend to request repayment of any amounts due to them during the going concern review period (which includes any of the current accounts outstanding) if it would result in the Partnership being unable to meet its financial liabilities as they fall due.

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

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

iv) Ukraine crisis

The General Partner notes that the escalation of the conflict between Ukraine and Russia in early 2022 contributed to the macroecomic outlook worsening in the year. This resulted in increased inflationary and supply chain pressures, as well as rising interest rates, which naturally had an adverse impact on both consumers and businesses.

Although the risk associated with this conflict remains elevated, the General Partner is actively monitoring the situation and has built a strong track record of consistent operational and financial delivery. Alongside the actions taken by the General Partner as explained in point iii), monthly meetings are also held throughout the year to ensure that actual costs are monitored against budgeted figures and discrepancies are highlighted and investigated accordingly.

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

v) Energy prices

Due to this expectation that prices will remain high in the near future, combined with the general unpredictability of geo-political events and global demand, the General Partner acknowledges that rising energy prices indicates a risk to the future performance and profits of the Limited Partnership. This risk is a result of rising maintenance costs of the centre and therefore costs being passed down the supply chain to tenants, and ultimately increasing the risk of centre vacancy. The General Partner will continue to monitor the situation and any impact deemed to arise.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires directors to have regard to, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made.

Set out below are some examples of why and how the directors have considered Section 172 matters in their decision making:

Key Suppliers

We have established long-term partnerships that complement our in-house expertise and have built a network of specialised partners within the industry. Key to our supplier relationships is ensuring that they are treated fairly and ethically.

Sustainability

The Partnership is focused on reducing its impact on the environment and supporting the communities in which it operates, including reducing our energy and water consumption and optimising our management of waste.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

SECTION 172 STATEMENT (CONTINUED)

Customers
The Partnership has very close relationships with all the tenants and customers. There is constant open communication and feedback on the management of the centre to ensure that we can maintain and provide the highest standards of performance. We ensure that we operate ethically and fairly with all our clients.

Investors & Corporate Governance
We regularly engage with our shareholders on our financial performance, strategy and business model; our environmental and social performance; and, our approach to governance and Board leadership. The Board maintains constant dialogue with shareholders and investors on the governance of the Partnership, and provides detailed, appropriate and specific information to our shareholders and investors regularly.

Approved by the General Partner and signed on its behalf

DocuSigned by:
083FB5899902413...
S Johnston
Director
Ashford Investor (General Partner) Limited

Date: 20 December 2023

GENERAL PARTNER'S REPORT TO THE PARTNERSHIP

Ashford Investor (General Partner) Limited (the "General Partner" or "GP") has pleasure in presenting its report on the operations of The Ashford Investor Limited Partnership for the year ended 31 December 2022 together with the audited financial statements.

PRINCIPAL ACTIVITY OF THE PARTNERSHIP

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

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

RESULTS AND DISTRIBUTIONS

The profit for the year amounted to £6,321,394 (2021: £5,088,899) for the Partnership. The Partnership made distributions of £15,500,000 (2021: £nil) for the year ended 31 December 2022.

GOING CONCERN

The General Partner considers that the Partnership will continue as a going concern over the going concern review period that runs from the date of approval of the year ended 31 December 2022 financial statements until 31 December 2024. This assumes that the Partnership will be able to meet its liabilities as and when they fall due for the foreseeable future. As at 31 December 2022, there is a net current asset position of £17,336,097 (2021: £18,741,751) and a net asset position of £89,998,057 (2021: £98,755,679) in the Partnership, which factors in Partners' loan accounts of £44,302,936 (2021: £41,081,800). These loans have no fixed repayment dates and are interest free. The General Partner has received a letter of support from each of the limited partners confirming that they do not intend to request repayment of any amounts due to them, which includes any of the current accounts outstanding, if it would result in the Partnership being unable to meet its financial liabilities as they fall due. This support has been given from the date of approval of the Partnership's financial statements through to 31 December 2024.

On 24 February 2022, Russia invaded Ukraine. The ongoing war has led to inflationary pressures, increasing interest rates, slowdown in economic growth, as well as supply chain disruptions. This has naturally had an adverse impact on both UK businesses and consumers and in the context of the Partnership, can lead to pressures on Centre performance, as well as on the turnover of the brands in the Centre. Based on latest sales results and key performance indicators, such as footfall and average spend per visitor, the McArthurGlen Ashford Designer Outlet Centre is trading ahead of the financial year ended 31 December 2022. The General Partner has considered the specific impact of these events on the McArthurGlen Ashford Designer Outlet Centre and does not believe that they have led to a significant impact on the Partnership's sales, nor on the turnover of its brand partners. Given that the conflict is ongoing at the date of approval of these financial statements, there remains a level of unpredictability, and therefore the General Partner will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Partnership taking necessary steps to mitigate these effects proactively.

The General Partner prepared a base cash flow forecast for the going concern period to support the going concern assessment. The forecasted figures until the end of 2023 were based on the approved budget, whilst 2024 figures were based on the estimated profit and loss figures included as part of an overall 10 year plan prepared by the General Partner. This assumes an increased total income by the end of 2024 compared to 2023 by 10.2% as well a projected increase in net operating profit by 30.9%. Based on this forecast, the General Partner noted that the Partnership will generate positive cash flows and will not breach any bank covenants during the going concern review period.

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

GENERAL PARTNER'S REPORT TO THE PARTNERSHIP (CONTINUED)

GOING CONCERN (CONTINUED)

Under the terms of the bank loan agreement, the Partnership must comply with a Historical Interest Cover ratio covenant throughout the loan term and up until the loan maturity date. As at the signing date of the financial statements of the Partnership, no breach in the Historical Interest Cover ratio loan covenant on the bank loan facility has occurred, and the General Partner's base cashflow forecast indicates that there are no covenant breaches in the forecasted cashflows over the going concern review period. However, after applying sensitivities to this base forecast, the General Partner notes that the Partnership may breach the Historical Interest Cover ratio loan covenant for the quarters ending March 2024 to December 2024. The key downside sensitivities applied in this forecast are to align income and expenditure for the forecasted period to December 2023 and for the year to December 2024 to be in line with the year ended 2022, and therefore no rental income growth is assumed. The downside sensitivity also applies a worst case inflationary rate to expenditure.

The General Partner has also received an external valuation for the McArthurGlen Ashford Designer Outlet Centre that notes the fair value of the outlet centre to be £226,800,000 (2021: £225,400,000) as at 31 December 2022, a 0.6% increase in value from 31 December 2021. Based on the same, there are no Loan-to-Value ("LTV") covenant breaches in the forecasted cashflows over the going concern review period, with this valuation being the General Partner's best estimate of the fair value of the McArthurGlen Ashford Designer Outlet Centre as at the date of signing of these financial statements.

Based on the above, the General Partner has identified the following material uncertainty with respect to the Partnership's going concern assumption arising from the downside sensitivity analysis:

1. The Qualifying Partnership's forecast compliance with the Historical Interest Cover ratio covenant related to its bank debt secured against the assets of the Qualifying Partnership, including the McArthurGlen Ashford Designer Outlet Centre, caused by the sensitivity analysis performed to address the uncertainty associated with the future trading performance as a result of macro-economic factors.

The aforementioned condition constitutes a material uncertainty that may cast significant doubt upon the ability of the Partnership to continue as a going concern. Going forward, the General Partner will continue to routinely monitor the Partnership's cashflow position and if necessary, will curtail any discretionary expenditures which are not committed to over the going concern review period, such as non-essential capital expenditure, asset management initiatives, and discretionary marketing expenditure. The General Partner also believes that funding calls can be made to investors in scenarios where cash is required. Furthermore if any challenges arise in meeting the loan covenants, the General Partner believes that there would be potential to seek waiver letters, given the existing relationship in place with the bank. The General Partner therefore has a reasonable expectation that the Partnership will be able to operate in line with the base case cash flow scenario and continue its operations for the foreseeable future. Accordingly, the General Partner believes that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required should the Partnership be unable to continue as a going concern.

POST BALANCE SHEET EVENTS

Post year end distributions were made to partners totalling £1,250,000 (paid on 24th March 2023), £1,250,000 (paid on 6th July 2023), and £1,500,000 (paid on 3rd November 2023). No further distributions were made post year end up until the date of signing of the financial statements.

PAYMENT POLICY

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

FUTURE DEVELOPMENTS

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

GENERAL PARTNER'S REPORT TO THE PARTNERSHIP (CONTINUED)

PARTNERS AND PARTNERS' INTERESTS

The Limited Partners at 31 December 2022 and their interests in the equity and loan accounts were as follows:

	Capital	Current accounts	Loan accounts
	£	£	£
Outlet Ashford Holdings Sarl	49,500	44,606,904	22,281,204
The Royal London Mutual Insurance Society Limited	24,750	22,198,188	11,020,875
Staffordshire County Council Pension Fund	24,750	22,198,192	11,000,857
Ashford Investor (General Partner) Limited	1,000	894,773	-
Total	100,000	89,898,057	44,302,936

FINANCIAL RISK MANAGEMENT

The Partnership's activities expose it to a variety of financial risks: market price risk, credit risk and liquidity risk. These risks are inherent in the Partnership's activities but are managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.

The principal financial risks facing the Partnership are as follows:

i) Market price risk

Market price risk is the risk that the future value of the investment property will fluctuate due to changes in market price. The financial instruments held by the Partnership that are affected by market risk are principally the Partnership's cash balances and bank borrowings.

The Partnership monitors its interest rate exposure on a regular basis. To mitigate the interest rate risk that arises as a result of entering into a variable rate loan, the Partnership has an interest rate derivative in place in the form of a 3-month interest rate swap.

ii) Credit risk

Credit risk is the risk that the counterparty (to a financial instrument) or tenant (of the property) will cause a financial loss to the Partnership by failing to meet a commitment it has entered into with the Partnership. It is the Partnership's policy to enter into financial instruments with reputable counterparties. Cash deposits are placed with approved counterparties.

In the event of a default by a tenant, the Partnership will suffer a rental shortfall and additional costs concerning re-letting the property. The Partnership monitors tenant arrears in order to anticipate and minimise the impact of defaults by occupational tenants.

GENERAL PARTNER'S REPORT TO THE PARTNERSHIP (CONTINUED)
FINANCIAL RISK MANAGEMENT (CONTINUED)

iii) Liquidity risk

Liquidity risk arises from the Partnership's management of working capital, the finance charges and principal repayments on its borrowings. It is the risk that the Partnership will encounter difficulty in meeting its financial obligations as they fall due.

The Company's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management.

The Partnership has entered into derivatives, (in the form of interest rate swaps) in order to manage and reduce its exposure to interest rate fluctuations.

Furthermore the General Partner has received a letter of support from each of the limited partners confirming that they do not intend to request repayment of any amounts due to them, which includes any of the current accounts outstanding, if it would result in the Partnership being unable to meet its financial liabilities as they fall due.

INFORMATION TO AUDITORS

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

1) so far as it is aware, there is no relevant audit information of which the Partnership's auditors are unaware; and

2) each of the Directors of the General Partner have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

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

Auditors

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

Approved by the General Partner and signed on its behalf

DocuSigned by:

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S Johnston
Director
Ashford Investor (General Partner) Limited
Date: 20 December 2023

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

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

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

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK Accounting Standards, included FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Partnership will not continue in business.

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

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

Opinion

We have audited the financial statements of The Ashford Investor Limited Partnership (the "qualifying partnership") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Net Assets Attributable to Partners, the Statement of Cash Flows, and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

Basis for opinion

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

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

Material uncertainty relating to going concern

We draw attention to Note 1.3 in the financial statements that discloses a material uncertainty about the Qualifying Partnership's ability to continue as a going concern. The material uncertainty relates to the Qualifying Partnership's forecast breach of the Historical Interest Cover covenant related to its bank debt secured against the assets of the Qualifying Partnership and the General Partner, including the McArthurGlen Ashford Designer Outlet Centre, caused by the sensitivity analysis performed to address the uncertainty associated with the future trading performance as a result of macro-economic factors.

As stated in Note 1.3, these events or conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the Qualifying Partnership's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

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

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or General Partner's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

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

Responsibilities of the General Partner
As explained more fully in the General Partner's Responsibilities Statement set out on page 9, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless General Partner either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

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

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

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

• We obtained an understanding of the legal and regulatory frameworks that are applicable to the qualifying partnership and determined that the most significant are: (1) those that directly affect the financial statements, in particular the financial reporting framework (including related companies legislation as applied to qualifying partnerships), and any relevant direct and indirect tax compliance regulation in the United Kingdom; and (2) those that indirectly affect the financial statements where non-compliance would have a material effect on the financial statements.

• We understood how the qualifying partnership is complying with those frameworks through inquiry with management, in particular those responsible for regulatory and legal compliance, and by identifying the entity's policies and procedures regarding compliance with laws and regulation. We corroborated our inquiries through:

- Inquiring of management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Reading minutes of Board meetings of the Directors of the General Partner, other qualifying partnership governance meetings as well as validating how policies and procedures in these areas are communicated and monitored;
- Reading correspondence from legal and regulatory bodies and reviewing legal expenses incurred;
- Considering the results of our other audit procedures to either corroborate or provide contrary evidence.

• We assessed the susceptibility of the qualifying partnership's financial statements to material misstatement, including how fraud might occur, in particular (1) the risk that management may be in a position to make inappropriate accounting entries, (2) the risk of bias in accounting estimates and judgements such as investment property valuation; (3) the risk of inappropriate revenue recognition.

Our fraud risk assessment included enquiring of management, and inspection of documentation, as to the qualifying partnership's policies and procedures to prevent and detect fraud, as well as to whether they have any knowledge of suspected or alleged fraud together with reading Board minutes and using analytical procedures to identify unusual or unexpected relationships in the financial information.

Our procedures in respect of identified fraud risks included:

• Testing revenue recognition using test of details and substantive analytical procedures;
• Challenging, and using specialists where appropriate, the methods and key inputs into property valuations and other estimates;
• Journal entry testing, with a focus on unusual entries or transactions based on our understanding of the business, including post year-end closing journals.

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

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

Use of our report

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

LLP

David Wilson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 21 December 2023

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	2022 £	2021 Restated* £
Turnover	2	19,527,697	15,382,086
Property expenditure		(9,405,973)	(7,892,579)
Gross profit		10,121,724	7,489,507
Administrative expenses		(2,226,695)	(1,592,262)
Change in fair value of derivative instruments		6,739,623	1,075,448
Change in fair value of investment property	6	(1,687,362)	3,822,646
OPERATING PROFIT	4	12,947,290	10,795,339
Interest payable and similar charges	5	(6,678,154)	(5,706,440)
Interest receivable and similar income		52,257	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,321,393	5,088,899
Tax on profit on ordinary activities	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,321,393	5,088,899

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

* Prior period comparatives have been restated to reflect the correction of the prior year accounting treatment of the loans due to partners. Refer to Note 1 for further details.

BALANCE SHEET
31 December 2022

	Note	2022 £	2021 Restated* £
FIXED ASSETS			
Tangible assets	6	82,373	77,600
Investment property	6	219,569,280	220,972,884
		219,651,653	221,050,484
CURRENT ASSETS			
Debtors: amounts due within one year	7	5,876,549	5,453,295
Debtors: amounts due after more than one year	7	12,676,881	3,980,798
Cash at bank and in hand	13	4,231,043	14,301,171
Restricted cash - deposits received from tenants		405,836	405,806
		23,190,309	24,141,070
CREDITORS: amounts falling due within one year	8	(5,854,212)	(5,399,319)
NET CURRENT ASSETS		17,336,097	18,741,751
TOTAL ASSETS LESS CURRENT LIABILITIES		236,987,750	239,792,235
CREDITORS: amounts falling due after more than one year	9	(146,989,693)	(141,036,556)
NET ASSETS		89,998,057	98,755,679
REPRESENTED BY:			
PARTNERS' ACCOUNTS			
Partners' capital accounts - equity	11	100,000	100,000
Partners' current accounts - equity	12	89,898,057	98,655,679
		89,998,057	98,755,679

* Prior period comparatives have been restated to reflect the correction of the prior year accounting treatment of the loans due to partners. Refer to Note 1 for further details.

These financial statements of The Ashford Investor Limited Partnership, Registration No. LP007517 were approved by the Ashford Investor (General Partner) Limited on 20 December 2023 and were signed on its behalf by

DocuSigned by:

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

THE ASHFORD INVESTOR LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS
31 December 2022

	Partners' capital accounts £	Partners' current accounts £	Total £
Balance as at 31 December 2020*	100,000	92,183,194	92,283,194
Total comprehensive income for the year*	-	5,088,899	5,088,899
Capital contribution*	-	1,383,586	1,383,586
Balance as at 31 December 2021*	100,000	98,655,679	98,755,679
Total comprehensive income for the year	-	6,321,393	6,321,393
Capital contribution	-	420,985	420,985
Distributions (Note 18)	-	(15,500,000)	(15,500,000)
Balance as at 31 December 2022	100,000	89,898,057	89,998,057

* Prior period comparatives have been restated to reflect the correction of the prior year accounting treatment of the loans due to partners. Refer to Note 1 for further details.

THE ASHFORD INVESTOR LIMITED PARTNERSHIP

STATEMENT OF CASH FLOWS
Year ended 31 December 2022

	Notes	£	2022 £	£	2021 £
Net cash inflow from operating activities	13(a)		6,057,637		9,057,943
Investing activities					
Payments to acquire tangible fixed assets		(39,975)		(9,047)	
Additions to investment property		(283,758)		(4,406,046)	
Net cash outflow from investing activities			(323,733)		(4,415,093)
Financing activities					
Interest paid		(3,765,675)		(2,957,884)	
Distribution to partners		(15,500,000)		-	
Proceeds from new bank loan		3,500,000		-	
Bank loan issue costs		(938,357)		-	
Proceeds from new loans contributed by partners		900,000		2,800,000	
Net cash outflow from financing activities			(15,804,032)		(157,884)
Increase in cash and cash equivalents			(10,070,128)		4,484,966
Cash and cash equivalents at 1 January	13(b)		14,301,171		9,816,205
Cash and cash equivalents at 31 December	13(b)		4,231,043		14,301,171

NOTES TO THE FINANCIAL STATEMENTS

1.1 GENERAL INFORMATION

The Ashford Investor Limited Partnership ("the Partnership") is a partnership registered in England & Wales, United Kingdom and prepares accounts under The Partnership (Accounts) Regulations 2008. The nature of the Partnership's operations and its principal activities are set out on page 5.

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

1.2 STRUCTURE OF THE PARTNERSHIP

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

	31 December 2022	31 December 2021
Limited partners		
Outlet Ashford Holdings Sarl	49.50%	49.50%
The Royal London Mutual Insurance Society Limited	24.75%	24.75%
Staffordshire County Council Pension Fund	24.75%	24.75%
General Partner		
Ashford Investor (General Partner) Limited	1.00%	1.00%

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

1.3 ACCOUNTING POLICIES

Statement of compliance

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

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

Basis of presentation

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.3 ACCOUNTING POLICIES (CONTINUED)

Going concern

The General Partner considers that the Partnership will continue as a going concern over the going concern review period that runs from the date of approval of the year ended 31 December 2022 financial statements until 31 December 2024. This assumes that the Partnership will be able to meet its liabilities as and when they fall due for the foreseeable future. As at 31 December 2022, there is a net current asset position of £17,336,097 (2021: £18,741,751) and a net asset position of £89,998,057 (2021: £98,755,679) in the Partnership, which factors in Partners' loan accounts of £44,302,936 (2021: £41,081,800). These loans have no fixed repayment dates and are interest free. The General Partner has received a letter of support from each of the limited partners confirming that they do not intend to request repayment of any amounts due to them, which includes any of the current accounts outstanding, if it would result in the Partnership being unable to meet its financial liabilities as they fall due. This support has been given from the date of approval of the Partnership's financial statements through to 31 December 2024.

On 24 February 2022, Russia invaded Ukraine. The ongoing war has led to inflationary pressures, increasing interest rates, slowdown in economic growth, as well as supply chain disruptions. This has naturally had an adverse impact on both UK businesses and consumers and in the context of the Partnership, can lead to pressures on Centre performance, as well as on the turnover of the brands in the Centre. Based on latest sales results and key performance indicators, such as footfall and average spend per visitor, the McArthurGlen Ashford Designer Outlet Centre is trading ahead of the financial year ended 31 December 2022. The General Partner has considered the specific impact of these events on the McArthurGlen Ashford Designer Outlet Centre and does not believe that they have led to a significant impact on the Partnership's sales, nor on the turnover of its brand partners. Given that the conflict is ongoing at the date of approval of these financial statements, there remains a level of unpredictability, and therefore the General Partner will continue to monitor the situation closely to determine if there is any impact of the conflict on the future viability of the Partnership taking necessary steps to mitigate these effects proactively.

The General Partner prepared a base cash flow forecast for the going concern period to support the going concern assessment. The forecasted figures until the end of 2023 were based on the approved budget, whilst 2024 figures were based on the estimated profit and loss figures included as part of an overall 10 year plan prepared by the General Partner. This assumes an increased total income by the end of 2024 compared to 2023 by 10.2% as well a projected increase in net operating profit by 30.9%. Based on this forecast, the General Partner noted that the Partnership will generate positive cash flows and will not breach any bank covenants during the going concern review period.

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

Under the terms of the bank loan agreement, the Partnership must comply with a Historical Interest Cover ratio covenant throughout the loan term and up until the loan maturity date. As at the signing date of the financial statements of the Partnership, no breach in the Historical Interest Cover ratio loan covenant on the bank loan facility has occurred, and the General Partner's base cashflow forecast indicates that there are no covenant breaches in the forecasted cashflows over the going concern review period. However, after applying sensitivities to this base forecast, the General Partner notes that the Partnership may breach the Historical Interest Cover ratio loan covenant for the quarters ending March 2024 to December 2024. The key downside sensitivities applied in this forecast are to align income and expenditure for the forecasted period to December 2023 and for the year to December 2024 to be in line with the year ended 2022, and therefore no rental income growth is assumed. The downside sensitivity also applies a worst case inflationary rate to expenditure.

The General Partner has also received an external valuation for the McArthurGlen Ashford Designer Outlet Centre that notes the fair value of the outlet centre to be £226,800,000 (2021: £225,400,000) as at 31 December 2022, a 0.6% increase in value from 31 December 2021. Based on the same, there are no Loan-to-Value ("LTV") covenant breaches in the forecasted cashflows over the going concern review period, with this valuation being the General Partner's best estimate of the fair value of the McArthurGlen Ashford Designer Outlet Centre as at the date of signing of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.3 ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

Based on the above, the General Partner has identified the following material uncertainty with respect to the Partnership's going concern assumption arising from the downside sensitivity analysis:

1. The Qualifying Partnership's forecast compliance with the Historical Interest Cover ratio covenant related to its bank debt secured against the assets of the Qualifying Partnership, including the McArthurGlen Ashford Designer Outlet Centre, caused by the sensitivity analysis performed to address the uncertainty associated with the future trading performance as a result of macro-economic factors.

The aforementioned condition constitutes a material uncertainty that may cast significant doubt upon the ability of the Partnership to continue as a going concern. Going forward, the General Partner will continue to routinely monitor the Partnership's cashflow position and if necessary, will curtail any discretionary expenditures which are not committed to over the going concern review period, such as non-essential capital expenditure, asset management initiatives, and discretionary marketing expenditure. The General Partner also believes that funding calls can be made to investors in scenarios where cash is required. Furthermore if any challenges arise in meeting the loan covenants, the General Partner believes that there would be potential to seek waiver letters, given the existing relationship in place with the bank. The General Partner therefore has a reasonable expectation that the Partnership will be able to operate in line with the base case cash flow scenario and continue its operations for the foreseeable future. Accordingly, the General Partner believes that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required should the Partnership be unable to continue as a going concern.

Judgements and key sources of estimation uncertainty

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

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

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

There are no areas requiring significant judgement.

The following is the Partnership's key sources of estimation uncertainty:

Revaluation of investment property (estimate)

The Partnership carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Partnership engaged an independent valuation specialist to determine fair value at 31 December 2022. Fair value is based on active market prices, adjusted if necessary for differences in the nature, location or condition of the specific asset. The fair value of the investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Valuations are performed as of the balance sheet date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. The key assumptions used to determine the fair value of investment property are further explained in Note 6.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.3 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies

Basic financial instruments

Trade and other debtors / creditors

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

Bank borrowings and finance costs classified as basic financial instruments

Interest-bearing bank loans and overdrafts are initially recognised at fair value. After initial recognition at fair value they are measured at amortised cost using the effective interest rate method, less impairment.

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

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

Cash and cash equivalents

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

For the purposes of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Letting inducements

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

Other financial instruments

Derivative financial instruments

Derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value through profit or loss. The gain or loss on remeasurement to fair value is recognised immediately in the Statement of Comprehensive Income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of interest rate swap contracts is determined by calculating the present alue of the estimated future cash flows based on observable yield curves.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.3 ACCOUNTING POLICIES (CONTINUED)

Classification of financial instruments issued by the LP

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

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

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

To the extent that this definition is not met, the instrument is classified as a financial liability.

Tangible assets

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

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

Fixtures, fittings and equipment 1 to 15 years

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

Investment property

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

Investment properties are subsequently measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account.

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

Leases

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

Distribution

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.3 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Partners' Capital

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

Turnover

Rental income is recognised on a straight line basis and is made up of i) minimum base rent and ii) turnover rent, which is calculated as a percentage of the tenant's sales for the specified period. Minimum base rent is billed either monthly or quarterly, in arrears or in advance, depending on the lease for the individual tenant. Turnover rent is billed either monthly or quarterly in arrears, depending on the lease for the individual tenant. Any rents that are not billed in the month due to tenants not supplying the necessary turnover figures, are accrued for on an estimated basis. Rental income excludes value added tax and represents rental income earned from third parties. This is attributable to one continuing activity in the UK, the letting and management of property.

Lease incentives given to tenants, such as rent-free periods are also amortised straight-line over the non-cancellable lease term. This amortisation is included as a reduction in rental income. The valuation of the properties is reduced by the unamortised capital contributions.

Service charges represent reimbursements of costs incurred on behalf of the tenants and are recognised on a straight line basis, either monthly or quarterly in arrears, depending on the lease for the individual tenant.

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

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

Capital expenditure recoverable from tenants

Capital expenditure recoverable from tenants is held at amortised cost. A discount rate of 8.75% (2021: 8.75%) is used. The discount rate is calculated based on economic assumptions reflecting the inherent risk of the business.

Taxation

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

Correction of an error

The investor loans at nil interest have been historically recognised as a current liability in the financial statements, but after a detailed review of the partnership and shareholder deeds, management have concluded that this should be classed as a non-current liability instead. The rationale behind this reclassification is that the deeds do not contain any clause that state that the loans are repayable on demand. Instead the loans would either be repaid on i) sale of the property, or ii) winding up of the partnership. The deeds also state that the decision to sell the property or terminate the Partnership may only occur two years prior to the expiry date of 21 February 2032, further justifying a non-current classification. Therefore a restatement of the prior year comparative in the financial statements is necessary.

Due to the reclassification, the liability must be discounted to its present value as at the balance sheet date and the differences between the cash loan and the discounted loan should be accounted for as a capital contribution while each year, the accretion of the interest from the present value calculation should be recorded as an expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.3 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Correction of an error (continued)

As such the error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

Restated line items within balance sheet

	31-Dec-21 Restated	31-Dec-21 As previously stated	Net increase / (decrease)
	£	£	£
Creditors: amounts falling due within one year	5,399,319	79,757,365	(74,358,046)
Creditors: amounts falling due after more than one year	141,036,556	99,954,756	41,081,800
Capital Contribution	35,744,905	-	35,744,905
Partners' current accounts - equity	98,655,679	65,379,433	33,276,246

Restated line items within statement of comprehensive income

	31-Dec-21 Restated	31-Dec-21 As previously stated	Net increase / (decrease)
	£	£	£
Interest payable and similar charges	5,706,440	3,237,781	2,468,659

Restated line items within statement of changes in net assets attributable to the partners

	31-Dec-21 Restated	31-Dec-21 As previously stated	Net increase / (decrease)
	£	£	£
Balance as at 31 December 2020	92,283,194	57,921,875	34,361,319
Total comprehensive income for the year	5,088,899	7,557,558	(2,468,659)
Capital Contribution	1,383,586	-	1,383,586
Balance as at 31 December 2021	98,755,679	65,479,433	33,276,246

Restated line items within interest payable and similar charges note

	2021 Restated	2021 As previously stated	Net increase / (decrease)
	£	£	£
Partner loan interest	2,468,659	-	2,468,659

Restated line items within creditors: amounts falling due within one year note

	2021 Restated	2021 As previously stated	Net increase / (decrease)
	£	£	£
Partners' loan accounts	-	74,358,046	(74,358,046)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
1.3 ACCOUNTING POLICIES (CONTINUED)
Significant accounting policies (continued)
Correction of an error (continued)

Restated line items within creditors: amounts falling due after one year note

	2021 Restated	2021 As previously stated	Net increase / (decrease)
	£	£	£
Partners' loan accounts	41,081,800	-	41,081,800

Restated line items within related parties note

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

	The Royal London Mutual Insurance Society Limited		
	Restated	As previously stated	Net increase / (decrease)
	£	£	£
Partners' loans			
At 31 December 2020	9,304,418	17,889,512	(8,585,094)
Advances of investor loans	354,106	700,000	(345,894)
Unwinding of interest	617,182	-	617,182
At 31 December 2021	10,275,706	18,589,512	(8,313,806)
Partners' Current Accounts			
At 31 December 2020	22,840,091	14,310,914	8,529,177
Profit share	1,259,502	1,870,496	(610,994)
Capital Contribution	317,687	-	317,687
At 31 December 2021	24,417,280	16,181,410	8,235,870

	Outlet Ashford Holdings Sarl		
	Restated	As previously stated	Net increase / (decrease)
	£	£	£
Partners' loans			
At 31 December 2020	18,609,284	35,779,022	(17,169,738)
Advances of investor loans	708,201	1,400,000	(691,799)
Unwinding of interest	1,233,731	-	1,233,731
At 31 December 2021	20,551,216	37,179,022	(16,627,806)
Partners' Current Accounts			
At 31 December 2020	45,680,181	28,621,830	17,058,351
Profit share	2,519,004	3,740,991	(1,221,987)
Capital Contribution	635,375	-	635,375
At 31 December 2021	48,834,560	32,362,821	16,471,739

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.3 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Correction of an error (continued)

Restated line items within related parties note (continued)

	Staffordshire County Council Pension Fund		
	Restated	**As previously stated**	**Net increase / (decrease)**
	£	**£**	**£**
Partners' loans			
At 31 December 2020	9,283,024	17,889,512	(8,606,488)
Advances of investor loans	354,107	700,000	(345,893)
Unwinding of interest	617,747	-	617,747
At 31 December 2021	10,254,878	18,589,512	(8,334,634)
Partners' Current Accounts			
At 31 December 2020	22,840,091	14,310,914	8,529,177
Profit share	1,259,502	1,870,496	(610,994)
Capital Contribution	317,687	-	317,687
At 31 December 2021	24,417,280	16,181,410	8,235,870

2. TURNOVER

	2022	**2021**
Turnover consists of:	£	£
Rental income	12,380,795	9,754,945
Service charges	5,474,500	4,903,874
Storage and parking	1,672,402	723,267
	19,527,697	15,382,086

3. TAXATION

a) Tax on loss on ordinary activities	**2022**	**2021**
	£	**£**
Current tax:		
Current corporation tax charge	-	-
Deferred tax:		
Tax losses recognised	-	-
Total tax (credit)/charge	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TAXATION (CONTINUED)

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

The tax assessed for the period is different from the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£	£
Profit on ordinary activities before tax	6,321,393	5,088,899
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021:19%)	1,201,065	966,891
Effect of:		
Profits allocated to Ashford Investor General Partner Limited	(12,011)	(9,669)
Profits allocated to Limited Partners	(1,189,054)	(957,222)
Total tax for the period	-	-

4. OPERATING PROFIT/(LOSS)

Operating (loss)/profit is stated after earning / (charging):

	2022	2021
	£	£
Auditor's remuneration:		
Audit fee for the audit of the Partnership	110,431	36,000
Non-audit fees paid to the auditor for tax compliance services provided to the Partnership	22,022	20,000
Depreciation on tangible assets	35,203	59,692
Amortisation of tenant incentives	2,105,557	2,527,113
Gain on derivative financial instruments	(6,739,623)	(1,075,448)

No staff were employed by the Partnership during the year (2021: nil).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021 Restated*
	£	£
Partner loan interest	2,742,121	2,468,659
Interest payable on bank loans	3,765,675	2,957,884
Amortisation of loan issue costs	170,358	279,897
	6,678,154	5,706,440

*-Prior period comparatives have been restated to reflect the correction of the prior year accounting treatment of the loans due to partners. Refer to Note 1 for further details.

6. TANGIBLE ASSETS AND INVESTMENT PROPERTY

	Fixtures, fittings and equipment £	Freehold investment property £
Cost or valuation		
At 31 December 2021	1,272,377	220,972,884
Additions	39,976	283,758
Valuation adjustment	-	(1,687,362)
At 31 December 2022	1,312,353	219,569,280
Accumulated depreciation		
At 31 December 2021	(1,194,777)	-
Charge in the year	(35,203)	-
At 31 December 2022	(1,229,980)	-
Net book value		
At 31 December 2022	82,373	219,569,280
At 31 December 2021	77,600	220,972,884

The freehold investment property was valued in line with the RICS UK Valuation Standards ("the Red Book") on 31 December 2022 at fair value by CB Richard Ellis Limited, professionally qualified external valuers. The historical cost of the investment property at 31 December 2022 was £163,205,737 (2021: £162,921,979).

Under FRS 102, the Partnership can elect to capitalise finance costs that are directly attributable to the development of the qualifying asset, the freehold investment property. During the year-ended 31 December 2022, no finance costs (2021: £nil) have been capitalised into the freehold investment property.

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

	Dec-22	*Dec-21*
Exit Yield	6.50%	6.00%
Stabilised Occupancy Rate	84.50%	82.90%
Discount Rate	8.75%	8.75%

	2022 £	2021 £
Appraised value		
Carrying value of assets held under freehold property	219,569,280	220,972,884
Tenant inducements held as short term debtors (Note 7)	1,537,212	1,241,293
Tenant inducements held as long term debtors (Note 7)	5,693,508	3,185,823
Fair value	226,800,000	225,400,000

Together, BMG (Ashford) Limited, Ashford Investor (General Partner) Ltd, and Ashford Investor (Partnership Trustco) Ltd all hold legal title to respective components of the property on trust for the Partnership. The Partnership is the beneficial owner of the property and so is ultimately entitled to the financial value of the land, as this provides the right to the rental income generated in the property, as well as any proceeds that are generated from a potential sale. As such it is appropriate to recognise the value of the property within the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. DEBTORS

	2022	2021
	£	£
Amounts falling due within one year		
Trade debtors	1,671,419	2,666,102
Other debtors - tenant incentive (Note 6)	1,537,212	1,241,293
Amounts owed from the Ashford Investor (General Partner) Limited	276,023	11,945
Prepayments and accrued income	2,391,895	1,533,955
	5,876,549	5,453,295

	2022	2021
	£	£
Amounts falling due in more than one year		
Other debtors - tenant incentive (Note 6)	5,693,508	3,185,823
Capital expenditure recoverable from tenants	483,376	794,975
Derivatives	6,499,997	-
	12,676,881	3,980,798

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

Derivatives due after one year of £6,499,997 (asset) (2021: derivatives due within one year: £239,626 (liability)) represent the fair value of 3 month SONIA interest rate swaps the Partnership entered into to reduce exposure to interest rate fluctuations. The fair value of the interest rate swaps is determined using quoted prices, calculated at the mid-point of the relevant yield curves.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 Restated*
	£	£
Trade creditors	981,391	542,468
Amounts owed to related parties	805,894	766,819
Accruals and deferred income	3,612,034	3,219,839
Derivatives	-	239,626
VAT payable	49,057	224,761
Cash held in trust	405,836	405,806
	5,854,212	5,399,319

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

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

*Prior period comparatives have been restated to reflect the correction of the prior year accounting treatment of the loans due to partners. Refer to Note 1 for further details.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	2022	2021 Restated*
	£	£
Bank loan	103,500,000	100,000,000
Bank loan issue costs unamortised	(813,243)	(45,244)
Partners' loan accounts	44,302,936	41,081,800
	146,989,693	141,036,556

The bank loan consists of a loan from Bayerische Landesbank and SMBC totalling £103,500,000 (2021: £100,000,000), where each lender has a 50% share of the total loan amount at an interest rate of SONIA + 2.15% margin per annum. 80% of the loan is hedged through a SONIA SWAP set at 2.135%. The loan is secured by fixed and floating charges on the assets of the Partnership.

The loan existing at 31 December 2022 was bound by the following covenants:

• Ratio of rental income to debt service (Historical Interest Cover Ratio): Annual rental must be equal to or greater than 175% until one year after Practical Completion of Phase 2, and 250% thereafter of finance cost (2021: the same).

• Loan to asset value: Must at no time exceed 60% (2021: 60%).

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

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

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

	2022	2021 Restated*
	£	£
Partners' loan accounts		
At 1 January	41,081,800	37,196,726
Loans contributed	479,015	1,416,415
Interest	2,742,121	2,468,659
At 31 December	44,302,936	41,081,800

Each partner has confirmed by way of a letter of support that they do not intend to request repayment of amounts due if it would result in the Partnership being unable to meet its financial liabilities as they fall due to the end of the going concern review period being 31 December 2024.

Loans contributed consists of i) cash received of £900,000, less amounts recorded as capital contribution of £420,985.

* Prior period comparatives have been restated to reflect the correction of the prior year accounting treatment of the loans due to partners. Refer to Note 1 for further details.

10. LOANS

Loans repayable (made up of partners' loan accounts and bank loans), included within creditors, are analysed as follows:

	2022	2021
	£	£
Wholly repayable within five years	102,686,757	99,954,756
Not wholly repayable within five years	44,302,936	41,081,800
	146,989,693	141,036,556

11. PARTNERS' CAPITAL

	2022	2021
	£	£
Partners' capital accounts		
At 1 January and 31 December	100,000	100,000

12. PARTNERS' OTHER INTERESTS

	2022	2021 Restated*
	£	£
Partners' current accounts		
At 1 January	98,655,679	92,183,194
Total comprehensive income for financial year	6,321,393	5,088,899
Capital contribution	420,985	1,383,586
Dividends paid	(15,500,000)	-
At 31 December	89,898,057	98,655,679

Partners' current accounts comprise solely the profit or loss of the Partnership allocated to the Partners, the distribution of profit made to the Partners, and the capital contributed by the partners in accordance with the terms of the Deed of Partnership. These are therefore considered to be equity.

* Prior period comparatives have been restated to reflect the correction of the prior year accounting treatment of the loans due to partners. Refer to Note 1 for further details.

13. NOTES TO THE STATEMENT OF CASHFLOWS

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

	2022	2021
	£	£
Operating profit/(loss) before tax	12,947,290	10,795,339
Depreciation on tangible fixed assets	35,203	59,692
Amortisation of tenant incentives	2,105,557	2,527,113
Amortisation of capital expenditure recoverable from tenants	1,547	29,730
Change in fair value of investment property	1,687,362	(3,822,646)
Gain on derivative financial instruments	(6,739,623)	(1,075,448)
Increase/(decrease) in debtors	182,712	(14,460)
Increase in creditors	694,490	838,520
Amortisation of loan issue costs	-	(279,897)
Loan interest receivable	52,260	-
Payments to tenants for lease incentives	(4,909,161)	-
Net cash inflow from operating activities	6,057,637	9,057,943

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. NOTES TO THE STATEMENT OF CASHFLOWS

(b) Analysis of net debt

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

	At 1 January 2022 Restated*	Cash movement	Capital contribution	Change in market value	Interest and finance charges	At 31 December 2022
	£	£		£	£	£
Cash and cash equivalents						
Cash at bank and in hand	14,301,171	(10,070,128)	-	-	-	4,231,043
Derivatives	(239,626)	-	-	6,739,623	-	6,499,997
Borrowings						
Bank loans	(99,954,756)	(2,561,643)	-	-	(170,358)	(102,686,757)
Net debt before partners' loans	(85,893,211)	(12,631,771)	-	6,739,623	(170,358)	(91,955,717)
Loans due to partners						
Partners' loans	(41,081,800)	(900,000)	420,985	-	(2,742,121)	(44,302,936)
Net debt	(126,975,011)	(13,531,771)	420,985	6,739,623	(2,912,479)	(136,258,653)

*Equity balances were included within the net debt disclosure of the financial statements for the year ended 31st December 2021. These equity balances were Partners' capital totalling £100,000 and Partners' current accounts totalling £65,379,433. As per LLP Statement of Recommended Practice (SORP), equity amounts do not meet the definition of borrowings and so must be excluded from the net debt disclosure. As such the net debt as at 1st January 2022 has been restated above to remove these equity amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. RELATED PARTY TRANSACTIONS

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

	The Royal London Mutual Insurance Society Limited	Outlet Ashford Holdings Sarl	Staffordshire County Council Pension Fund
	£	£	£
Partners' capital			
At 31 December 2021	24,750	49,500	24,750
Advances of investor capital	-	-	-
At 31 December 2022	24,750	49,500	24,750
Partners' loans			
At 31 December 2021 Restated*	10,275,706	20,551,216	10,254,878
Advances of investor loans	59,886	359,246	59,883
Unwinding of interest charge	685,283	1,370,742	686,096
At 31 December 2022	11,020,875	22,281,204	11,000,857
Partners' Current Accounts			
At 31 December 2021 Restated*	24,417,280	48,834,560	24,417,280
Profit share	1,564,545	3,129,089	1,564,545
Capital contribution	52,614	315,754	52,617
Distributions to partners	(3,836,250)	(7,672,500)	(3,836,250)
At 31 December 2022	22,198,188	44,606,904	22,198,192
Totals			
At 31 December 2021 Restated*	34,717,736	69,435,276	34,696,908
At 31 December 2022	33,243,814	66,937,607	33,223,799

The Partnership is administered by Ashford Investor (General Partner) Limited (the "General Partner"). The partners consider that the General Partner is a related party. The General Partner has capital of £1,000 in the Partnership at 31 December 2022 (2021: £1,000). The share of the Partnership profit attributable to the General Partner was £63,214 for the financial year-ended 31 December 2022 (2021: £50,889). The share of the Partnership current account attributable to the General Partner was £894,773 at 31 December 2022 (2021: £986,559). Distributions of £155,000 (2021: £nil) were paid to the General Partner for the financial year-ended 31 December 2022. The Limited Partnership paid costs of £nil (2021: £nil) on behalf of the General Partner for the financial year-ended 31 December 2022. During the year, Ashford Investor (General Partner) Limited received VAT refunds totalling £264,078 (2021: £402,456) on behalf of the Limited Partnership. At the year end, the General Partner owed £276,023 (2021: £11,945) to the Limited Partnership.

* Prior period comparatives have been restated to reflect the correction of the prior year accounting treatment of the loans due to partners. Refer to Note 1 for further details.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

Services provided by property manager and development manager (continued)

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

	2022	2021
	£	£
Annual management fee	719,583	626,869
Letting fees	578,945	307,877
Service charge and marketing fees	398,847	352,839
Other recharges	1,798,787	1,861,758

At 31 December 2022 the outstanding balance owed to McArthurGlen UK Limited was £780,487 (2021: £766,819).

McArthurGlen European Development Limited, a related party involved in the development of Phase 2 of the Ashford Designer Outlet Centre as a Development Manager, charged the Partnership development and financing fees amounting to £nil (2021: £78,710). At the year end, the Partnership owed £1,572 (2021: £nil) to McArthurGlen European Development Limited.

At 31 December 2022, the partnership owed £6,042 to McArthurglen Service GmbH, £5,514 to MGE-RB (Roermond) Management Co B.V., and £12,279 to MGR Management & Retail S.r.l, all of whom are related parties due to being 100% subsidiaries of McArthurglen UK Limited.

Ultimate Controlling Party

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

15. OPERATING LEASE AGREEMENT WHERE THE PARTNERSHIP IS LESSOR

The Partnership's investment property is let to a number of third parties. These non-cancellable leases have remaining terms of between 0 and 11 years.

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

	2022	2021 Restated*
	£	£
In one year or less	8,942,844	7,799,158
Between one and five years	20,998,114	20,001,597
More than five years	6,431,024	7,823,149
	36,371,983	35,623,904

15. OPERATING LEASE AGREEMENT WHERE THE PARTNERSHIP IS LESSOR (CONTINUED)

* During the year a detailed review was carried out on the non-cancellable operating leases as at 31st December 2021. It was noted that in instances where a lease agreement stated a break date which was not caveated with a condition on the tenant (eg. tenant must generate a specified level of turnover), the non-cancellable operating lease should end on this break date rather than the lease expiry date. Furthermore if a lease agreement was signed after the balance sheet, then this lease should not generate a commitment at the balance sheet date for the Partnership. It was noted that this logic was not accurately reflected in the figures within the same disclosure for the financial statements for the year ended 31st December 2021. Therefore the General Partner has recalculated the position as at this date and restated the amounts accordingly.

16. POST BALANCE SHEET EVENTS

Post year end distributions were made to partners totalling £1,250,000 (paid on 24th March 2023), £1,250,000 (paid on 6th July 2023), and £1,500,000 (paid on 3rd November 2023). No further distributions were made post year end up until the date of signing of the financial statements.

17. CONTINGENT LIABILITIES

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

18. DISTRIBUTIONS

Distributions made during the year were as follows:

	2022	2021
	£	£
Outlet Ashford Holdings Sarl	7,672,500	-
The Royal London Mutual Insurance Society Limited	3,836,250	-
Staffordshire County Council Pension Fund	3,836,250	-
Ashford Investor (General Partner) Limited	155,000	-
	15,500,000	-

Post year end distributions were made to partners totalling £1,250,000 (paid on 24th March 2023), £1,250,000 (paid on 6th July 2023), and £1,500,000 (paid on 3rd November 2023). No further distributions were made post year end up until the date of signing of the financial statements.