

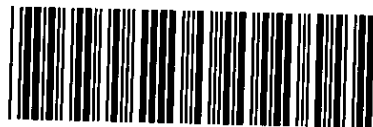
Company Number 4707160

VCP NOMINEES NO.2 LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020**

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VCP NOMINEES NO.2 LIMITED

DIRECTORS AND OTHER INFORMATION

Directors

Jeremy Michael Jensen
Neil Jonathan Robson
Andrea Trozzi

Company Number

4707160

Registered Office

5 Churchill Place, 10th Floor
London
E14 5HU
*(Registered office changed from 40 Broadway London
SW1H 0BT on 15 October 2020)*

Company Secretary and Registered Office

CSC Corporate Services (UK) Limited
5 Churchill Place, 10th Floor
London
E14 5HU
*(Intu Secretariat Limited resigned as secretary on 15
October 2020)*

Bankers

HSBC Bank PLC
8 Canada Square,
London
E14 5HQ

VCP NOMINEES NO.2 LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and financial statements of VCP Nominees No.2 Limited (the "Company") for the year ended 31 December 2020.

The Company is incorporated and registered in England and Wales (company number 4707160). The Company's registered office is 5 Churchill Place, 10th Floor, London, England, E14 5HU.

The Company is exempt from the requirement to prepare a separate Strategic Report in accordance with Section 414B(b) of the Companies Act 2006.

Principal activities

The Company is a wholly owned subsidiary of VCP (GP) Limited ('the General Partner'), which acts as the general partner to The Victoria Centre Partnership ('the Limited Partnership'). The Limited Partnership owns Victoria Centre, Nottingham.

Review of business and future developments

The Company is currently dormant. Future developments are largely contingent on the events and conditions set out in the going concern section below and within note 3.

Going Concern

The directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due.

In considering the appropriateness of this assumption, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation. Full detail in respect of going concern is set out in note 3.

Subsequent events

Relevant subsequent events are described in note 6 to the financial statements.

Charitable and political donations

The Company did not make any political or charitable donations during the financial year (2019: £nil).

Directors

The names of the persons who were directors at any time during the financial year ended 31 December 2020 and subsequently are set out below:

Jeremy Michael Jensen	(Appointed on 1 December 2020)
Neil Jonathan Robson	(Appointed on 1 December 2020)
Andrea Trozzi	(Appointed on 27 August 2020)
Robert Lee Allen	(Appointed 10 June 2019 and resigned 15 April 2020)
Martin Richard Breeden	(Resigned 1 December 2020)
Sean Crosby	(Appointed 16 August 2019 and resigned 15 April 2020)
Colin Flinn	(Resigned 19 November 2020)
Hugh Michael Ford	(Resigned 15 April 2020)
Kathryn Anne Grant	(Resigned 19 November 2020)
Minakshi Kidia	(Appointed 16 August 2019 and resigned 15 April 2020)
Trevor Pereira	(Resigned 31 January 2020)
Edward Matthew Roberts	(Resigned 15 April 2020)
Nick Round	(Resigned 15 April 2020)
Rebecca Ryman	(Resigned 19 November 2020)
Julian Wilkinson	(Resigned 31 January 2020)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Directors (continued)

Intu Secretariat Limited resigned as secretary on 15 October 2020. CSC Corporate Services (UK) Limited was appointed as secretary on 15 October 2020.

The directors and their immediate relatives and the company secretary did not hold an interest in any shares of the Company as at 31 December 2020 or at any time during or since the financial year ended.

Directors' Indemnity Provision

A qualifying third party indemnity provision (as defined in S234 of the Companies Act 2006) is in force for the benefit of the directors of the Company during the financial year and at the date of the approval of the financial statements. The Group maintains directors' and officers' insurance which is reviewed annually.

Statement of directors' responsibilities in respect of the financial statements

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 they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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 assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent auditor

The Company is exempt under section 480 of the Companies Act 2006 from the provisions of part 16 of this Act relating to the audit of financial statements.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance.

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

On behalf of the Board



Andrea Trozzi
Director
27 October 2021

VCP NOMINEES NO.2 LIMITED

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

There are no items of income and expense and accordingly no statement of comprehensive income has been prepared.

The notes on pages 9 to 12 form part of these financial statements.

VCP NOMINEES NO.2 LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2020**

	Note	31-Dec-20 £	31-Dec-19 £
Current assets			
Trade and other receivables		1	1
Total assets		1	1
Net assets		1	1
Equity			
Share capital	4	1	1
Total equity		1	1


For the year ending 31 December 2020, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The notes on pages 9 to 12 form part of these financial statements.

The financial statements of VCP Nominees No.2 Limited (registration number 4707160) were approved and authorised for issue by the Board of Directors on 27 October 2021 and signed on its behalf by:



Andrea Trozzi
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £
At 1 January 2019	1
Loss for the year	-
Total comprehensive loss for the year	-
At 31 December 2019	1
At 1 January 2020	1
Loss for the year	-
Total comprehensive loss for the year	-
At 31 December 2020	1

The notes to the financial statements on pages 9 to 12 form an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 General information

Reporting entity

VCP Nominees No.2 Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 2.

The nature of the Company's operations and its principal activities are set out in the directors' report on page 3.

These financial statements are presented in pounds sterling (£) which is the currency of the primary economic environment in which the Company operates.

Statement of compliance

These financial statements have been prepared on a going concern basis and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law); and have been prepared in accordance with the requirements of the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The Company has taken advantage of certain disclosure exemptions in FRS 101 as its financial statements are included in the publicly available consolidated financial statements of SGS Holdco Limited. Copies of those consolidated financial statements can be obtained from SGS Holdco Limited at 5 Churchill Place, 10th Floor, London, E14 5HU.

In preparing the Company financial statements the Company has taken advantage of the following disclosure exemptions available under FRS 101, and therefore the Company financial statements do not include:

- certain comparative information as otherwise required by IFRS
- disclosures regarding the Company's management of capital
- a statement of cash flows
- disclosures in respect of financial instruments
- disclosures in respect of IFRS 13 fair value measurement
- disclosure of related party transactions
- the effect of future accounting standards not yet adopted

The disclosure exemptions have been adopted because equivalent disclosures are included in the SGS Holdco Limited consolidated financial statements into which the Company is consolidated. A summary of the significant accounting policies as applied to the Company is set out below.

Except as described above, the accounting policies are consistent with those applied in the last annual financial statements, as amended when relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

2 Adoption of new and revised standards

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2020. None of these had a material impact on the Company.

3 Significant accounting policies

The principal accounting policies that the Company applied in preparing its financial statements for the financial year ended 31 December 2020 are set out below.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

Going concern

The directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due.

In considering the appropriateness of this assumption, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation. In making this assessment the directors have considered that the Company's going concern status is intrinsically linked to the prospects of the group of companies to which it belongs (the "Group"), the parent company of which is SGS Holdco Limited. The principal activities of the Group are investment, management and development of shopping centres.

The impact of COVID-19 on the UK retail and real estate industries has been significant, and is reflected in the valuation of the property and rental income of the Group which have resulted in a significant negative equity position for the Group, at 31 December 2020. Against this backdrop, on 26 June 2020 intu Properties plc, the ultimate parent company of the Company, went into administration.

The Group has, since the administration of intu Properties plc, been in proactive discussions with both tenants and all classes of creditor, and has developed a three year business plan for the current market environment. On the basis of this business plan, on 16 July 2021 the Company, amongst others, became party to the Fifth Master Amendment Agreement, which gave effect to a financial restructuring of the Group. Amongst other terms, the Fifth Master Amendment Agreement removed the requirement for interest on any of the Group's debt to be paid in cash, unless the Group has sufficient excess cash to fund such payments. The financial covenants under the Finance Documents (with which the Group was not able to comply from 30 June 2020 onwards) were also removed and replaced with i) a revised loan to value covenant, which reflects the reduction in the valuation of the properties during 2020 and will be tested for the first time on 31 December 2021; ii) a minimum Net Rental Income covenant, which has been set based on the Group's three year business plan and will be tested for the first time on 31 March 2022; and iii) a minimum liquidity covenant, including cash and undrawn facilities, of £5 million, which was tested for the first time (and passed) on 30 June 2021. The financial forecasts supporting the business plan indicate that the Group should be able to remain compliant with these covenants throughout the business plan period.

The Fifth Master Amendment Agreement extended, where necessary, the maturity of all debt facilities until at least 31 March 2024, providing the Group with a clear runway to execute its business plan and ultimately sell the properties. As part of the financial restructuring, the Group also secured £86.9 million in Super Senior New Money, to fund the execution of its business plan.

As such, based on the stable footing provided by the recent financial restructuring, the current cash position and the forecasts indicating the continued liquidity of the Group for the three year business plan period, the directors consider that the going concern basis of preparation is appropriate for the Company's financial statements, and that there exists no material uncertainty as to the Company's ability to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 Significant accounting policies (continued)

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost

These assets arise principally from the provision of goods and services to customers (eg trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for expected credit losses.

When applying a loss allowance for expected credit losses, judgement is exercised as to the collectability of trade receivables and to determine if it is appropriate to impair these assets. When considering expected credit losses, management has taken into account days past due, credit status of the counterparty and the status of negotiations between the Company and the counterparty. *On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.*

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise trade and other receivables.

Current/non-current classification

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption within one year of the reporting date. All other assets are classified as non-current assets.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with the Company's accounting policies requires management to make judgements and use estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those judgements and estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Critical accounting judgements and key sources of estimation uncertainty (continued)

- *key sources of estimation uncertainty*

There are no key sources of estimation uncertainty in the preparation of these financial statements.

- *critical accounting judgements*

Going concern – when preparing the financial statements, management is required to make an assessment of the entity's ability to continue as a going concern and prepare the financial statements on this basis unless it either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. As set out earlier in this note, there are no events or conditions that indicate a material uncertainty exists in relation to going concern.

4 Share capital

	2020 £	2019 £
Issued, called up and fully paid		
1 (2019: 1) ordinary share of £1	<u>1</u>	<u>1</u>

5 Ultimate controlling party

The ultimate parent company is intu Properties plc (in administration) (registered number: 03685527), a company incorporated and registered in England and Wales. The registered address of the entity is C/O Interpath Advisory Limited, 15 Canada Square, London, E14 5GL. The immediate parent company is VCP (GP) Limited, a company incorporated and registered in England and Wales. The registered office of this entity is 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU.

6 Subsequent events

The following subsequent events are relevant to the Company by virtue of the fact that it is a subsidiary of SGS Holdco Limited and a member of the SGS group of companies (the "Group").

Three master amendment agreements to the legal documentation which governs the Group's borrowings have been entered into since the reporting date, dated 19 January 2021, 16 March 2021 and 16 July 2021, respectively. The first two of these contained various waivers and forbearance which were designed to ensure that no event of default arose under the Finance Documents while the Group negotiated the terms of a long-term financial restructuring with its creditors. The master amendment agreement dated 16 March 2021 also contained provisions for the interest due on all of the Group's borrowings on 17 March 2021 to be capitalised, rather than paid in cash.

On 18 June 2021 the Group launched a Consent Solicitation (the "Fifth Consent Solicitation"), which included the terms and implementation of its long-term financial restructuring plan, including £112 million of investment in capital projects to facilitate new lettings and support occupancy levels, supported by £86.9 million of new Super Senior New Money). The Fifth Consent Solicitation achieved the required levels of support from the Group lenders and the Fifth Master Amendment Agreement was signed on 16 July 2021.

In September 2021 the Company, along with various other members of the Group, signed heads of terms with intu Properties plc and various other subsidiaries of the intu Group (the "Intu Parties") on an agreement for i) the settlement and release of various outstanding intercompany balances between the Group and the Intu Parties; and ii) the consensual transfer of 100% of SGS HoldCo Limited's share capital from Intu (SGS) Topco Limited to a new holding company independent of the intu Group. The transaction is subject to approval of the Group's creditors, via a negative consent process. Assuming not more than one third of the Noteholders and Term Lenders object to the negative consent process, the settlement and release of the intercompany balances and the transfer of the equity are expected to be completed by 30 October 2021.

Registration number LP 4172

THE VICTORIA CENTRE PARTNERSHIP

GENERAL PARTNER'S REPORT

AND

AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

31 DECEMBER 2020

THE VICTORIA CENTRE PARTNERSHIP

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THE VICTORIA CENTRE PARTNERSHIP

GENERAL PARTNER AND OTHER INFORMATION

Registration Number	LP 4172
General Partner	VCP (GP) Limited
Registered Office	5 Churchill Place, 10th Floor London E14 5HU <i>(Registered office changed from 40 Broadway London SW1H 0BT on 15 October 2020)</i>
Secretary and Registered Office	CSC Corporate Services (UK) Limited 5 Churchill Place, 10th Floor London E14 5HU <i>(Intu Secretariat Limited resigned as secretary on 15 October 2020)</i>
Independent Auditor	BDO LLP 55 Baker Street, London W1U 7EU
Bankers	HSBC Bank PLC 8 Canada Square, London E14 5HQ
Asset Manager	Global Mutual Properties Limited 3rd Floor 43-45 Dorset Street London W1U 7NA
Property Manager	Savills (UK) Limited 163 West George Street Glasgow G2 2JJ

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

VCP (GP) Limited (the "General Partner") presents its Strategic Report of The Victoria Centre Partnership (the "Partnership") for the year ended 31 December 2020.

Principal activities

In accordance with the Limited Partnership Agreement ("LPA"), the principal activity of the Partnership is ownership, management and development of Victoria Centre Shopping Centre, Nottingham (the "Property").

Business Review

The Partnership is a subsidiary of SGS Holdco Limited and forms part of a group structure (the "Group" or "SGS") which was created to hold assets in a flexible, ring-fenced security pool for the raising of bond and bank debt secured on it (Secured Group Structure).

The General Partner has historically been part of the intu Properties group. In addition to the Property, the Group currently owns and operates other shopping centres in the United Kingdom: Lakeside and Atria Watford in England, and Braehead in Scotland (together with the Property, the "Properties"). The acquisition and development of these assets were funded through a combination of external debt finance and intercompany debt and equity provided by other intu group companies.

The Partnership's results and financial position for the year ended 31 December 2020 are set out in full in the Statement of comprehensive income, Balance sheet, Statement of changes in partners' funds and the Notes to the financial statements.

Net rental income was £1.3 million compared to £14.3 million for the previous year. The loss transferred to the partners' current account was £98.8 million, compared with a loss of £57.6 million for the previous year. Net liabilities at 31 December 2020 were £107.1 million, compared to net liabilities at 31 December 2019 of £8.3 million.

In early 2020 a new coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organisation. COVID-19 has caused global disruption to consumers, businesses, economic activity, government policy and global equity and bond markets. The Property and its tenants were subject to various trading restrictions throughout the year, including two separate periods of closure of all non-essential retail. This disruption exacerbated structural headwinds facing the UK retail market, and a number of the significant tenants have experienced financial difficulties. These factors have resulted in a significant reduction in the value of the Property during 2020, with both Expected Rental Values ("ERVs") and yields being affected. On 31 December 2020 the Property was independently valued at £105.0 million (2019: £240.6 million).

Against this backdrop, on 26 June 2020 intu Properties plc, the ultimate parent company of the Partnership, went into administration, along with a number of intu subsidiaries. No member of the Group entered administration, but these events created substantial disruption for the Group, which at the time relied on a number of the entities in administration for the provision of various services relating to the Properties.

Following the administration of intu Properties plc, the General Partner and all other entities in the Group appointed a new Board of Directors which took various steps to stabilise the Group's business, including the following:

- Third party asset managers, property managers and Obligor Cash Managers were appointed, and the day-to-day management of the Properties was transitioned away from subsidiaries of intu Properties plc. A six month Transitional Services Agreement was agreed with intu Retail Services Limited (in administration), in order to ensure continuity of critical services.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Business review (continued)

- The short-term financial stability of the Group needed to be secured. On 27 August 2020, the Partnership, among others, entered into a master amendment agreement with the Obligor Security Trustee and the Issuer Trustee (the "Master Amendment Agreement") implementing certain waivers and forbearances in respect of the certain Finance Documents. This included a waiver of all covenant breaches and defaults until 31 December 2020 and an agreement that interest due on all external borrowings between July 2020 and December 2020 would be capitalised and not paid in cash.

Following implementation of the above actions, the position of the Group was stable as at 31 December 2020, and no formal default under the Finance Documents had occurred and was continuing unwaived.

Financial key performance indicators

Given the straightforward nature of the business, the General Partner is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Future developments and events after the reporting date

COVID-19 has continued to cause disruption to the operation of the properties in 2021, with non-essential retail required to close again between 4 January 2021 and 12 April 2021 in England. As at the date of this report, however, the Property is open with restrictions at a much lower level.

The Partnership and the Group have achieved a successful operational migration away from the intu group and are now operating on a standalone basis. The Partnership, supported by its Asset Manager and Property Manager, has adopted a proactive and collaborative approach with tenants, which has resulted in rent collections increasing to c.80% in respect of Quarter 3 2021, notwithstanding the ongoing uncertainty in the retail sector and the wider economy. A large number of significant lease agreements have been reached both with new and existing tenants.

The independent third party valuation of the Property as at 30 June 2021 was £97.3 million. Although this is 7.3% lower than the 31 December 2020 valuation, the pace of valuation decline has slowed considerably due to the stabilisation of the Property and increased visibility over occupancy and sustainable income levels.

Three further master amendment agreements have been entered into since the reporting date, dated 19 January 2021, 16 March 2021 and 16 July 2021, respectively. The first two of these contained various waivers and forbearance which were designed to ensure that no event of default arose under the Finance Documents while the Group negotiated the terms of a long-term financial restructuring with its creditors. The master amendment agreement dated 16 March 2021 also contained provisions for the interest due on all of the Group's borrowings on 17 March 2021 to be capitalised, rather than paid in cash.

On 18 June 2021 the Group launched a Consent Solicitation (the "Fifth Consent Solicitation"), which included the terms and implementation of its long-term financial restructuring plan, including £112 million of investment in capital projects to facilitate new lettings and support occupancy levels, supported by £86.9 million of new Super Senior New Money. The Fifth Consent Solicitation achieved the required levels of support from the Group's lenders, and the Fifth Master Amendment Agreement was signed on 16 July 2021.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Future developments and events after the reporting date (continued)

Also on 18 June 2021, the Group published details of its three year business plan and exit strategy. The Group has conducted a comprehensive strategic review, identifying key strengths and challenges which were fundamental to shaping its long term strategy. This led to five key strategic priorities being identified, which form the bedrock of the business plan:

- 1) **Create a stable income profile:** In addition to the work being done to normalise collections, the Group will focus on maximising occupancy by setting affordable estimated rental values and incentive levels and engaging tenants in early lease extension discussions where this makes sense for both parties. Turnover rent arrangements, which have become an increasing feature of the market in recent years, are being agreed where appropriate, and the implied rent affordability of these arrangements is expected to contribute to improved tenant retention rates. To improve tenant sales, and in turn the stability and growth of the Group's cash flows, the Group will re-orientate its consumer marketing, focussing on engaging with consumers in the local asset catchment area (rather than nationally, which had previously been the preferred approach), through a combination of using local marketing teams, targeted campaigns, interesting and relevant events at the centres, and the effective analysis of big data.
- 2) **Transition asset profiles towards the future:** The Group recognises the structural shifts in the retail industry, and has tailored its strategy to the prevailing circumstances. The Group has identified tenants who are outperforming in this differentiated environment and who have a low financial risk, and will actively seek to secure and expand the footprint of these tenants. In addition, the Group has identified a number of exciting new market entrants and brands who traditionally traded only online or as concession in a department store, who have decided to open standalone flagship stores to form better relationships with their customers. Experiential leisure will also form a key part of the Group strategy. Consumers are seeking destinations which don't just offer goods for purchase but also experiences that are not possible in a domestic environment.
- 3) **Improve the operational cost base to improve tenant appeal:** To improve the affordability and in turn the appeal of the Properties, the Group is targeting a significant reduction in the operational cost base without harming the tenant or consumer experience.
- 4) **Diversify return drivers and add alternative use opportunities:** 92% of the Group's current income is from retail and parking uses. With the negative retail head-winds, the investment appeal of the Properties will improve if return drivers can be diversified. The Business Plan aims to provide the next buyer comfort that they can re-develop or repurpose selected sites into alternative uses over a five year time horizon, by delivering over the next three years detailed feasibility studies and agreements in principal with planning authorities.
- 5) **Monetise standalone ancillary property which will realise capital proceeds from stabilised assets:** Where the Group has ancillary properties that do not add to the competitive advantage of the core asset, the Group will stabilise their income profile and take them to market, targeting sector focused buyers in an appropriate timeframe.

As a result of the Fifth Master Amendment Agreement, interest on all of the Group's external borrowings is now on a 'Pay If You Can' basis, to be determined by a semi-annual cash flow forecast. Any interest not paid in cash will be capitalised on the semi-annual interest payment dates (15 May and 15 November each year). New financial covenants were also agreed, based on the Group's three year business plan. As part of the financial restructuring, the maturity date on all debt which had been due to mature prior to 2024 was extended to 31 March 2024 (with a possible further extension to 31 December 2024 provided that certain milestones are met), in order to provide the Group with a sufficient time horizon to deliver its Business Plan.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Future developments and events after the reporting date (continued)

In September 2021 the General Partner, along with various other members of the Group, signed heads of terms with Intu Properties plc and various other subsidiaries of the Intu Group (the "Intu Parties") on an agreement for i) the settlement and release of various outstanding intercompany balances between the Group and the Intu Parties; and ii) the consensual transfer of 100% of SGS Holdco Limited's share capital from Intu (SGS) Topco Limited to a new holding company independent of the Intu Group. The transaction is subject to approval of the Group's creditors, via a negative consent process. Assuming not more than one third of the Noteholders and Term Lenders object to the negative consent process, the settlement and release of the intercompany balances and the transfer of the equity are expected to be completed by 30 October 2021.

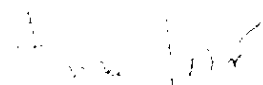
Principal risks and uncertainties

The Partnership is a wholly owned subsidiary within the Group. The Partnership faces largely those risks and uncertainties faced by the Group. The Group categorises its principal risks and uncertainties using the following categories: Financing, Property Market, and Operations. The ongoing Covid-19 pandemic has heightened some of the Group's principal risks, including those relating to the investment property market, which is influenced by both macroeconomic and retail specific factors, and the Group's operational risk, particularly in respect of health and safety. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the SGS Holdco Limited consolidated financial statements.

Section 172(1) of the Companies Act 2006

Refer to Business Relationships section in the General Partner's Report.

On behalf of the General Partner
VCP (GP) Limited



Andrea Trozzi
Director
27 October 2021

GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The General Partner presents its report and the audited financial statements of the Partnership for the year ended 31 December 2020.

The Partnership was formed on 7 January 1992 and was registered in England and Wales as a limited partnership on 27 January 1992 under the Limited Partnerships Act 1907 (registration number LP 4172). The Partnership's registered office is 5 Churchill Place, 10th Floor, London, E14 5HU.

Distribution

No distribution was paid in the current or prior year. The directors do not recommend a distribution for 2020.

Capital management

The General Partner considers the capital of the Partnership to be the Partners' capital account of £35.3 million (2019: £35.3 million). Management of this capital is performed at a Group level.

Financial risk management

The financial risks of the Partnership are managed at a Group level as disclosed in the SGS Holdco Limited consolidated financial statements.

Business relationships

The General Partner makes decisions for the long-term success of the Partnership and its stakeholders and complies with the requirements of section 172 of the Companies Act 2006. As part of any decision-making processes, the directors of the General Partner will consider the need to foster the Partnership's business relationships with suppliers, customers, and others. The engagement with and consideration of such stakeholders is as set out below.

- Our suppliers

As we rely on our suppliers to help our business run smoothly, from day-to-day operations through to the construction of major developments, we aim to have open, transparent and long-term relationships to ensure they maintain the same high standards we set ourselves.

The Group strongly opposes slavery and human trafficking in any form. The steps taken by SGS Holdco Limited, directly and through its subsidiaries and contractors to ensure slavery and human trafficking are not occurring in any part of its business or supply chains are set out in the Group's Statement on Transparency in Supply Chains, which can be read at <https://portal.cscgfm.com/disclaimer/sgs-shopping-centres?folder=modern-slavery-act-statement>.

- Our customers

Building strong business relationships with our customers is a key part of our business model. Since the entry into administration of intu Properties plc in June 2020 and the appointment of Global Mutual Properties Limited and Savills (UK) Limited as Asset Manager and Property Manager, respectively, the Partnership has made it a priority to engage proactively with tenants to agree fair and sustainable long- and short-term tenancy deals which reflect the circumstances and strategic intent of both parties.

- Our community and environment

As regards the impact of the Partnership's operations on the community and the environment, we have a deeply ingrained culture of behaving responsibly and working with our stakeholders to address social and environmental issues. Centre management teams are responsible for building relationships with their respective communities and community leaders. During the COVID-19 pandemic a particular focus was placed on clear, effective communication of prevailing restrictions/guidelines, managing compliance among retailers, customers and employees and reporting of any incidents.

**GENERAL PARTNER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Going concern

The directors of the General Partner have prepared the financial statements on the going concern basis which assumes that the Partnership will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due.

In considering the appropriateness of this assumption, the directors of the General Partner have assessed the likelihood of whether the Partnership will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Partnership into liquidation.

The impact of COVID-19 on the UK retail and real estate industries has been significant, and is reflected in the valuation of the Property and rental income which have resulted in a negative equity position for the Partnership, at both 31 December 2019 and 31 December 2020.

However, as described in the Strategic Report, the Partnership and the Group have, since the administration of Intu Properties plc, been in proactive discussions with both tenants and all classes of creditor, and have developed a three year business plan for the current market environment. On the basis of this business plan, on 16 July 2021 the Partnership, amongst others, became party to the Fifth Master Amendment Agreement, which gave effect to a financial restructuring of the Group. Amongst other terms, the Fifth Master Amendment Agreement removed the requirement for interest on any of the Group's debt to be paid in cash, unless the Group has sufficient excess cash to fund such payments. The financial covenants under the Finance Documents (with which the Group was not able to comply from 30 June 2020 onwards) were also removed and replaced with i) a revised loan to value covenant, which reflects the reduction in the valuation of the Properties during 2020 and will be tested for the first time on 31 December 2021; ii) a minimum Net Rental Income covenant, which has been set based on the Group's three year business plan and will be tested for the first time on 31 March 2022; and iii) a minimum liquidity covenant, including cash and undrawn facilities, of £5 million, which was tested for the first time (and passed) on 30 June 2021. The financial forecasts supporting the business plan indicate that the Group should be able to remain compliant with these covenants throughout the business plan period.

The Fifth Master Amendment Agreement extended, where necessary, the maturity of all debt facilities until at least 31 March 2024, providing the Group with a clear runway to execute its business plan and ultimately sell the properties. As part of the financial restructuring, the Group also secured £86.9 million in Super Senior New Money, to fund the execution of its business plan.

The Partnership's net liabilities at 31 December 2020 of £107.1 million included amounts owed to SGS Holdco Limited and SGS Finco Limited of £2.1 million and £218.3 million, respectively, under a subordinated intercompany loan agreement. Both counterparties have indicated to the General Partner, subject to the provisions of the financing documentation which governs the Group's external borrowings (the "Finance Documents"), that they have no intention of demanding repayment of these balances unless the Partnership has sufficient liquidity to fund such a repayment. SGS Finco Limited has also indicated that it intends to provide support to the Partnership in funding its day-to-day operational expenditure to the extent required, subject to the provisions of the Finance Documents.

As such, based on the stable footing provided by the recent financial restructuring, the current cash position and the forecasts indicating the continued liquidity of the Group for the three year business plan period, the directors of the General Partner consider that the going concern basis of preparation is appropriate for the Partnership's financial statements, and that there exists no material uncertainty as to the Partnership's ability to continue as a going concern.

Subsequent events

Relevant subsequent events are described in the Strategic Report and in note 12 to the financial statements.

Charitable and political donations

The Partnership did not make any political or charitable donations during the financial year (2019: £nil).

THE VICTORIA CENTRE PARTNERSHIP

GENERAL PARTNER'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

The partners

The General Partner is VCP (GP) Limited, a wholly owned subsidiary of SGS 2020 Limited. The Limited Partner is Victoria Centre Nottingham Limited, also a wholly owned subsidiary of SGS 2020 Limited. Title to the freehold property owned by the Partnership is held jointly by VCP Nominees No.1 Limited and VCP Nominees No.2 Limited, which are both wholly owned subsidiaries of the General Partner. The partners and their respective percentage holdings of the Partnership are shown below:

VCP (GP) Limited	0.0001%
Victoria Centre Nottingham Limited	99.9999%

Constitution and governance

The Partnership is bound by the Partnership Agreement dated 20 January 2003.

Rights and entitlements – General Partner

VCP (GP) Limited is responsible for the management, administration and operation of the business of the Partnership. VCP (GP) Limited in its role as General Partner can bind the Partnership in contract. No further partner may be admitted to the Partnership except with the consent of VCP (GP) Limited as General Partner.

Rights and entitlements – Limited Partner

Distributions are made to the partners in their Partnership proportions. Distributions from the income and expenditure account are made quarterly and, unless otherwise agreed between the partners, comprise the entire amount available for distribution, subject to certain limitations, as set out in section 6 of the Limited Partnership Agreement.

Statement of net assets value and income and expenditure account

Clause 9.1 of the Limited Partnership Agreement requires the presentation of a statement of net asset value, a statement of the income and expenditure account and a summary of the movement in the income and expenditure account. The balance sheet is measured at fair value where applicable, therefore no separate net asset value statement has been included. The income statement and the statement of the income and expenditure account include the same items and therefore separate statements have not been disclosed.

Statement of General Partner's responsibilities in respect of the financial statements

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

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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 Partnership and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

**GENERAL PARTNER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Statement of General partner's responsibilities in respect of the financial statements (continued)

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations.

The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor

Deloitte LLP have resigned as Auditors of the Partnership and BDO LLP have been appointed to act as Auditors in accordance with Section 485 of the Companies Act 2006.

Streamlined Energy and Carbon Reporting ("SECR")

As the Partnership is not classified as a large entity for the purposes of the SECR reporting requirements, it has nothing to report under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulation 2018.

Statement of disclosure of information to auditors

The General Partner confirms that:

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware; and
- each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

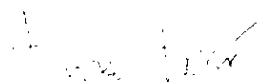
Directors' confirmations

In the case of each director of the General Partner in office at the date the General Partner's Report is approved confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Partnership;
- the General Partner's report includes a fair review of the development and performance of the business and the position of the Partnership, together with a description of the principal risks and uncertainties that it faces; and the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Partnership's position and performance.

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

**On behalf of the General Partner
VCP (GP) Limited**



**Andrea Trozzi
Director
27 October 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE VICTORIA CENTRE PARTNERSHIP**

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements of The Victoria Centre Partnership (the "Partnership") for the year ended 31 December 2020 which comprise the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We are independent of the 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Members are responsible for the other information. The other information comprises the information included in the General Partner's report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE VICTORIA CENTRE PARTNERSHIP (CONTINUED)**

Other information (Continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

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

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

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the General Partner's report.

We have nothing to report in respect of the following matters in relation to which 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Statement of members' responsibilities in respect of the financial statements, the Members 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 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 Members are responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the 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 MEMBERS OF
THE VICTORIA CENTRE PARTNERSHIP (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements (Continued)

Extent to which the audit was capable of detecting irregularities, including fraud

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

- We gained an understanding of the legal and regulatory framework applicable to the Partnership and the industry in which it operates, and considered the risk of acts by the Partnership that were contrary to the applicable law and regulations, including fraud.
- We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit.
- We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We considered the processes and controls that the Partnership has established to address risks identified, or that otherwise prevent, deter and detect fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements including, but not limited to, the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.
- We addressed the risk of fraud of management override of controls by testing the appropriateness of journal entries and other adjustments and assessing whether the judgments made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business, we focused on any journal entries posted with unusual account combinations or unexpected journal postings to the income statement.
- Our tests included agreeing the financial statement disclosures to underlying supporting documentation and reviewing relevant Board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof. We challenged the estimates and judgements made by management in their significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

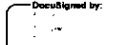
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 MEMBERS OF
THE VICTORIA CENTRE PARTNERSHIP (CONTINUED)**

Use of our report

This report is made solely to the Partnership's members, as a body, in accordance with Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.


Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
27 October 2021

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

THE VICTORIA CENTRE PARTNERSHIP

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £m	2019 £m
Revenue ¹	4	14.7	25.0
Net rental income	4	1.3	14.3
Revaluation of investment property	7	(93.6)	(64.4)
Gain on sale of investment property		1.2	-
Administration expenses		-	(0.5)
Operating loss	5	(91.1)	(50.6)
Finance costs	6	(7.7)	(6.4)
Finance income		0.2	0.3
Other finance costs		(0.2)	(0.9)
Loss transferred to partners' current account		(98.8)	(57.6)

Other than items in the income statement above there are no items of comprehensive income, and accordingly a separate statement of comprehensive income has not been presented.

The notes to the financial statements on pages 18 to 27 form an integral part of the financial statements.

¹ Included within Revenue is a loss allowance provision charge against trade receivables totalling £2.9 million (2019: £0.1 million).

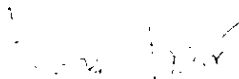
THE VICTORIA CENTRE PARTNERSHIP

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	31-Dec-20 £m	31-Dec-19 £m
Non-current assets			
Investment property	7	105.0	201.0
Current assets			
Trade and other receivables	8	13.9	9.0
Cash and cash equivalents		1.8	0.6
		<u>15.7</u>	<u>9.6</u>
Total assets		<u>120.7</u>	<u>210.6</u>
Current liabilities			
Trade and other payables	9	<u>(227.8)</u>	<u>(218.9)</u>
Net liabilities		<u>(107.1)</u>	<u>(8.3)</u>
Partners' funds			
Partners' capital account		35.3	35.3
Partners' current account		<u>(142.4)</u>	<u>(43.6)</u>
Total partners' funds		<u>(107.1)</u>	<u>(8.3)</u>

The notes to the financial statements on pages 18 to 27 form an integral part of the financial statements.

The financial statements of The Victoria Centre Partnership (registration number: LP4172) on pages 15 to 27 were approved and authorised for issue by the General Partner, VCP (GP) Limited on 27 October 2021 and were signed on its behalf by:


Andrea Trozzi
 Director
 VCP (GP) Limited

THE VICTORIA CENTRE PARTNERSHIP

STATEMENT OF CHANGES IN PARTNERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Partners' capital account £m	Partners' current account £m	Partners' funds £m
At 1 January 2019	35.3	14.0	49.3
Loss for the year	-	(57.6)	(57.6)
Total comprehensive loss for the year	-	(57.6)	(57.6)
At 31 December 2019	35.3	(43.6)	(8.3)
At 1 January 2020	35.3	(43.6)	(8.3)
Loss for the year	-	(98.8)	(98.8)
Total comprehensive loss for the year	-	(98.8)	(98.8)
At 31 December 2020	35.3	(142.4)	(107.1)

The notes to the financial statements on pages 18 to 27 form an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the General Partner to prepare financial statements for each financial year.

Reporting entity

The Victoria Centre Partnership (the 'Partnership') is a limited partnership registered in the United Kingdom under the Limited Partnerships Act 1907 and is registered in England and Wales. The address of the Partnership's registered office is shown on page 2.

The nature of the Partnership's operations and its principal activities are set out in the Strategic report on page 3.

These financial statements are presented in pounds sterling (£) which is the currency of the primary economic environment in which the Partnership operates.

Statement of compliance

These financial statements have been prepared on a going concern basis and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law); and have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

The Partnership meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The Partnership has taken advantage of certain disclosure exemptions in FRS 101 as its financial statements are included in the publicly available consolidated financial statements of SGS HoldCo Limited. Copies of those consolidated financial statements can be obtained from SGS Holdco Limited at 5 Churchill Place, 10th Floor, London, E14 5HU.

In preparing these financial statements the Partnership has taken advantage of the following disclosure exemptions available under FRS 101, and therefore the financial statements do not include:

- certain comparative information as otherwise required by IFRS
- disclosures in relation to the objectives, policies and process for managing capital
- a statement of cash flows
- disclosures in respect of financial instruments
- disclosures in respect of IFRS 13 fair value measurement
- disclosure of related party transactions
- the effect of future accounting standards not yet adopted

The above disclosure exemptions have been adopted because equivalent disclosures are included in the SGS Holdco Limited group consolidated financial statements into which the Partnership is consolidated. A summary of the significant accounting policies as applied to the Partnership is set out below.

Except as described above, the accounting policies are consistent with those applied in the last annual financial statements, as amended when relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Adoption of new and revised standards

New and revised Standards and Interpretations in issue

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2020. None of these had a material impact on the Partnership.

3. Significant accounting policies

The principal accounting policies that the Partnership applied in preparing its financial statements for the financial year ended 31 December 2020 are set out below.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment and development property and in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

Going concern

The directors of the General Partner have prepared the financial statements on the going concern basis which assumes that the Partnership will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due.

In considering the appropriateness of this assumption, the directors have assessed the likelihood of whether the Partnership will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Partnership into liquidation.

The impact of COVID-19 on the UK retail and real estate industries has been significant, and is reflected in the valuation of the Property and rental income which have resulted in a negative equity position for the Partnership, at both 31 December 2019 and 31 December 2020.

However, as described in the Strategic Report, the Partnership and the Group have, since the administration of intu Properties plc, been in proactive discussions with both tenants and all classes of creditor, and have developed a three year business plan for the current market environment. On the basis of this business plan, on 16 July 2021 the Partnership, amongst others, became party to the Fifth Master Amendment Agreement, which gave effect to a financial restructuring of the Group. Amongst other terms, the Fifth Master Amendment Agreement removed the requirement for interest on any of the Group's debt to be paid in cash, unless the Group has sufficient excess cash to fund such payments. The financial covenants under the Finance Documents (with which the Group was not able to comply from 30 June 2020 onwards) were also removed and replaced with i) a revised loan to value covenant, which reflects the reduction in the valuation of the properties during 2020 and will be tested for the first time on 31 December 2021; ii) a minimum Net Rental Income covenant, which has been set based on the Group's three year business plan and will be tested for the first time on 31 March 2022; and iii) a minimum liquidity covenant, including cash and undrawn facilities, of £5 million, which was tested for the first time (and passed) on 30 June 2021. The financial forecasts supporting the business plan indicate that the Group should be able to remain compliant with these covenants throughout the business plan period.

The Fifth Master Amendment Agreement extended, where necessary, the maturity of all debt facilities until at least 31 March 2024, providing the Group with a clear runway to execute its business plan and ultimately sell the properties. As part of the financial restructuring, the Group also secured £86.9 million in Super Senior New Money, to fund the execution of its business plan.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Significant accounting policies (continued)

Going concern (continued)

The Partnership's net liabilities at 31 December 2020 of £107.1 million included amounts owed to SGS Holdco Limited and SGS Finco Limited of £2.1 million and £218.3 million, respectively, under a subordinated intercompany loan agreement. Both counterparties have indicated to the General Partner, subject to the provisions of the financing documentation which governs the Group's external borrowings (the "Finance Documents"), that they have no intention of demanding repayment of these balances unless the Partnership has sufficient liquidity to fund such a repayment. SGS Finco Limited has also indicated that it intends to provide support to the Partnership in funding its day-to-day operational expenditure to the extent required, subject to the provisions of the Finance Documents.

As such, based on the stable footing provided by the recent financial restructuring, the current cash position and the forecasts indicating the continued liquidity of the Group for the three year business plan period, the directors of the General Partner consider that the going concern basis of preparation is appropriate for the Partnership's financial statements, and that there exists no material uncertainty as to the Partnership's ability to continue as a going concern.

Revenue

Revenue comprises rental income receivable and service charge income. Revenue is recognised only to the extent it is expected to be collectable, after applying loss allowances for expected credit losses.

Rental income receivable is recognised on a straight-line basis over the term of the lease. Directly attributable lease incentives (for example, rent-free periods or cash contributions for tenant fit-out) are recognised within rental income on the same basis as the underlying rental income received. Short-term, historical rent concessions are recognised in the statement of comprehensive income in the period in which they are granted, net of any expected credit losses previously recognised in respect of the relevant receivables, in accordance with the requirements of IFRS 9.

Contingent rents, being those lease payments that are not fixed at the inception of a lease, the most significant being rents linked to tenant revenues or increases arising on rent reviews, are recorded as income in the periods in which they are earned. In respect of rents linked to tenant revenues, where information is not available, management uses estimates based on knowledge of the tenant and past data. Rent reviews are recognised as income from the date of the rent review, based on management's estimates. Estimates are derived from knowledge of market rents for comparable properties determined on an individual property basis and updated for progress of negotiations.

Service charge income is recorded as income over time in the year in which the services are rendered and the performance obligations are satisfied.

Interest income and expense

Interest income and expense are accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

Investment property

Investment property is owned by the Partnership and held for long-term rental income and capital appreciation.

The Partnership has elected to use the fair value model. Property is initially recognised at cost and subsequently revalued at the balance sheet date to fair value as determined by professionally qualified external valuers on the basis of market value. Valuations conform with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards incorporating the International Valuation Standards and the UK National Supplement (the Red Book).

The process and methodology used to determine the valuations is described in note 7.

The cost of investment property includes capitalised interest and other directly attributable outgoings incurred during development. Interest is capitalised on the basis of the average rate of interest paid on the relevant debt outstanding. Interest ceases to be capitalised on the date of practical completion.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Significant accounting policies (continued)

Investment property (continued)

Gains or losses arising from changes in the fair value of investment property are recognised in the income statement.

Depreciation is not provided in respect of investment property.

Sales and purchases of investment property are recognised when control passes on completion of the contract. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of non-financial assets

The Partnership's assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

At each balance sheet date, the Partnership reviews whether there is any indication that an impairment loss recognised in previous periods may have decreased. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount. In this case the asset's carrying amount is increased to its recoverable amount but not exceeding the carrying amount that would have been determined had no impairment loss been recognised. The reversal of an impairment loss is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise of deposits with banks.

Financial assets

The Partnership classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Partnership's accounting policy for each category is as follows:

Fair value through profit or loss

The Partnership does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost

These assets arise principally from the provision of goods and services to customers (e.g. trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for expected credit losses.

When applying a loss allowance for expected credit losses, judgement is exercised as to the collectability of trade receivables and to determine if it is appropriate to impair these assets. When considering expected credit losses, management has taken into account days past due, credit status of the counterparty and the status of negotiations between the Partnership and the counterparty. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Significant accounting policies (continued)

Financial assets (continued)

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Partnership's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Financial liabilities

The Partnership classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Partnership does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The Partnership's accounting policy for each category is as follows:

- Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. The Company has no outstanding borrowings at year-end.
- Trade creditors and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Leases

As a lessor:

A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are normally classified as operating leases.

Investment properties are leased to tenants under operating leases, with rental income being recognised on a straight-line basis over the lease term. For more detail see the revenue accounting policy.

Current/non-current classification

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption within one year of the reporting date, plus demand loans with no specified repayment date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes and expected to be settled within one year of the reporting date, plus demand loans with no specified date for repayment. All other liabilities are classified as non-current liabilities.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with the Partnership's accounting policies requires management to make judgements and use estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those judgements and estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Significant accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical accounting judgements

Going concern – when preparing the financial statements, management is required to make an assessment of the entity's ability to continue as a going concern and prepare the financial statements on this basis unless it either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. As set out above in going concern, there are no events or conditions that indicate a material uncertainty exists in relation to going concern.

Key sources of estimation uncertainty

Valuation of investment property – see investment property accounting policy in note 3 as well as the publicly available consolidated financial statements of SGS Holdco Limited for details on estimates and assumptions used in the valuation process and sensitivity.

Loss allowance on trade receivables – the General Partner has estimated the loss allowance on trade receivables on a detailed, bottom-up basis, utilising information on actual post-balance sheet collections as well as knowledge of the financial position of each tenant and the status of discussions regarding settlement and tenancy agreement revisions. However, such estimates are inherently uncertain, and particularly so given the unprecedented impact of COVID-19 on tenants and the associated government support measures which have restricted the Partnership's ability to collect overdue amounts.

4. Revenue and net rental income

Revenue arose in the United Kingdom from continuing operations and the Partnership carries on only one class of business.

	2020	2019
	£m	£m
Rent receivable	10.0	19.4
Service charge income	4.7	5.6
Revenue	14.7	25.0
Service charge costs	(4.9)	(7.2)
Other non-recoverable costs	(8.5)	(3.5)
Net rental income	1.3	14.3

Net rental income is stated net of £0.7 million (2019: £nil) credit notes issued to tenants during the year in respect of periods of time during which non-essential retailers were not able to open due to restrictions imposed by the UK government as a result of the COVID-19 pandemic. This revenue has been derecognised in accordance with applicable UK Accounting Standards.

5. Operating loss

Operating loss for the year ended 31 December 2020 of £91.1 million (2019: operating loss of £50.6 million) did not include any fees in respect of auditor's remuneration of £22,173 (2019: £13,687) in respect of the audit of the financial statements, which were settled on behalf of the Partnership by SGS Holdco Limited and have not been recharged. No non-audit services were provided during the current or prior year.

The directors of the General Partner did not receive or waive any emoluments (2019: £nil) in respect of their services to the Partnership.

There were no employees during the year (2019: none).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Finance costs

	2020 £m	2019 £m
On amounts owed to group undertakings	7.7	6.4

7. Investment property

	Freehold £m
At 1 January 2019	261.2
Additions	4.2
Deficit on revaluation	(64.4)
At 31 December 2019 (Cost: £274.1m)	201.0
Additions	0.4
Disposals	(1.1)
Deficit on revaluation	(93.6)
Movement in tenant incentives	(1.7)
At 31 December 2020 (Cost: £273.4m)	105.0

Included within investment property are tenant lease incentive balances totalling £4.4 million (2019: £6.1 million).

Investment property principally represents Victoria Centre, Nottingham.

The Partnership is an obligor under the Secured Group Structure, a Group debt funding platform which allows the raising of bond and bank debt secured by its assets. Under the terms of the Secured Group Structure, the Partnership's investment property is secured against the borrowings of the structure.

Investment property is measured at fair value and is categorised as Level 3 in the fair value hierarchy as one or more significant inputs to the valuation (including rent profiles and yields) are partly based on unobservable market data.

The main estimates and assumptions underlying the valuations are described in the consolidated financial statements of SGS Holdco Limited which are publicly available.

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of Level 3 for investment property during the year.

Valuation methodology

The fair value of the Partnership's investment property as at 31 December 2020 was determined by Knight Frank, an independent external valuer at that date. The valuations are in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards incorporating the International Valuation Standards and the UK National Supplement (the Red Book) and were arrived at by reference to market transactions for similar properties and rent profiles. Fair values for investment properties are calculated using the present value income approach.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Investment property (continued)

Valuation methodology (continued)

The key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the majority of the cash flow profile of the property for a number of years and therefore form the base of the valuation. The valuation assumes adjustments from these rental values in place at the valuation date to current market rent (ERV) at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. ERV is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. This is based on evidence available at the date of valuation and does not assume future increases in market rent.

Valuation process

It is the Partnership's policy to engage an independent external valuer to determine the market value of its investment property at both 30 June and 31 December each year. This independent external valuer holds recognised and relevant professional qualifications and has recent experience in location and category of the investment property being valued. The Partnership provides information to the valuer, including current lease and tenant information along with asset specific business plans. The valuer uses this and other inputs including market transactions for similar properties to produce valuations. These valuations and the assumptions they have made are then discussed and reviewed with the General Partner.

Capital commitments

At 31 December 2020, the General Partner had approved £0.3 million (2019: £nil) of future expenditure for the purchase, construction, development and enhancement of investment property. Of this, £nil (2019: £nil) was contractually committed at 31 December 2020.

8. Trade and other receivables

	2020 £m	2019 £m
Current		
Trade receivables	5.6	1.5
Other receivables	2.2	0.6
Prepayments and accrued income	6.1	6.9
	<u>13.9</u>	<u>9.0</u>

At 31 December 2020 trade receivables are shown net of provisions totalling £3.7 million, including VAT (2019: £0.3 million, including VAT). Reference is made to the consolidated financial statements of SGS Holdco Limited, which explain how the Group manages and measures credit quality of trade receivables.

9. Trade and other payables

	2020 £m	2019 £m
Current		
Trade payables	-	0.1
Rents in advance	2.9	3.3
Accruals and deferred income	3.8	1.1
Amounts owed to group undertakings	220.5	213.3
Other payables	0.3	0.2
Other tax and social security	0.3	0.9
	<u>227.8</u>	<u>218.9</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

Interest on amounts due to group undertakings is charged at rates agreed between the Partnership and the group undertakings.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****10. Operating leases**

The Partnership earns rental income by leasing its investment properties to tenants under operating leases.

In the UK the standard shopping centre lease is for a term of 10 to 15 years. Standard lease provisions include service charge payments, recovery of other direct costs and review every five years to market rent. Standard turnover-based leases have a turnover percentage agreed with each lessee which is applied to a retail unit's annual sales and any excess between the resulting turnover rent and the minimum rent is receivable by the Partnership and recognised as income in the period in which it arises.

The future minimum lease amounts receivable under non-cancellable operating leases for continuing operations are as follows:

	2020	2019
	£m	£m
Not later than one year	11.1	13.3
Later than one year and not later than five years	21.1	35.4
Later than five years	41.7	56.0
	73.9	104.7

11. Ultimate parent company

The ultimate parent company of both VCP (GP) Limited, the General Partner, and Intu Victoria Centre Limited, the Limited Partner, is Intu Properties plc (in administration) (registered number: 03685527), a company incorporated and registered in England and Wales. The registered address of the entity is C/O Interpath Advisory Limited, 15 Canada Square, London, E14 5GL. The immediate parent of both the General Partner and the Limited Partner is SGS 2020 Limited (registered number: 08355675), a company registered in England and Wales. The registered office of this entity is 5 Churchill Place, 10th Floor, London, E14 5HU.

12. Subsequent events

The following subsequent events are relevant to the Partnership by virtue of the fact that it is a subsidiary of SGS Holdco Limited (referred, together with its subsidiaries, as the "Group").

Three master amendment agreements to the legal documentation which governs the Group's borrowings have been entered into since the reporting date, dated 19 January 2021, 16 March 2021 and 16 July 2021, respectively. The first two of these contained various waivers and forbearance which were designed to ensure that no event of default arose under the Finance Documents while the Group negotiated the terms of a long-term financial restructuring with its creditors. The master amendment agreement dated 16 March 2021 also contained provisions for the interest due on all of the Group's borrowings on 17 March 2021 to be capitalised, rather than paid in cash.

On 18 June 2021 the Group launched a Consent Solicitation (the "Fifth Consent Solicitation"), which included the terms and implementation of its long-term financial restructuring plan, including £112 million of investment in capital projects to facilitate new lettings and support occupancy levels, supported by £86.9 million of new Super Senior New Money. The Fifth Consent Solicitation achieved the required levels of support from the Group lenders, and the Fifth Master Amendment Agreement was signed on 16 July 2021.

As a result of the Fifth Master Amendment Agreement, interest on all of the Group's external borrowings is now on a 'Pay If You Can' basis, to be determined by a semi-annual cash flow forecast. Any interest not paid in cash will be capitalised on the semi-annual interest payment dates (15 May and 15 November each year). New financial covenants were also agreed, based on the Group's three year business plan. As part of the financial restructuring, the maturity date on all debt which had been due to mature prior to 2024 was extended to 31 March 2024 (with a possible further extension to 31 December 2024 provided that certain milestones are met), in order to provide the Group with a sufficient time horizon to deliver its Business Plan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Subsequent events (continued)

In September 2021 the General Partner, along with various other members of the Group, signed heads of terms with intu Properties plc and various other subsidiaries of the intu Group (the "Intu Parties") on an agreement for i) the settlement and release of various outstanding intercompany balances between the Group and the Intu Parties; and ii) the consensual transfer of 100% of SGS Holdco Limited's share capital from Intu (SGS) Topco Limited to a new holding company independent of the intu Group. The transaction is subject to approval of the Group's creditors, via a negative consent process. Assuming not more than one third of the Noteholders and Term Lenders object to the negative consent process, the settlement and release of the intercompany balances and the transfer of the equity are expected to be completed by 30 October 2021.