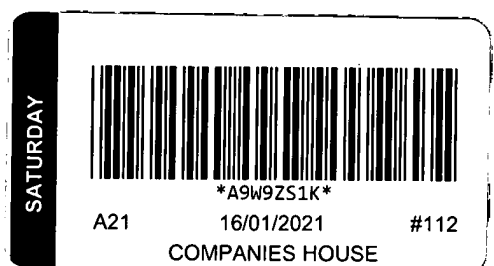


Company Registration No. 6002784

MH (NO.6) GENERAL PARTNER LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



MH (NO.6) GENERAL PARTNER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors submit their Strategic Report of MH (No.6) General Partner Limited ('the Company') for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company's principal activity is to act as General Partner to the MH (No.6) Limited Partnership ('the Partnership') with the Company having a 0.5 per cent interest in the Partnership's profits and net assets. The principal activity of the Partnership is the ownership, management and development of land and property comprising commercial office space in Merry Hill. These assets are co-located with the Merry Hill Shopping Centre and other related property assets (collectively 'Merry Hill').

BUSINESS REVIEW

The Company's results and financial position for the year ended 31 December 2019 are set out in full in the income statement, the balance sheet, the statement of changes in equity and the notes to the financial statements.

The Company recorded a result before tax of £nil compared with a result before tax of £nil for the previous year. Net liabilities at 31 December 2019 were £25,805 (2018 £25,805).

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The directors have considered the future activity of the business below and within the going concern section.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE REPORTING DATE

In Q1 2020, the existence of a global virus outbreak known as Covid-19 was confirmed, with the UK economy significantly impacted by measures put in place by the UK Government to limit virus transmissions. The speed of recovery as the UK comes out of lockdown remains unclear, and in the event that lockdown measures were re-imposed this could have potential negative impacts on rent collection.

The directors have considered the effects of continued economic and political uncertainty and the Covid-19 pandemic on property valuations. The latest independent property valuation for the Partnership's investment and development property as at 30 June 2020 shows a decrease of 23 per cent in market value against the December 2019 position.

On 26 June 2020, following unsuccessful negotiations for a group-wide standstill with lenders to group entities and a resulting inability to agree a standstill with its lenders, intu properties plc (the ultimate parent company of the Company and the Partnership), along with certain intu group entities that provided asset and facilities management services to Merry Hill, entered administration.

To enable continued uninterrupted delivery of asset and facilities management services to Merry Hill from the date of intu properties plc's administration, the Partnership (together with other intu group entities related to Merry Hill) entered into a 6-month Transitional Services Arrangement (TSA) with Intu Retail Services Limited - in administration.

On 16 September 2020, Ellandi and Savills took over the provision of asset and facilities management services respectively for Merry Hill, including the land and commercial office space that is owned by the Partnership.

MH (NO.6) GENERAL PARTNER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

On 8 October 2020, Intu Merry Hill Limited, which through its subsidiaries indirectly holds a 99 per cent interest in the Partnership, also entered administration. This is the first stage of a process which is intended to result in the ownership of the Company and the other Intu group entities related to Merry Hill being transferred to the secured lenders to Merry Hill. To ensure that Merry Hill continues to operate, the secured lenders have provided additional debt facilities of £10 million. It is expected that liquidity will be further boosted by the sale of certain non-core properties, the lenders having agreed that the disposal proceeds can be kept available for use within the business rather than used to reduce their outstanding principal. One of the non-core disposals has already been completed. In respect of at least one other, heads of terms have been agreed with buyers, and lawyers have been instructed to draft the contractual documentation required to enable completion to take place during the next few weeks. In addition, the facilities have been amended to provide that interest will be converted to payment-in-kind for interest periods ending prior to October 2021 and any outstanding payment obligations under related swap instruments are to be deferred to coincide with loan principal repayments.

In November 2020 the Partnership disposed of land for consideration of £2.8 million.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company is a wholly owned subsidiary of the intu properties plc group, the Company faces largely those commercial risks and uncertainties faced by the group. The development of the Covid-19 pandemic since the year end 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 intu properties plc group financial statements.

However, the group entities which own Merry Hill have their own debt facilities provided by secured lenders. To that extent the financial risks faced by the Company and the Partnership differ significantly from the rest of the intu group.

On behalf of the Board



David Duggins

Director

18 December 2020

MH (NO.6) GENERAL PARTNER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2019.

The Company is incorporated and registered in England and Wales (company number 6002784). The Company's registered office is Third Floor, 24 Chiswell Street, London, EC1Y 4YX.

DIVIDENDS

The directors do not recommend a dividend for the year (2018 £nil).

FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks arising from the Company's operations being principally liquidity risk.

Prior to 16 September 2020 the Company's financial risk management was carried out by intu properties plc's treasury department and the group's policies for managing risks along with further details of intu properties plc's financial risk management are disclosed in the intu properties plc group's publicly available financial statements. Since that date financial risk management has been carried out by the Company itself acting through its Board of Directors, supported by Ellandi and Savills.

CAPITAL MANAGEMENT

The directors consider the capital of the Company to be the ordinary share capital of £1,000 (2018 £1,000). Prior to 16 September 2020 the management of this capital was performed at intu properties plc group level. It is now performed by the Company itself.

GOING CONCERN

Full detail in respect of going concern is set out in note 1. The going concern disclosure details that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Having carefully considered the Company's financial position and future prospects, the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

DIRECTORS

The directors who held office during the year and until the date of this report are given below:

Martin Breeden	(Resigned 5 October 2020)
Sean Crosby	(Appointed 16 August 2019 and resigned 15 April 2020)
David Duggins	(Appointed 24 July 2020)
David Fischel	(Resigned 26 April 2019)
Colin Flinn	(Appointed 15 April 2020 and resigned 24 July 2020)
Barbara Gibbes	(Appointed 26 April 2019 and resigned 16 August 2019)
Kathryn Grant	(Appointed 15 April 2020 and resigned 24 July 2020)
Minakshi Kidia	(Appointed 16 August 2019 and resigned 15 April 2020)
Gordon McKinnon	(Resigned 20 December 2019)
Trevor Pereira	(Resigned 31 January 2020)
Ian Powell	(Appointed 24 July 2020)
Matthew Roberts	(Resigned 15 April 2020)
Nick Round	(Resigned 15 April 2020)
Rebecca Ryman	(Appointed 15 April 2020 and resigned 24 July 2020)
Julian Wilkinson	(Resigned 31 January 2020)

MH (NO.6) GENERAL PARTNER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS' INDEMNITY PROVISION

A qualifying indemnity provision (as defined in S234 of the Companies Act 2006) was 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 Company maintains directors' and officers' insurance which is reviewed annually.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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

Deloitte LLP succeeded PricewaterhouseCoopers LLP as the auditor for the financial year commencing 1 January 2019, further to the resolution passed at the intu properties plc AGM on 3 May 2019.

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.

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

MH (NO.6) GENERAL PARTNER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS' CONFIRMATIONS

- 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 strategic report includes a fair review of the development and performance of the business and the position of the Company, 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 Company's position and performance.

On behalf of the Board



David Duggins
Director
18 December 2020

Independent auditor's report to the members of MH (NO.6) General Partner Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MH (NO.6) General Partner Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement and statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 9.

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

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Company is the general partner of MH (NO.6) Limited Partnership (the Partnership) which owns an interest in the intu Merry Hill shopping centre.

On 26 June 2020, following unsuccessful negotiations for a group-wide standstill with its lenders, intu properties plc (the ultimate controlling party of the Company, "intu"), along with certain intu group entities that provide asset and facilities management services to the intu Merry Hill shopping centre, were placed into administration.

On 24 July 2020, two directors independent of intu were appointed to the board of directors of the Company and subsequently the original intu appointed directors resigned, resulting in the Company's board of directors being independent of intu. On 16

September 2020, Ellandi and Savills took over the provision of asset and facilities management services respectively for Merry Hill.

The Partnership is funded through an intercompany loan from intu Finance MH Limited, which has £457.4 million of bank debt secured against the intu Merry Hill shopping centre.

intu Merry Hill Limited, the Partnership's intermediate holding company, entered into administration on 8 October 2020. This is the first stage of transferring ownership of the Partnership to the secured lenders. To ensure the continued operation of the intu Merry Hill shopping centre, an additional £10 million debt facility has been provided by the secured lenders. To further improve liquidity amendments have been made to the debt facility and interest payment plan as well as the planned disposal of non-core assets.

We identified the following areas which we considered to be the key risks giving rise to a material uncertainty in relation to the directors' going concern assessment. Should any of the risk factors discussed in note 1 or below occur, the Company may be unable to make payments as they fall due and may enter administration.

Risk area

MH (NO.6) Limited Partnership (The Partnership):

The financial statements of MH (NO.6) Limited Partnership indicate a material uncertainty exists that may cast significant doubt on its ability to continue as a going concern relating to:

- events of default;
- the completion of planned asset sales
- the liquidity of the Partnership; and
- the impact of Covid-19.

If MH (NO.6) Limited Partnership is no longer able to continue as a going concern, there may be no requirement for the Company to remain a general partner of the Partnership and therefore to continue in operation.

There is further risk that should the Partnership not continue as a going concern, the Company will be unable to remain liquid and repay liabilities as they fall due.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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



Claire Faulkner, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP

Statutory Auditor
London, United Kingdom
18 December 2020

MH (NO.6) GENERAL PARTNER LIMITED

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

There are no items of income or expense in the current or previous year and accordingly no income statement or statement of comprehensive income has been prepared.

MH (NO.6) GENERAL PARTNER LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Non-current assets			
Investment in subsidiaries	4	78	78
Current assets			
Cash and cash equivalents		2,094	2,094
Total assets		<u>2,172</u>	<u>2,172</u>
Current liabilities			
Trade and other payables	6	(27,977)	(27,977)
Total liabilities		<u>(27,977)</u>	<u>(27,977)</u>
Net liabilities		<u>(25,805)</u>	<u>(25,805)</u>
Equity			
Share capital	7	1,000	1,000
Accumulated losses		(26,805)	(26,805)
Total equity		<u>(25,805)</u>	<u>(25,805)</u>

The notes on pages 13 to 20 form part of these financial statements.

The financial statements of MH (No.6) General Partner Limited (registration number: 6002784) were approved by the Board of directors and authorised for issue on 18 December 2020 and were signed on its behalf by:



David Duggins
Director

MH (NO.6) GENERAL PARTNER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £	Accumulated losses £	Total equity £
Balance at 1 January 2018	1,000	(26,805)	(25,805)
	<hr/>	<hr/>	<hr/>
Result for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive result for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	1,000	(26,805)	(25,805)
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2019	1,000	(26,805)	(25,805)
	<hr/>	<hr/>	<hr/>
Result for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive result for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	<u>1,000</u>	<u>(26,805)</u>	<u>(25,805)</u>

MH (NO.6) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting convention, basis of preparation and accounting policies

MH (No.6) General Partner 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 3.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

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

These financial statements are separate financial statements. The Company has taken an exemption under IFRS 10 from preparing consolidated financial statements as the Company is consolidated as a subsidiary in the intu properties plc group financial statements.

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 intu properties plc. Copies of those consolidated financial statements can be obtained from intu properties plc, 40 Broadway, London, SW1H 0BT or from the group's website www.intugroup.co.uk.

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 above disclosure exemptions have been adopted because equivalent disclosures are included in the intu properties plc group 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.

The entity has transitioned to FRS 101 during the year and there has been no material effect upon transition.

The financial statements have been prepared under the historical cost convention.

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.

MH (NO.6) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting convention, basis of preparation and accounting policies

(Continued)

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 income 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.

– key sources of estimation uncertainty

Investment in subsidiaries - A key source of estimation uncertainty exists over the valuation of investments in subsidiaries due to the recognition of impairment provisions against the value of these assets. The Company's investment in the Partnership is fully impaired as at the balance sheet date. Further detail is provided in the Impairment of assets section below and in note 4. These losses may be increased by further structural issues in the retail sector or a UK wide recession, therefore further reducing the value of investments in subsidiaries.

– 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 in going concern, there are events or conditions that indicate a material uncertainty exists in relation to going concern.

Having carefully considered the Company's financial position and future prospects, the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

Going concern

–introduction and material uncertainty

The Company's business activities are set out in the principal activities section of the strategic report on page 1. The Company acts as general partner to MH (No.6) Limited Partnership ('the Partnership'), which owns and manages land and property comprising commercial office space in Merry Hill. The Company also holds a 0.5 per cent interest in the Partnership as disclosed in note 4.

On 26 June 2020, following unsuccessful negotiations for a group-wide standstill with lenders to group entities and a resulting inability to agree a standstill with its lenders, intu properties plc (the ultimate parent company of the Company and the Partnership), along with certain intu group entities that provided asset and facilities management services to Merry Hill, entered administration.

To enable continued uninterrupted delivery of asset and facilities management services to Merry Hill from the date of intu properties plc's administration, the Partnership (together with other intu group entities related to Merry Hill) entered into a 6-month Transitional Services Arrangement (TSA) with Intu Retail Services Limited - in administration.

On 24 July 2020 two directors independent of the Intu group were appointed to the Company's Board. Subsequent resignations of Intu group directors have resulted in the Company's Board being wholly independent of the rest of the Intu group.

On 16 September 2020, Ellandi and Savills took over the provision of asset and facilities management services respectively for Merry Hill, including the land and commercial office space that is owned by the Partnership.

MH (NO.6) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting convention, basis of preparation and accounting policies

(Continued)

On 8 October 2020, Intu Merry Hill Limited, which through its subsidiaries indirectly holds a 99 per cent interest in the Partnership, also entered administration. This is the first stage of a process which is intended to result in the ownership of the Company and the other Intu group entities related to Merry Hill being transferred to the secured lenders to Merry Hill. To ensure that Merry Hill continues to operate, the secured lenders have provided additional debt facilities of £10 million. It is expected that liquidity will be further boosted by the sale of certain non-core properties, the lenders having agreed that the disposal proceeds can be kept available for use within the business rather than used to reduce their outstanding principal. One of the non-core disposals has already been completed. In respect of at least one other, heads of terms have been agreed with buyers, and lawyers have been instructed to draft the contractual documentation required to enable completion to take place during the next few weeks. In addition, the facilities have been amended to provide that interest will be converted to payment-in-kind for interest periods ending prior to October 2021 and any outstanding payment obligations under related swap instruments are to be deferred to coincide with loan principal repayments.

The financial statements of the Partnership indicate that a material uncertainty exists that may cast significant doubt on its ability to continue as a going concern relating to:

- the impact of Covid-19 on ongoing operations;
- the impact of financial covenant breaches;
- the funding of any potential liquidity shortfall; and
- the strategic direction of the Partnership going forward.

In the event that the Partnership was no longer able to continue as a going concern, there may be no requirement for the Company to continue to act as a general partner to, and hold investments in, the Partnership. Were this scenario to occur, there may be no requirement for the Company to continue in operation (noting that the Company is liable for the debts of the Partnership in its capacity as General Partner). Certain aspects relating to these events and conditions are outside the control of the directors.

—conclusion

The events or conditions described above indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Having carefully considered the material uncertainty, the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

The auditor's report refers to this material uncertainty surrounding going concern.

Investments

Investments are held on the balance sheet at cost less any provision for impairment.

MH (NO.6) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting convention, basis of preparation and accounting policies

(Continued)

Impairment of assets

The Company'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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

At each balance sheet date the Company 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 cash in hand and deposits with banks.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Taxation

Current tax is the expected tax payable on the taxable income for the year and any adjustment in respect of prior years. It is calculated using rates applicable at the balance sheet date.

Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases.

Temporary differences are not provided on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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.

Current liabilities include liabilities held primarily for trading purposes and expected to be settled within one year of the reporting date. All other liabilities are classified as non-current liabilities.

Share capital

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.

MH (NO.6) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Operating result

The operating result for the year ended 31 December 2019 of £nil (2018 operating result of £nil) did not include auditor's remuneration of £3,400 (2018 £1,762) in respect of the audit of the financial statements, which was settled on behalf of the Company by MH (No.1) Limited Partnership and has not been recharged. No non-audit services were provided during the current or prior year.

The directors did not receive or waive any emoluments (2018 £nil) in respect of their services to the Company.

The Company has no employees (2018 none).

3 Taxation

The tax expense for the year is equal to (2018 equal to) the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £	2018 £
Result before taxation	-	-
Result before tax multiplied by the standard rate of tax in the UK of 19% (2018 19%)	-	-
Disallowed expenses	565	-
Group relief	564	-
Partnership (losses)/profits taxed in the Company	(470)	24
REIT exemption - corporation tax	(679)	26
REIT exemption - deferred tax	156	37
Transfer pricing adjustment	(136)	(87)
Tax expense	-	-

The Company has tax losses of £25,707 carried forward (2018 £25,706) arising in the UK that are available for offset against future taxable profits. No deferred tax asset is recognised in respect of these losses due to uncertainty over the level of taxable profits against which these losses can be used in future periods.

MH (NO.6) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Investment in subsidiaries

	2019 MH (No.6) Limited Partnership*	2019 MH (No.6) Nominee A Limited*	2019 MH (No.6) Nominee B Limited*	2019 Total	2018 Total
	£	£	£	£	£
Cost					
At 1 January	76	1	1	78	78
Additions	-	-	-	-	-
At 31 December	76	1	1	78	78
Impairment					
At 1 January	-	-	-	-	-
Charge for the year	-	-	-	-	-
At 31 December	-	-	-	-	-
Net book value					
At 1 January	76	1	1	78	78
At 31 December	76	1	1	78	78

The investment in MH (No.6) Limited Partnership* ('the Partnership') represents a 0.5 per cent holding in the Partnership, which was established under a Limited Partnership Agreement dated 1 December 2006 as amended and restated from time to time. The Partnership is registered in England and Wales in accordance with The Limited Partnerships Act 1907. The interest is accounted for as an investment in a subsidiary as the Company has control over the Partnership.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

*The Partnership's registered office is Third Floor, 24 Chiswell Street, London, EC1Y 4YX.

5 Subsidiaries

Details of investments where the Company holds 20% or more of the nominal value of any class of share capital are as follows:

	Place of incorporation	Holding	Proportion of ownership interest	Nature of business
MH (No.6) Nominee A Limited*	England & Wales	Ordinary shares	100%	Dormant
MH (No.6) Nominee B Limited*	England & Wales	Ordinary shares	100%	Dormant

*The entity's registered office is Third Floor, 24 Chiswell Street, London, EC1Y 4YX.

MH (NO.6) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Trade and other payables

	2019 £	2018 £
Amounts owed to group undertakings	27,977	27,977

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

7 Share capital

	2019 £	2018 £
<i>Issued, called up and fully paid</i>		
1,000 (2018 1,000) ordinary shares of £1 each	1,000	1,000

8 Ultimate parent company

The immediate parent company is Intu Merry Hill 2 Limited*, a company incorporated and registered in Jersey, Channel Islands.

The ultimate parent company is intu properties plc - in administration, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the Company Secretary, 40 Broadway, London, SW1H 0BT.

*The company's registered office is 22 Grenville Street, St Helier, Jersey, JE 4 8PX.

MH (NO.6) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Events after the reporting date

In Q1 2020, the existence of a global virus outbreak known as Covid-19 was confirmed, with the UK economy significantly impacted by measures put in place by the UK Government to limit virus transmissions. The speed of recovery as the UK comes out of lockdown remains unclear, and in the event that lockdown measures were re-imposed, this could have potential negative impacts on rent collection.

On 26 June 2020, following unsuccessful negotiations for a group-wide standstill with lenders to group entities and a resulting inability to agree a standstill with its lenders, intu properties plc (the ultimate parent company of the Company and the Partnership), along with certain intu group entities that provided asset and facilities management services to Merry Hill, entered administration.

To enable continued uninterrupted delivery of asset and facilities management services to Merry Hill from the date of intu properties plc's administration, the Partnership (together with other intu group entities related to Merry Hill) entered into a 6-month Transitional Services Arrangement (TSA) with Intu Retail Services Limited - in administration.

On 9 July 2020, the lenders to Intu Finance MH Limited (the Partnership's principal funder) issued the company with a notice of default, due to an increased loan to value ratio following a property valuation undertaken by the lenders. Other events of default have subsequently arisen. Ultimately the prospect of lender enforcement on Intu Finance MH Limited is outside of the control of the directors and the lenders have reserved their rights in this regard. However, it is clear that enforcement would not be in the economic interest of the lenders.

On 16 September 2020, Ellandi and Savills took over the provision of asset and facilities management services respectively for Merry Hill, including the land and commercial office space that is owned by the Partnership.

On 8 October 2020, Intu Merry Hill Limited, which through its subsidiaries indirectly holds a 99 per cent interest in the Partnership, also entered administration. This is the first stage of a process which is intended to result in the ownership of the Company and the other Intu group entities related to Merry Hill being transferred to the secured lenders to Merry Hill. To ensure that Merry Hill continues to operate, the secured lenders have provided additional debt facilities of £10 million. It is expected that liquidity will be further boosted by the sale of certain non-core properties, the lenders having agreed that the disposal proceeds can be kept available for use within the business rather than used to reduce their outstanding principal. One of the non-core disposals has already been completed. In respect of at least one other, heads of terms have been agreed with buyers, and lawyers have been instructed to draft the contractual documentation required to enable completion to take place during the next few weeks. In addition, the facilities have been amended to provide that interest will be converted to payment-in-kind for interest periods ending prior to October 2021 and any outstanding payment obligations under related swap instruments are to be deferred to coincide with loan principal repayments.

The latest independent property valuation for the Partnership's investment and development property as at 30 June 2020 shows a decrease of 23 per cent in market value against the December 2019 position.

In November 2020 the Partnership disposed of land for consideration of £2.8 million.