

Company Registration No. 09062484

LondonMetric Retail Limited

Unaudited Financial Statements

For the year ended 31 March 2021



LondonMetric Retail Limited

Unaudited financial statements for the year ended 31 March 2021

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LondonMetric Retail Limited

Unaudited financial statements for the year ended 31 March 2021

Company information

Directors

Martin McGann
Andrew Jones
Valentine Beresford
Mark Stirling

Company Secretary

Jadzia Duzniak

Registered Office

1 Curzon Street
London
W1J 5HB

LondonMetric Retail Limited

Directors' report

The directors present their report with the unaudited financial statements for the year ended 31 March 2021.

The business activity and future development of the Company is discussed in the Strategic report on pages 4 to 6, along with the results and dividends.

Going concern

The accounts have been prepared on a going concern basis. The Company is in a net asset position but has net current liabilities. The Company's parent, LondonMetric Property Plc, has confirmed its continuing financial support by way of an intercompany loan to be provided as and when required and therefore the directors consider the Company is in a position to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months following the approval of these financial statements.

Directors

The present directors of the Company all of whom served throughout the year and subsequently, unless otherwise stated, are as shown on page 1.

None of the directors have a service agreement with the Company and they are not entitled to any compensation on termination of appointment or sale of the Company by the LondonMetric Property Plc group ("the Group").

The Group has arranged insurance cover in respect of legal action against its directors, which include the directors of the Company.

Audit exemption taken for the year ended 31 March 2021

The Company is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of the Act, as disclosed on pages 174 to 175 of LondonMetric Property Plc Annual Report and Accounts 2021. The ultimate holding company and controlling party is LondonMetric Property Plc.

On behalf of the Board



Martin McGann
Director

27 July 2021

LondonMetric Retail Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and 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 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 Financial Reporting Standard 101 Reduced Disclosure Framework has 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.

LondonMetric Retail Limited

Strategic report

The directors submit their strategic report for the year ended 31 March 2021. The directors in preparing this strategic report have complied with section 414c of the Companies Act 2006.

Business review and principal activities

The principal activity of the Company is property investment. The directors do not anticipate any significant change in the principal activity in the foreseeable future.

The Company owns a portfolio of long income investment properties predominantly comprising of convenience food stores and roadside service stations.

During the year, the Company made 22 acquisitions totaling £110.93 million, excluding acquisition costs. These were:

- Land at John Clark Way, Rushden
- Portfolio of a further five Kwik Fits located in Barnet, Hammersmith, Hounslow, Slough and Whetstone
- Portfolio of five Waitrose convenience stores located in Keynsham, Malmesbury, Towcester, Paddock Wood and Yateley
- Portfolio of three BP filling stations with M&S convenience stores located in Ingrave, Pevensey and Malling
- Wickes, Blaby Road, Wigston
- Portfolio of four Co-op convenience service stations located in South Wales, Dagenham and Basingstoke
- A new Shell and Budgens service station in Worcester let to the Motor Fuel Group
- Two TG convenience service stations located in Plumstead and Stamford Hill

In addition to the above LondonMetric Distribution Limited made an intragroup transfer of four properties to the Company as the long income profile and characteristics of those properties are more closely aligned to the Company's property portfolio. These properties were transferred at their market value of £24.47 million. The investments transferred were:

- The Builder Centre, Arndale Road, Lineside Industrial Estate, Littlehampton
- 1 Small Heath Business Park, Talbot Way, Birmingham
- MKM Haverhill Business Park, Haverhill
- 97 Cray Avenue, Orpington

The Company sold 18 investments for a total of £34.43 million. These were:

- 12-22 Strand Street, Douglas, Isle of Man
- The Bridges, Sutton Road, Kingston upon Hull
- 294-296 Ringwood Road, Ferndown
- Lion Green, Shottermill, Haslemere
- Kwik Fits (predominantly small) located in Banbury, Maresfield, Acle, Biggleswade, Holt, Chipping Norton, Braintree, Huntingdon, Norwich, Royston, High Wycombe, Chesham and Chester Le Street
- An IMO car wash located in Hereford

The Company is a guarantor under £400 million of revolving credit facilities and £660 million of private placements entered into by its parent company.

The Company is a wholly owned subsidiary of LondonMetric Property Plc.

LondonMetric Retail Limited

Strategic report (continued)

Post balance sheet events

Since 31 March 2021, the Company has made the following acquisitions:

- Co-op convenience service station, Southampton Road, Lymington (1 April 2021 for £4.96 million)
- The Range, Unit A and B Treliske Industrial Estate, Truro (12 April 2021 for £6.60 million)
- Units 5 - 7, Southern Cross Trading Estate, Bognor Regis (19 May 2021 for £2.45 million)
- A portfolio of Halfords Autocentres located in Aylesford, Chelmsford, Dartford and Tilbury (26 May 2021 for £5.84 million)

In addition, the Company exchanged a contract to sell 806 London Road, Alvaston, Derby for £4.85 million. The sale is expected to complete on 2 August 2021.

Results and dividends

The results for the Company show a pre-tax profit of £16,656,478 (2019/20: loss £5,241,690). No dividends were paid during the year (2019/20: £3,792,051). The Company has net assets of £195,056,031 (2019/20: £68,231,718) and amounts owing to group companies of £99,223,671 (2019/20: owing to £106,368,445).

Principal risks and uncertainties

The Company's operations expose it to a variety of risks. The principal risks that are potentially material to the Company and the policies for managing these risks are summarised below.

Strategic risks

- The Company's commercial property portfolio is its largest asset and is exposed to market risk. The cyclical nature of the property market may result in a fall in property values or cause assets to otherwise underperform against financial objectives. Performance also depends on general economic conditions which may be adversely affected by the trade agreements negotiated by the UK following its exit from the EU and the current Covid-19 pandemic. The Company mitigates this risk through its investment selection and it continues to actively monitor market conditions, investment and tenant performance on an asset by asset basis.
- Development projects may fail to deliver expected returns due to increased costs, delays or changes in property market values. Exposure to developments is limited and developments are generally undertaken on a pre-let basis. The Company does not accept planning risk and manages costs through detailed cost budgets and fixed price contracts where possible. Contracts are tendered and contractor due diligence undertaken.

Financial risks

- The Company may have insufficient resources to implement strategy and meet financial liabilities as they fall due. The Company relies on the financial support from its parent, particularly to fund expansion.
- A counterparty may expose the Company to credit risk, the risk that it may default on its contractual obligations resulting in a financial loss. Potential tenants are evaluated for creditworthiness and the impact from a tenant failure is mitigated through the Company holding a diversified portfolio, managing tenant concentration and undertaking due diligence including reviewing trading performance. The Company also acquires sites with alternative use and redevelopment potential.

Asset management risks

- The Company is at risk of tenant failure. It mitigates this risk through holding a diversified portfolio, managing tenant concentration and undertaking due diligence including reviewing trading performance.

LondonMetric Retail Limited

Strategic report (continued)

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that the KPIs relevant to understanding the development, performance and position of the business are profit before tax, net asset value and debt. The results are disclosed above.

Creditor payment policy

It is the Company's policy that suppliers are paid in accordance with those terms and conditions agreed between the Company and the supplier, provided that all terms and conditions have been complied with.

Charitable and political donations

The Company did not make any charitable or political donations during the year.

By Order of the Board



Martin McGann
Director

27 July 2021

LondonMetric Retail Limited

Profit and loss account Year ended 31 March 2021

	Notes	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Gross rental income		14,028,697	6,366,411
Property operating expenses		(1,806,928)	(939,311)
Net rental income		12,221,769	5,427,100
Administration expenses	2	(44,343)	(45,009)
Profit/(loss) on revaluation of investment property	6	7,119,308	(9,666,508)
Profit on sale of investment property		1,884,408	593,571
Operating profit/(loss)		21,181,142	(3,690,846)
Finance income	3	92,834	238,414
Finance costs	4	(4,617,498)	(1,789,258)
Profit/(loss) before tax		16,656,478	(5,241,690)
Tax	5	(9,065)	(45,808)
Profit/(loss) after tax		16,647,413	(5,287,498)

All activities during the current and prior year are derived from continuing operations.

There are no other items of comprehensive income or expense in the current or prior year and therefore no statement of comprehensive income is shown.

The notes on pages 10 to 19 form part of these financial statements.

LondonMetric Retail Limited

Balance sheet As at 31 March 2021

	Notes	31 March 2021 £	31 March 2020 £
Non-current assets			
Investment property	6	300,934,056	176,943,154
Total non-current assets		300,934,056	176,943,154
Current assets			
Trade and other receivables	7	1,009,407	4,012,985
Total current assets		1,009,407	4,012,985
Total assets		301,943,463	180,956,139
Current liabilities			
Trade and other payables	8	(3,917,881)	(2,593,753)
Total current liabilities		(3,917,881)	(2,593,753)
Total assets less current liabilities		298,025,582	178,362,386
Non-current liabilities			
Amounts owing to Group undertakings	9	(99,223,671)	(106,368,445)
Lease liabilities	10	(3,745,880)	(3,762,223)
Total non-current liabilities		(102,969,551)	(110,130,668)
Total liabilities		(106,887,432)	(112,724,421)
Net assets		195,056,031	68,231,718
Equity			
Share capital	11	182,609,401	72,432,501
Retained earnings/(loss)		12,446,630	(4,200,783)
Total equity		195,056,031	68,231,718

For the financial year ending 31 March 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of LondonMetric Retail Limited (registered number 09062484) were approved by the Board of Directors and authorised for issue on 27 July 2021 and signed on its behalf by:

Martin McGann

Martin McGann
Director

The notes on pages 10 to 19 form part of these financial statements.

LondonMetric Retail Limited

Statement of changes in equity Year ended 31 March 2021

	Share capital £	Retained earnings £	Total equity £
At 1 April 2020	72,432,501	(4,200,783)	68,231,718
Shares issued at par	110,176,900	-	110,176,900
Profit for the year	-	16,647,413	16,647,413
At 31 March 2021	182,609,401	12,446,630	195,056,031

Year ended 31 March 2020

	Share capital £	Retained loss £	Total equity £
At 1 April 2019	41,620,001	4,878,766	46,498,767
Shares issued at par	30,812,500	-	30,812,500
Loss for the year	-	(5,287,498)	(5,287,498)
Dividend paid	-	(3,792,051)	(3,792,051)
At 31 March 2020	72,432,501	(4,200,783)	68,231,718

The notes on pages 10 to 19 form part of these financial statements.

LondonMetric Retail Limited

Notes to the financial statements Year ended 31 March 2021

1. Significant accounting policies

a) General information

LondonMetric Retail Limited is a private limited company incorporated in England under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 4 to 6.

b) Statement of compliance

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

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

Where relevant, equivalent disclosures have been given in the group accounts of LondonMetric Property Plc. The group accounts of LondonMetric Property Plc are available to the public and can be obtained as set out in note 12.

c) Going concern

The financial statements have been prepared on a going concern basis. This is discussed further in the Directors' report on page 2.

d) Basis of preparation

The functional and presentational currency of the Company is sterling. The financial statements are prepared on the historical cost basis except that investment properties are stated at fair value.

The accounting policies have been applied consistently in all material respects except for the adoption of new and revised standards as noted below.

Significant accounting estimates and judgements

The preparation of financial statements in conformity with FRS101 requires directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the change is recognised over those periods.

The accounting policies subject to significant judgements and estimates are as follows:

Significant areas of estimation uncertainty

Property valuations

The valuation of investment properties is a critical part of the Company's performance. The Company carries investment properties at fair value in the balance sheet and engages professionally qualified external valuers to undertake six monthly valuations.

LondonMetric Retail Limited

Notes to the financial statements (continued) Year ended 31 March 2021

1. Significant accounting policies (continued)

d) Basis of preparation (continued)

The determination of the fair value of each property requires, to the extent applicable, the use of estimates and assumptions in relation to factors such as estimated rental value and current market yields. In addition, to the extent possible, the valuers make reference to market evidence of transaction prices for similar properties.

The fair value of a development property is determined by using the 'residual method', which deducts all estimated costs necessary to complete the development, together with an allowance for development risk, profit and purchasers' costs, from the fair valuation of the completed property.

The Covid-19 pandemic has led to a heightened degree of uncertainty surrounding property valuations and some real estate markets have experienced lower transactional activity. At the 31 March 2020 valuation date, the valuers included a material uncertainty clause in their valuation report. At 31 March 2021 the valuers considered that there was adequate market evidence upon which to base opinions of value and have not included a material uncertainty clause in their valuation report.

Significant transactions

Some property transactions are large or complex and require judgements to be made on the appropriate accounting treatment. Complexities include conditionality inherent in transactions and other unusual terms and conditions. There is a risk that an inappropriate approach could lead to a misstatement in the financial statements.

e) Property portfolio

i) Investment properties

Investment properties are properties owned or leased by the Company which are held for long term rental income and for capital appreciation. Investment property may include property that is being constructed, developed or redeveloped for future use as an investment property. Investment property is initially recognised at cost, including related transaction costs. It is subsequently carried at each published balance sheet date at fair value on an open market basis as determined by professionally qualified independent external valuers. Changes in fair value are included in the profit and loss account. Where a property held for investment is appropriated to development property, it is transferred at fair value. A property ceases to be treated as a development property on practical completion.

In accordance with IAS 40 Investment Properties, no depreciation is provided in respect of investment properties.

Investment property is recognised as an asset when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the Company; and
- the cost of the investment property can be measured reliably.

All costs directly associated with the purchase and construction of a development property are capitalised. Capital expenditure that is directly attributable to the redevelopment or refurbishment of investment property, up to the point of it being completed for its intended use, is included in the carrying value of the property.

LondonMetric Retail Limited

Notes to the financial statements (continued)

Year ended 31 March 2021

1. Significant accounting policies (continued)

e) Property portfolio (continued)

ii) Assets held for sale

An asset is classified as held for sale if its carrying amount is expected to be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset is available for sale in its present condition and management are committed to the sale and expect it to complete within one year from the date of classification.

Assets classified as held for sale are measured at the lower of carrying amount and the fair value.

iii) Tenant leases

Rent receivable is recognised in the profit and loss account on a straight-line basis over the term of the lease. In the event that a lease incentive is granted to a lessee, such incentives are recognised as an asset, with the aggregate cost of the incentive recognised as a reduction in rental income on a straight-line basis over the term of the lease or to the first break option if earlier.

iv) Net rental income

Rental income from investment property leased out under an operating lease is recognised in the profit or loss on a straight line basis over the lease term.

Contingent rents, such as turnover rents, rent reviews and indexation, are recorded as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Surrender premiums receivable are recognised on completion of the surrender.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earlier of the first break option or the lease termination date. Lease incentives and costs associated with entering into tenant leases are amortised over the period from the date of lease commencement to the earlier of the first break option or the lease termination date.

Property operating expenses are expensed as incurred and any property operating expenditure not recovered from tenants through service charges is charged to the profit and loss account.

v) Profit and loss on sale of investment properties

Profits and losses on sales of investment properties are recognised at the date of legal completion rather than exchange of contracts and calculated by reference to the carrying value at the previous period end valuation date, adjusted for subsequent capital expenditure.

f) Financial assets and financial liabilities

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

Financial instruments under IFRS 9

i) Trade receivables

Trade receivables are initially recognised at their transaction price and subsequently carried at amortised cost as the Company's business model is to collect the contractual cash flows due from tenants. An impairment provision is created based on lifetime expected credit losses, which reflect the Company's historical credit loss experience and an assessment of current and forecast economic conditions at the reporting date. The impact of Covid-19 has given rise to higher estimated probability of default for some occupiers.

LondonMetric Retail Limited

Notes to the financial statements (continued) Year ended 31 March 2021

1. Accounting policies (continued)

f) Financial assets and financial liabilities (continued)

ii) Trade and other payables

Trade payables and other payables are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method.

g) Finance costs and income

Net finance costs include interest payable on borrowings, net of interest capitalised and finance costs amortised.

Interest is capitalised if it is directly attributable to the acquisition, construction or redevelopment of development properties from the start of the development work until practical completion of the property. Capitalised interest is calculated with reference to the actual interest rate payable on specific borrowings for the purposes of development or, for that part of the borrowings financed out of general funds, with reference to the parent Group's weighted average cost of borrowings.

Finance income includes interest receivable on funds invested at the effective rate and notional interest receivable on forward funded developments at the contractual rate.

h) Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, together with any adjustment in respect of previous years to the extent applicable.

i) Dividends

Dividends on equity shares are recognised when they become legally payable.

2. Administration expenses

Employees

There were no employees directly employed by the Company during the current or prior year.

Directors' remuneration

The directors received no remuneration in respect of their services to the Company during the current or prior year. Messrs Jones and McGann are also directors of LondonMetric Property Plc, the Company's ultimate holding company, and their remuneration is disclosed in the financial statements of that company.

3. Finance income

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Other interest receivable	92,834	238,414

Other interest receivable predominantly represents a notional discount in relation to payments made to a contractor under a development funding agreement. This notional income is treated as a deduction when calculating the final balancing payment at practical completion.

LondonMetric Retail Limited

Notes to the financial statements (continued) Year ended 31 March 2021

4. Finance costs

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Interest paid on intercompany loan balance	4,710,970	2,007,314
Interest capitalised	(165,585)	(290,482)
Interest on lease liabilities	72,113	72,426
	<u>4,617,498</u>	<u>1,789,258</u>

5. Tax

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Current tax		
Current tax on profit/(loss) for the year	9,065	45,808
Total tax on ordinary activities	<u>9,065</u>	<u>45,808</u>

Factors affecting tax for the year

The tax charge differs from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Profit/(loss) on ordinary activities before tax	<u>16,656,478</u>	<u>(5,241,690)</u>
Tax on profit/(loss) on ordinary activities at the standard rate of: corporation tax in the UK of 19% (2019/20: 19%)	3,164,731	(995,921)
Income tax on Isle of Man net rental income of 20%	12,807	55,403
Effects of:		
REIT tax exemption	(3,164,731)	995,921
Prior year adjustment	(3,742)	(4,595)
Total tax on ordinary activities	<u>9,065</u>	<u>45,808</u>

As a non-resident landlord in the Isle of Man, any Isle of Man property income is taxable at 20%.

Factors that may affect future tax charges

The Company is a member of a REIT group, as part of the LondonMetric Property Plc group. As a result, no UK corporation tax should be due on future income or capital gains in respect of investment properties within the REIT group.

LondonMetric Retail Limited

Notes to the financial statements (continued) Year ended 31 March 2021

6. Investment property

Investment property consist of land and buildings held for rental income and capital growth, and land and properties held for or in the course of redevelopment.

	Freehold £	Long Leasehold £	Total 2021 £
At 1 April	168,207,000	8,736,154	176,943,154
Transfer	(1,700,000)	1,700,000	-
Acquisitions	136,915,210	8,530,000	145,445,210
Additions	1,468,274	-	1,468,274
Disposal	(31,544,452)	-	(31,544,452)
Revaluation movement	6,517,570	601,738	7,119,308
	<u>279,863,602</u>	<u>19,567,892</u>	<u>299,431,494</u>
Tenant lease incentives, letting fees and accrued rental income	1,556,398	(11,738)	1,544,660
Property portfolio	<u>281,420,000</u>	<u>19,556,154</u>	<u>300,976,154</u>
Head lease and right of use assets	-	(42,098)	(42,098)
At 31 March	<u>281,420,000</u>	<u>19,514,056</u>	<u>300,934,056</u>
Property held at valuation			
- cost	283,683,104	13,959,019	297,642,123
- cumulative valuation (loss)/gain	(2,263,104)	1,860,981	(402,123)
- head lease and right of use assets	-	3,694,056	3,694,056
At 31 March	<u>281,420,000</u>	<u>19,514,056</u>	<u>300,934,056</u>

LondonMetric Retail Limited

Notes to the financial statements (continued) Year ended 31 March 2021

6. Investment property (continued)

	Freehold £	Long Leasehold £	Total 2020 £
At 1 April	96,590,000	5,200,000	101,790,000
Acquisitions including costs	73,059,347	-	73,059,347
Additions	9,825,801	(29,400)	9,796,401
Disposal	(3,760,741)	-	(3,760,741)
Revaluation movement	(9,465,435)	(201,073)	(9,666,508)
	<u>166,248,972</u>	<u>4,969,527</u>	<u>171,218,499</u>
Tenant lease incentives, letting fees and accrued rental income	<u>1,958,028</u>	<u>30,473</u>	<u>1,988,501</u>
Property portfolio	168,207,000	5,000,000	173,207,000
Head lease and right of use assets	-	3,736,154	3,736,154
At 31 March	<u>168,207,000</u>	<u>8,736,154</u>	<u>176,943,154</u>
Property held at valuation			
- cost	175,064,614	3,702,022	178,766,636
- cumulative valuation (loss)/gain	(6,857,614)	1,297,978	(5,559,636)
- head lease and right of use assets	-	3,736,154	3,736,154
At 31 March	<u>168,207,000</u>	<u>8,736,154</u>	<u>176,943,154</u>

Valuation

At 31 March 2021, the Company's freehold and leasehold investment properties were externally valued by the Royal Institution of Chartered Surveyors (RICS) Registered Valuers of CBRE Limited ("CBRE") and Cushman & Wakefield Debenham Tie Leung Limited ("Cushman & Wakefield"), both firms of Chartered Surveyors, at £300,934,056 (31 March 2020: £173,207,000).

The valuations were prepared in accordance with the RICS Valuation – Professional Standards 2014 on the basis of fair value. Fair value represents the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. There has been no change in the valuation technique in the year. The total fees earned by CBRE from the Company represent less than 5% of their total UK revenues. CBRE have continuously been the signatory of valuations for the Company since September 2014 and have therefore carried out valuation and professional services on behalf of the Company for more than five years. The total fees earned by Cushman & Wakefield from the Company also represent less than 5% of their total UK revenues. Cushman & Wakefield were appointed in the year to value the investment properties let to the John Lewis group which were acquired in the period. They have therefore carried out valuation and professional services on behalf of the Company for less than five years.

Contractual obligations have been entered into amounting to £1,100,000 which have not been provided for in the financial statements (31 March 2020: £4,665,009).

At 31 March 2021, investment properties included £3,694,056 (31 March 2020: £3,736,154) for the head lease right of use assets which have been recognised following adoption of IFRS 16 on 1 April 2019.

LondonMetric Retail Limited

Notes to the financial statements (continued) Year ended 31 March 2021

7. Trade and other receivables

	31 March 2021 £	31 March 2020 £
Trade receivables	362,867	219,051
VAT recoverable	98,229	3,767,782
Prepayments and accrued income	473,782	1,078
Other receivables	74,529	25,074
	<u>1,009,407</u>	<u>4,012,985</u>

All amounts fall due for payment in less than one year.

Trade receivables comprise rental income which is due on contractual quarter days with no credit period. At 31 March 2021, no specific trade receivables were overdue and considered at risk (31 March 2020: £nil). Based on the IFRS 9 expected credit loss model, an impairment provision of £47,115 (31 March 2020: £nil) has also been made against trade receivables.

8. Trade and other payables

	31 March 2021 £	31 March 2020 £
Trade payables	317,822	267,386
Amounts payable on property acquisitions and disposals	235,093	191,937
Rent received in advance	2,978,001	1,647,086
Tax payable	-	72,468
Other accruals and deferred income	386,965	414,876
	<u>3,917,881</u>	<u>2,593,753</u>

Trade payables are interest free and have settlement dates within one year. The directors consider that the carrying amount of trade and other payables approximates their fair value.

9. Amounts owing from or to Group undertakings

Intercompany loans have no fixed repayment terms and are interest bearing at the LondonMetric Property Plc group's weighted average cost of debt. LondonMetric Property Plc has agreed that it will not demand repayment of the intercompany loan balance within the next twelve months.

LondonMetric Retail Limited

Notes to the financial statements (continued) Year ended 31 March 2021

10. Leases

The Company as lessor

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	31 March 2021 £	31 March 2020 £
Less than one year	14,774,227	9,929,452
Between one and five years	59,849,038	41,299,074
Greater than five years	160,859,774	115,012,292
	<u>235,483,039</u>	<u>166,240,818</u>

In accordance with IFRS 16, the Company has recognised a right of use asset for its head lease obligations. The Company's minimum lease payments are due as follows:

	Minimum Lease payments £	Interest £	Minimum lease payments present value 2021 £
At 31 March			
Less than one year	88,516	(71,798)	16,718
Between one and five years	353,820	(283,910)	69,910
Over five years	7,301,866	(3,642,614)	3,659,252
	<u>7,744,202</u>	<u>(3,998,322)</u>	<u>3,745,880</u>
	Minimum Lease payments £	Interest £	Minimum lease payments present value 2020 £
At 31 March			
Less than one year	88,455	(72,112)	16,343
Between one and five years	353,820	(285,236)	68,584
Over five years	7,390,382	(3,713,086)	3,677,296
	<u>7,832,657</u>	<u>(4,070,434)</u>	<u>3,762,223</u>

LondonMetric Retail Limited

Notes to the financial statements (continued) Year ended 31 March 2021

11. Share capital

	31 March 2021	31 March 2020
Number		
Ordinary shares of £1 each	182,609,401	72,432,501
Allotted, called up and fully paid		
Ordinary shares of £1 each	182,609,401	72,432,501

The Company has one class of ordinary shares, which carry no right to fixed income.

On 16 September 2020, 110,176,900 £1 ordinary shares were issued at par.

In the prior year, 30,812,500 ordinary shares of £1 each were issued at par on 18 December 2019.

In the prior year a dividend of £3,792,051 (9.11 pence per share) was paid on 18 December 2019.

12. Controlling party information

The Company's immediate and ultimate parent company is LondonMetric Property Plc. LondonMetric Property Plc is the parent of the smallest and largest group to prepare consolidated accounts that incorporate the Company. Copies of the consolidated accounts of LondonMetric Property Plc can be obtained from its registered office at 1 Curzon Street, London W1J 5HB and its website www.londonmetric.com.

13. Post balance sheet events

The strategic report on pages 4 to 6 contains information on the Company's post balance sheet events.