

THE DESIGNER RETAIL OUTLET CENTRES (MANSFIELD) GENERAL PARTNER LIMITED

Registered in England and Wales: No. 05661128

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



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**THE DESIGNER RETAIL OUTLET CENTRES (MANSFIELD) GENERAL PARTNER
LIMITED Registered in England and Wales: No. 05661128**

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors

C J Urwin
S J Green
R P Booth (appointed 27 February 2018)

Officer - Company Secretary

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Company Number

Registered in England and Wales: No. 05661128

Other Information

The Designer Retail Outlet Centres (Mansfield) General Partner Limited (the "Company") is a wholly owned subsidiary of Norwich Union (Shareholder GP) Limited and is a member of the Aviva plc group of companies (the "Aviva Group").

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors present their report and audited Financial Statements for the Company for the year ended 31 December 2018.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were:

C J Urwin

S J Green

R P Booth (appointed 27 February 2018)

Principal Activities

The principal activity of the Company is to act as the General Partner for The Designer Retail Outlet Centres (Mansfield) Limited Partnership (the "Partnership").

The Company does not hold any capital investment in the Partnership but is entitled to a priority distribution of 0.01% of the Net Income available for distribution from the Partnership.

Future Outlook

The Directors expect the level of activity to be maintained in the foreseeable future.

Dividend

The Directors do not recommend the payment of a dividend for the financial year ending 31 December 2018 (31 December 2017: £nil).

Risk Management Policies

The Company's approach to risk management is set out in note 7.

Employees

The Company has no employees (31 December 2017: nil).

Post Balance Sheet Events

There have been no significant events affecting the Company since the year end.

Going Concern

At the balance sheet date the company had net assets of £4,346 (2017: £2,881). This is mainly due to amount owed by the Partnership of £2,071 (2017: £1,357).

The continuation of the Company is dependent on the performance of the Partnership. As per the Limited Partnership Agreement ("LPA"), the Partnership will bear all the expenses and pay off liabilities as they are due. Further, there is no intention of the Directors to dissolve the Partnership within the next twelve months signing of the Company's financial statements.

Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Independent Auditors

It is the intention of the Directors to reappoint the auditors under the deemed appointment rules of Section 487 of the Companies Act 2006.

Disclosure of Information to the Auditors

Each person who was a Director of the Company on the date that this report was approved confirms that:

- a. so far as the director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware; and
- b. each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Qualifying Indemnity Provisions

The Directors have the benefit of an indemnity provision contained in the Company's Articles of Association. This indemnity is a 'qualifying third party indemnity' for the purposes of sections 309A to 309C of the Companies Act 1985 and remains in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a 'qualifying third party indemnity' for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption in section 415A of the Companies Act 2006. A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities.

On behalf of the board



S J Green
Director
.....13 June 2019

Independent auditors' report to the members of The Designer Retail Outlet Centres (Mansfield) General Partner Limited

Report on the audit of the financial statements

Opinion

In our opinion, The Designer Retail Outlet Centres (Mansfield) General Partner Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether

there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

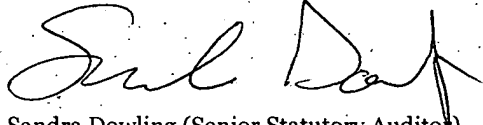
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
London
13 June 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Year ended 31 Dec 2018 £	Year ended 31 Dec 2017 £
Expenses			
Administrative expenses		-	(30)
Operating profit		-	(30)
Investment income		715	137
Finance income		5	-
Profit On Ordinary Activities Before Income Tax	2	720	107
Income tax	3	745	(127)
Profit / (Loss) And Total Comprehensive Income/ (Expense) For The Financial Year		1,465	(20)

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2018 and 31 December 2017 relate to continuing operations.

(The notes on pages 12 to 21 form part of these audited Financial Statements)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	31 Dec 2018 £	31 Dec 2017 £
Current Assets			
Trade and other receivables	4	2,071	1,357
Cash and cash equivalents		2,275	2,003
		<u>4,346</u>	<u>3,360</u>
Current Liabilities			
Income tax payable	5	-	(479)
		<u>4,346</u>	<u>2,881</u>
Net Current Assets			
		<u>4,346</u>	<u>2,881</u>
Net Assets			
		<u>4,346</u>	<u>2,881</u>
Equity			
Called up share capital	8	1	1
Retained earnings		4,345	2,880
		<u>4,346</u>	<u>2,881</u>
Total Equity		<u>4,346</u>	<u>2,881</u>

The audited Financial Statements were approved and authorised for issue by the Board of Directors on 13 June 2019 and signed on its behalf by:



S J Green

Director

(The notes on pages 12 to 21 form part of these audited Financial Statements)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total £
Balance as at 1 January 2017	1	2,900	2,901
Loss and total comprehensive Expense for the financial year	-	(20)	(20)
Balance as at 31 December 2017	1	2,880	2,881
Profit and total comprehensive Income for the financial year	-	1,465	1,465
Balance as at 31 December 2018	1	4,345	4,346

(The notes on pages 12 to 21 form part of these audited Financial Statements)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total £
Balance as at 1 January 2017	1	2,900	2,901
Loss and total comprehensive Expense for the financial year	-	(20)	(20)
Balance as at 31 December 2017	1	2,880	2,881
Profit and total comprehensive Income for the financial year	-	1,465	1,465
Balance as at 31 December 2018	1	4,345	4,346

(The notes on pages 12 to 21 form part of these audited Financial Statements)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Cash flow from operating activities			
Net cash flows generated from operating activities	9	(443)	(168)
Cash flows from investing activities			
Investment income		715	137
Cash flows generated from investing activities		715	137
Net increase/(decrease) in cash and cash equivalents		272	(31)
Cash and cash equivalents at beginning of year		2,003	2,034
Cash and cash equivalents at end of year		2,275	2,003

(The notes on pages 12 to 21 form part of these audited Financial Statements)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1.1 Accounting policies

(a) General information

The Company is incorporated in the United Kingdom. The address of the registered office is St Helen's, 1 Undershaft, London EC3P 3DQ. The principal activity of the Company is to act as the General Partner for The Designer Retail Outlet Centres (Mansfield) Limited Partnership.

The Company is a wholly-owned subsidiary of the Aviva plc group and therefore does not prepare consolidated financial statements.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements have also been prepared in accordance with IFRS's adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC) therefore comply with Article 4 of the EU IAS Regulation.

The Financial Statements have been prepared on the historical cost basis. The principal accounting policies are set out below. Accounting policies have been applied consistently throughout the period.

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small company under Part 15 of the Companies Act 2006 relating to small entities.

(b) Changes in accounting policies

(b1) New and amended standards adopted by the Company and interpretations

The following standard have been adopted by the Company for the first time for the financial year beginning on 1 January 2018:

- IFRS 9, *Financial instruments*
- IFRS 15, *Revenue from Contracts with Customers*

The Company had to change its accounting policies following the adoption of IFRS 9.

IFRS 9 Financial instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

(a) Classification and measurement

The adoption of IFRS 9, Financial instruments, from 1 January 2018 did not result in any significant impact in the classification and measurement of financial instruments in the financial statements. Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss, amortised cost, or at fair value through other comprehensive income.

The company's financial assets include mainly trade and other receivables which are measured at amortised cost. The classification of financial liabilities remains the same as under IAS 39.

(b) Impairment

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1.1 Accounting policies (continued)

(b) Changes in accounting policies (continued)

(b1) New and amended standards adopted by the Company and interpretations (continued)

IFRS 9 Financial instruments (continued)

(b) Impairment (continued)

For trade receivables, the Partnership has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Partnership has applied the expected credit loss model that is based on the Partnership's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Partnership considers that no provision is required as at 31 December under the rules of the new standard.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers*, effective from 1 January 2018, has no impact on the Company's financial statements. The Company has performed an assessment and it has concluded that the Financial statements are not under the scope of IFRS 15 as the Company only receives dividend income.

(b2) New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these Financial Statements were in issue but not effective:

Standard/interpretation	Content	Applicable for financial years beginning on/after
<i>IFRS 16</i>	Leases	1 January 2019

The Directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no impact on the Financial Statements of the Company, as the Company has no leases.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

(c) Going concern

At the balance sheet date the company had net assets of £4,346 (2017: £2,881). This is mainly due to amount owed by the Partnership of £2,071 (2017: £1,357).

The continuation of the Company is dependent on the performance of the Partnership. As per the Limited Partnership Agreement ("LPA"), the Partnership will bear all the expenses and pay off liabilities as they are due. Further, there is no intention of the Directors to dissolve the Partnership within the next twelve months signing of the Company's financial statements.

Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1.1 Accounting policies (continued)

(d) Use of estimates

The preparation of Financial Statements requires the Company to make estimates and assumptions that affect items reported in the balance sheet and profit and loss account and the disclosure of contingent assets and liabilities at the date of the Financial Statements. Although these estimates are based on management's best knowledge of current facts, circumstances and, to some extent, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

(e) Administrative expenses

Administrative expenses are non-service charge costs such as statutory audit fees. Administrative expenses are recognized when they are incurred.

(f) Investment income

Investment income consists of distributions made by the Partnership and are accounted on an accruals basis.

(g) Taxation

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to reserves as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

(h) Financial instruments

Financial assets

The Company determines the classification of its financial assets at initial recognition.

The Company's financial assets consist of loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables include receivables and other financial assets, amounts owed by group company and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1.1 Accounting policies (continued)

(h) Financial instruments (continued)

Financial assets (continued)

Receivables and other financial assets, amounts owed by group company

Receivables and other financial assets as well as amounts owed by group company are recognised initially at fair value and subsequently measured at the lower of their originally invoiced value and recoverable amount. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

The expected loss rates are based on the payment profiles of sales over a period of 90 days before 31 December 2018 or 1 January 2018, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable. Such forward-looking information would include:

- changes in economic, regulatory. Technological and environmental factors, (such as industry outlook, GP, employment and politics);
- external market indicators; and
- tenant base.

Trade receivables as well as amounts owed by group company are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Cash and cash equivalents

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

Financial liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

The Company's financial liabilities consist of payables and other financial liabilities, amounts owed to group companies. They are classified as other liabilities.

Financial liabilities included in payables and other financial liabilities, amounts owed to group companies are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1.2 Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the partners accounting policies

In the process of applying the Company's accounting policies, management has made no judgements that have a significant effect on the amounts recognised in the Financial Statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Profit on ordinary activities before Income Tax

The audit fees, relating to the audit of the Company, amounting to £2,354 (2017: £2,354) have been borne by the Partnership.

The Company had no employees in the current or prior years.

The Directors did not receive any remuneration from the Company for services to the Company (2017: £nil).

3 Income tax expenses

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2017 £
<i>Analysis of tax (credit)/charge in the year</i>		
UK Corporation tax on profit for the financial year	-	113
Adjustments in respect of prior years	(745)	14
Tax on profit on ordinary activities	<u>(745)</u>	<u>127</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

3 Income tax expenses (continued)

(a) Tax reconciliation

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2017: 19.25%). The current tax charge for the year differs from 20% for the reasons set out in the following reconciliation:

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2017 £
Profit on ordinary activities before taxation	720	107
Tax at a standard UK Corporation rate of 19% (2017: 19.25%)	137	21
Group relief surrendered	(122)	-
Taxable share of Limited Partnership's profits	121	119
Non-taxable distribution from LP	(136)	(27)
Adjustments in respect of prior years	(745)	14
Total tax charge for the year	<u>(745)</u>	<u>127</u>

The Finance (No.2) Act 2015 was enacted on 18 November 2015, which introduced a reduction in the headline rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. The Finance Act 2016 was enacted on 15 September 2016, and introduced a further reduction of the headline rate of corporation tax to 17% from 1 April 2020.

4 Trade and other receivables

	31 Dec 2018 £	31 Dec 2017 £
Amounts due from the Partnership	2,071	1,357
	<u>2,071</u>	<u>1,357</u>

Amounts due from the Partnership are unsecured, interest free, have no fixed date of repayment and are receivable on demand.

Concentrations of credit risk with respect to receivables are limited due to the fact that the debt is collectable from group companies. No further credit risk provision is therefore required in excess of the normal provision for doubtful receivables.

The Company considers that the carrying amount of receivables and other financial assets approximates to their fair value. All receivables are non-interest bearing.

No receivables are past due or impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Income tax payable

	31 Dec 2018 £	31 Dec 2017 £
Income tax payable	-	479
	-	479

The Company considers that the carrying amount of income tax payable approximates to its fair value. All payables are non-interest bearing.

6 Financial instruments

There were no contingent liabilities or commitments at the date of the Statement of Financial Position (2017: £nil).

At 31 December 2018

	Loans and receivables £	Assets at fair value through profit and loss £	Total £
Assets as per balance sheet			
Trade and other receivables	2,071	-	2,071
Cash and cash equivalents	2,275	-	2,275
	4,346	-	4,346

At 31 December 2017

	Loans and receivables £	Assets at fair value through profit and loss £	Total £
Assets as per balance sheet			
Trade and other receivables	1,357	-	1,357
Cash and cash equivalents	2,003	-	2,003
	3,360	-	3,360

Financial risk management objectives

A maturity of financial instruments has not been prepared as all financial assets and financial liabilities are due to/from the Partnership and will be settled on wind up of the structure.

Financial derivatives are not used to mitigate financial risks.

The Company has no exposure to interest rate changes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Financial instruments (continued)

Financial risk management objectives (continued)

The Company has no significant exposure to foreign exchange movements. The Company has no material contracts denominated in a foreign currency.

The Company's exposure to credit risk is in the form of trade receivables and payables which are mainly short-term trading items held at fair value.

The Company deposits its cash with a reputable credit institution with a high credit rating.

7 Risk management

The key risks arising in the Company are market, operational and liquidity risks which are discussed in more detail below.

The Aviva Group's approach to risk and capital management

The Company operates within the governance structure and priority framework of the Aviva Group. The Aviva Group's Risk Management Framework ('RMF') includes the strategies, policies, tools and governance arrangements, processes and reporting procedures necessary to support its objectives. The Company adopts and complies with the Aviva Group's RMF.

The Company does not hold any capital investment in the Partnership but is entitled to a priority distribution of 0.01% of the Net Income available for distribution from the Partnership. The principal risk therefore is the performance of the Partnership which the Directors monitor regularly. The key risks that mainly affect the Partnership are market risk, operational risk and liquidity risk. While the day-to-day management of these risks is outsourced, the Directors monitor them regularly.

The Company's exposure to different types of risk is limited by the nature of its business as follows:

i) Market risk

The Company's principal exposure to market risk takes the form of property values, which have a direct impact on the value of the Company's investments. The management of this risk falls within the mandate of Aviva Investors Global Services Limited, which manages the investments on behalf of the Partnership.

ii) Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems, or from external events. Details of the Aviva Group's approach to operational risk are Aviva Investors Global Services Limited, which manages and administers the Company's activities.

iii) Liquidity risk

Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The ongoing costs of the Company are settled by the Partnership.

iv) Credit risk

Concentration of credit risk is limited. This applies to receivables and the debt is collectable from group companies. No further credit risk provision is therefore required in excess of the normal provision for doubtful receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Called up share capital

	31 Dec 2018 £	31 Dec 2017 £
Allotted, called up and fully paid share capital of the Company at 31 December:		
1 (2017:1) ordinary share of £1	<u>1</u>	<u>1</u>

9 Notes to the Cash Flow Statement

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2017 £
Profit/ (Loss) and Total Comprehensive Income for the year	1,465	(20)
<i>Adjustments for:</i>		
Investment income	(715)	(137)
<i>Changes in working capital:</i>		
Increase in trade and other receivables	(714)	(138)
(Decrease)/ Increase in trade and other payables	(479)	127
Net cash used in operating activities	<u>(443)</u>	<u>(168)</u>

10 Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the balance sheet date (31 December 2017: £nil).

11 Related party transactions

	<u>31 Dec 18</u>		<u>31 Dec 17</u>	
	Charged during the year	Receivable at year end	Charged during the year	Receivable at year end
	£	£	£	£
Designer Retail Outlet Centre Mansfield Limited Partnership	715	2,071	-	1,356

The audit fee expenses for Mansfield Investor (GP) are paid by the Designer Retail Outlet Centre Mansfield Limited Partnership.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Related party transactions (continued)

(a) Key management compensation

The members of the Board of Directors, who are considered to be the key management of the Company, are listed on page 1 of these Financial Statements.

There are no amounts receivable from or payments due to members of the Board of Directors.

(b) Services provided to related parties

During the year the Company served as General Partner for the Partnership. No fees were received for services provided to the Partnership.

The Company does not hold any capital investment in the Partnership but is entitled to a priority distribution of 0.01% of the Net Income available for distribution from the Partnership.

(c) Services provided by related parties

During the year no fees (2017: £nil) were charged for services provided by related parties.

The audit fees, relating to the audit of the Company, amounting to £2,354 (2017: £2,354) have been borne by the Partnership.

12 Immediate parent and ultimate controlling entity

The immediate parent undertaking of the Company is Norwich Union (Shareholder GP) Limited, a Company incorporated in United Kingdom and registered in England and Wales.

The ultimate parent undertaking and controlling party of the Company is Aviva plc, a Company incorporated in the United Kingdom.

Aviva plc is the parent undertaking of both the largest and the smallest group of undertakings to consolidate the Financial Statements at 31 December 2018. The consolidated Financial Statements of Aviva plc are available on application to the:

Group Company Secretary
Aviva plc
St Helen's
1 Undershaft
London
EC3P 3DQ

and are available on the Aviva plc website at www.aviva.com.

13 Post balance sheet events

There are no significant post-balance sheet events.

**THE DESIGNER RETAIL OUTLET CENTRES (MANSFIELD)
LIMITED PARTNERSHIP**

Registered in England No: LP011196

**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

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The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Partners, Advisers and Other Information

Partners:

Limited Partner

The Designer Retail Outlet Centres (Mansfield) Unit Trust

General Partner

The Designer Retail Outlet Centres (Mansfield) General Partner Limited

St Helens

1 Undershaft

London

EC3P 3DQ

Fund Manager

Aviva Investors Global Services Limited

St Helens

1 Undershaft

London

EC3P 3DQ

Property and Asset Manager

McArthurGlen UK Limited

103 Wigmore Street

London

W1U 1QS

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London

SE1 2RT

Bankers

Barclays Bank PLC

London Corporate Banking Group

PO Box 544

54 Lombard Street

London EC3V 9EX

Registered Office

St Helen's

1 Undershaft

London

EC3P 3DQ

Registered Number

Registered in England and Wales: No. LP011196

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Strategic report for the year ended 31 December 2018

The Directors of the General Partner ("Directors") present their strategic report of The Designer Retail Outlet Centres (Mansfield) Limited Partnership (the "Fund" or the "Partnership") for the year ended 31 December 2018.

The Partnership

The Partnership was established on 21 March 2006 and is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907. The total commitment of the Partners as at 31 December 2018 is £77m (31 December 2017: £77m) of which £77m (31 December 2017: £77m) has been drawn down.

Principal Activities of the Partnership

The principal activity of the Partnership is the acquiring, developing, refurbishing, managing, letting, and holding of a designer retail outlet property centre for investment purposes.

Review of the Partnership's business

Objective and strategy

The objective of the Partnership is to achieve investment returns in excess of 100 basis points per annum (net of costs and expenses) above the rate of return generated by long dated index linked gilts over the long term by investing in designer Retail Outlets.

To achieve its objectives the Partnership has adopted the following strategy for its portfolio:

- Acquiring or investing in assets that meet the Partnership's specific investment criteria with the purpose of enhancing returns and/or reducing risk.
- Devise and implement business plan initiatives that improve projected investment returns and meet defined risk/reward criteria.
- Targeting for sale assets which are not set to outperform the benchmark.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Strategic report for the year ended 31 December 2018 (continued)

Review of the Partnership's business (continued)

Partnership Performance:

The financial position of the Partnership at 31 December 2018 is shown in the Statement of Financial Position on page 12, with the results shown in the Statement of Comprehensive Income on page 11 and the Cash Flow Statement on page 14.

The business review is required to contain financial and where applicable, non-financial key performance indicators ("KPIs"). The General Partner considers that, in line with the activities and objectives of the business, the financial KPIs set out below are those which communicate the performance of the Partnership as a whole. These KPIs comprise of:

	2018	2017
Partnership Return	8.5%	14.3%
Income Return	7.0%	2.0%
Capital Return	1.5%	12.3%
IPD Benchmark	3.0%	3.0%
Capital Value of Asset	£101.6m	£100.7m
Net Income yield	5.97%	6.11%
ERV (valued)	£8.6m	£8.5m
Distribution paid	£7.1m	£1.4m
Equivalent Yield	5.95%	5.95%
Footfall Visits	2.9m	2.9m
Voids	4.1%	0.8%

The Partnership produced a total return of 8.5% (2017: 14.3%) against a Benchmark return of 3.0% (2017: 3.0%). The fund's outperformance was predominantly driven by its income return of 7.0% (2017: 2.0%) with capital adding a further 1.5% (2017: 12.3%). The increase in the latter is a mix of improved rental levels achieved at lease renewal, rent review and new lettings. The valuation yield remained stable due to the continued investor demand for long term, inflation linked property assets.

Capital Management & Objectives:

The Partnership operates as an ungeared fund.

£nil of new equity, in the form of capital contributions and advances, was injected into the Partnership during the year ended 31 December 2018 (31 December 2017: £nil).

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Strategic report for the year ended 31 December 2018 (continued)

Review of the Partnership's business (continued)

Future Developments:

The Directors expect the general level of activity to remain the same as the previous year.

Employees:

The Partnership has no employees (31 December 2017: Nil). The key management personnel have been identified as the Directors of The Designer Retail Outlet Centres (Mansfield) General Partner Limited. The Directors received no remuneration (2017: £Nil).

Environmental:

Aviva Investors Real Assets (AIRA) recognises its duty to act as responsible stewards of its clients' assets. Consistent with its fiduciary and stewardship obligations, AIRA maintains a deep conviction that Responsible Investment including environmental, social and governance (ESG) factors can have an impact on investment returns and client outcomes.

AIRA's fiduciary duty is to protect and maintain the value of assets, it aims to do this by integrating Responsible Investment, including ESG considerations, into its investment and asset management decisions. Responsible Investment factors are implemented from origination or acquisition to divestment or termination.

AIRA supports industry initiatives to develop a common platform to evaluate the Responsible Investment impact and credentials of Real Asset investments, and to setup standardised reporting frameworks and benchmarks. AIRA is a founding member of GRESB infrastructure and an advisory member of GRESB Real Estate and has partnered with a number of organisations to participate on ESG initiatives including the Better Buildings Partnership.

Principal risks and uncertainties

The Partnership's approach to risk management is set out in note 17.

For and on behalf of the Partnership:



S J Green

Director of The Designer Retail Outlet Centres (Mansfield) General Partner Limited

13 June 2019

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

General Partner's report for the year ended 31 December 2018

The directors of the General Partner present their annual report and the audited financial statements of the Partnership (hereafter "the financial statements") for the year ended 31 December 2018.

Results and Distributions

The loss of the Partnership for 2018 was £1.3m (2017: profit £18.4m). Distributions to the Partners were £7.1m (2017: £1.4m).

Directors

The current Directors of The Designer Retail Outlet Centres (Mansfield) General Partner Limited and those in office throughout the year, except as noted, are as follows:

C J Urwin
S J Green
R P Booth (appointed 27 February 2018)

Future Developments

The future development of the Partnership is set out in the Strategic Report.

Partners' accounts

Partners' accounts consist of capital contributions and non interest bearing loans. The Partnership has classified the Partners' accounts as a financial liability based on the contractual arrangements within the Limited Partnership Agreement which require repayment of the net assets/liabilities upon wind up of the Partnership.

The Partners accounts include capital contributions and partners advance as follows:

As at 31 December 2018	Capital Contributions £	Capital Advance £
The Designer Retail Outlet Centres (Mansfield) Unit Trust	76,840,280	-
The Designer Retail Outlet Centres (Mansfield) General Partner Limited	-	-
Total	<u>76,840,280</u>	<u>-</u>
As at 31 December 2017	Capital Contributions £	Capital Advance £
The Designer Retail Outlet Centres (Mansfield) Unit Trust	76,840,280	-
The Designer Retail Outlet Centres (Mansfield) General Partner Limited	-	-
Total	<u>76,840,280</u>	<u>-</u>

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

General Partner's report for the year ended 31 December 2018 (continued)

Amounts attributable to the General Partner

The General Partner is entitled to a priority profit share in accordance with the Limited Partner Agreement ("LPA") for its services as General Partner.

The General Partner's allocations are expensed through the Statement of Comprehensive Income.

The General Partner's 0.01% loss share entitlement for the year was £(131) (2017: profit £1,840).

Going concern

The General Partner has reviewed the current and projected financial position of the Partnership, making reasonable assumptions about future trading performance. After making enquiries, the Directors of the General Partner have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Financial Instruments

The business of the Partnership includes use of financial instruments. Details of the Partnership's risk management objectives and policies, and exposures to price risk, credit risk, liquidity risk and cash flow risk relating to financial instruments are set out in page 29, 30 and 31 of the financial statements.

Independent auditors

PricewaterhouseCoopers LLP ("PwC") have indicated their willingness to continue in office and a resolution to consider their appointment will be proposed at the board meeting of the General Partner.

Disclosure of information to the independent auditors

Each person who was a Director of the General Partner on the date that this report was approved confirms that:

- (a) so far as the Director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the Partnership's auditors are unaware; and
- (b) each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

General Partner's report for the year ended 31 December 2018 (continued)

Statement of General Partner's Responsibilities in Respect of the Financial Statements

The general partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the general partner 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the general partner are required to:

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

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.

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.

For and on behalf of the Partnership:



S J Green

Director of The Designer Retail Outlet Centres (Mansfield) General Partner Limited

13 June 2019

Independent auditors' report to the partners of The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Report on the audit of the financial statements

Opinion

In our opinion, The Designer Retail Outlet Centres (Mansfield) Limited Partnership's financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Net Assets Attributable to Partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the general partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the general partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the qualifying partnership's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent

material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and General Partner's Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and General Partner's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

As explained more fully in the Statement of General Partner's Responsibilities in respect of the Financial Statements set out on page 7, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the qualifying partnership's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

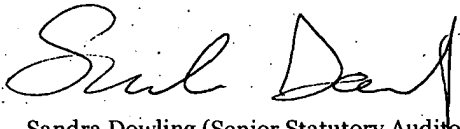
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Sandra Dowling', written in a cursive style.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 June 2019

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Statement of Comprehensive Income

For the year ended 31 December 2018

	Notes	2018 £	2017 £
Rental income		8,252,473	7,532,737
Service charge income		2,888,700	2,841,970
Total Revenue		<u>11,141,173</u>	<u>10,374,707</u>
Property operating expenses	5	(4,539,828)	(4,143,145)
Gross profit		<u>6,601,345</u>	<u>6,231,562</u>
Administrative expenses	6	(824,883)	(547,661)
Change in fair value of investment properties		55,973	14,081,838
Operating profit		<u>5,832,435</u>	<u>19,765,739</u>
Finance income	7	12,265	-
Finance costs	8	(1,571)	(3,915)
Finance costs - distributions to partners	9	(7,149,740)	(1,365,671)
Total comprehensive (loss) / income for the year		<u>(1,306,611)</u>	<u>18,396,153</u>

The notes on pages 15 to 34 form an integral part of these financial statements.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Statement of financial position

As at 31 December 2018

	Notes	2018 £	2017 £
Non-current Assets			
Investment properties	10	99,772,126	99,446,904
Property and equipment	11	1,328,851	980,495
Lease incentives		1,424,457	937,820
Other assets	12	<u>126,122</u>	<u>279,140</u>
		102,651,556	101,644,359
Current Assets			
Trade and other receivables	13	1,408,363	1,096,351
Lease incentives		403,417	315,276
Cash and cash equivalents		<u>2,740,957</u>	<u>7,031,944</u>
		4,552,737	8,443,571
Current Liabilities			
Trade and other payables	14	<u>(1,572,693)</u>	<u>(2,996,701)</u>
Net current assets		<u>2,980,044</u>	<u>5,446,870</u>
Total assets less current liabilities		<u>105,631,600</u>	<u>107,091,229</u>
Non - current Liabilities			
Other payables	15	(126,122)	(279,140)
Net assets attributable to Partners	21	<u>105,505,478</u>	<u>106,812,089</u>

These audited financial statements were approved and authorised for issue by the Board of Directors of The Designer Retail Outlet Centres (Mansfield) General Partner Limited, the General Partner on 13 June 2019 and were signed on its behalf by



S J Green
Director of
The Designer Retail Outlet Centres (Mansfield) General Partner Limited

The notes on pages 15 to 34 form an integral part of these financial statements.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Statement of Changes in Net Assets Attributable to Partners

For the year ended 31 December 2018

	Proceeds from Partners £	Profit and loss account £	Total £
Balance at 1 January 2017	76,840,280	11,575,656	88,415,936
Total comprehensive income for the year	-	18,396,153	18,396,153
Balance at 31 December 2017	<u>76,840,280</u>	<u>29,971,809</u>	<u>106,812,089</u>
Total comprehensive loss for the year	-	(1,306,611)	(1,306,611)
Balance at 31 December 2018	<u>76,840,280</u>	<u>28,665,198</u>	<u>105,505,478</u>

The notes on pages 15 to 34 form an integral part of these financial statements.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Cash Flow Statement

For the year ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	19(a)	3,800,058	5,773,970
Interest paid		(1,571)	(3,915)
Net cash used in operating activities		<u>3,798,487</u>	<u>5,770,055</u>
Cash flows from investing activities			
Capital expenditure – property and equipment		(683,465)	(134,019)
Capital expenditure – investment properties		(269,249)	(494,990)
Finance income		12,265	-
Net cash used in investing activities		<u>(940,449)</u>	<u>(629,009)</u>
Cash flows from financing activities			
Finance costs: distributions paid		(7,149,025)	(1,776,549)
Net cash used in financing activities		<u>(7,149,025)</u>	<u>(1,776,549)</u>
Net (decrease)/ increase in cash and cash equivalents		<u>(4,290,987)</u>	<u>3,364,497</u>
Cash and cash equivalents at 1 January		<u>7,031,944</u>	<u>3,667,447</u>
Cash and cash equivalents at 31 December		<u><u>2,740,957</u></u>	<u><u>7,031,944</u></u>

The notes on pages 15 to 34 form an integral part of these financial statements.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2018

1 General information

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

The Partnership is a partnership established in the United Kingdom in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnership (Accounts) Regulations 2008.

The address of the registered office is St Helens, 1 Undershaft, London, EC3P 3DQ.

The Partnership was established on 21 March 2006 and is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907.

The principal activity of the Partnership is the acquiring, developing, refurbishing, managing, letting, and holding of a designer retail outlet property centre for investment purposes.

These financial statements are presented in Pounds Sterling.

2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Partnership and interpretations

The following standards and amendments have been adopted by the Partnership for the first time for the financial year beginning on 1 January 2018:

- IFRS 9, *Financial instruments*
- IFRS 15, *Revenue from Contracts with Customers*

The Partnership had to change its accounting policies following the adoption of IFRS 9 and IFRS 15.

IFRS 9 *Financial instruments*

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

(a) Classification and measurement

The adoption of IFRS 9, *Financial instruments*, from 1 January 2018 did not result in any significant impact in the classification and measurement of financial instruments in the financial statements. Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss, amortised cost, or at fair value through other comprehensive income.

The Partnership's financial assets include mainly trade and other receivables which are measured at amortised cost. The classification of financial liabilities remains largely the same as under IAS 39.

(b) Impairment

The adoption of IFRS 9 has changed the Partnership's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements For the year ended 31 December 2018

2 Changes in accounting policies and disclosures (continued)

(b) New and amended standards adopted by the Partnership and interpretations (continued)

IFRS 9 *Financial instruments* (continued)

(b) Impairment (continued)

For trade receivables, the Partnership has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Partnership has applied the expected credit loss model that is based on the Partnership's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Partnership considers the provision made as at 31 December 2018 to be appropriate and sufficient under the rules of the new standard.

IFRS 15 *Revenue from Contracts with Customers*

The Partnership has adopted IFRS 15, *Revenue from Contracts with Customers*, from 1 January 2018 and has applied it with respect to revenue from service charges, but not rental income arising from the Partnership's leases with tenants as this is outside the scope of the new standard.

Service charge income such as utilities, common area maintenance, marketing and services and other property operating expenses are considered within the scope of IFRS 15. The Partnership has concluded that the pattern of revenue recognition remains unchanged, however such revenues shall be disclosed separately from other sources of revenue.

As a result of the retrospective adoption of IFRS 15, there was no impact to net income, shareholders' equity or cash flows from the adoption of this standard and also no adjustment to opening retained earnings on the date of adoption of this standard.

(b) New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Standard/interpretation	Content	Applicable for financial years beginning on/after
IFRS 16	Leases	1 January 2019

The General Partner does not expect that the adoption of the standards listed above will have any impact on the financial statements of the Partnership in future periods. An assessment was done on the impact of IFRS 16 and based on the fact that the Partnership is a lessor, there would be no impact. There are no other standards or interpretations that are not yet effective that would be expected to have a material impact on the Partnership.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) For the year ended 31 December 2018

3 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, using the accounting policies as set out below which have been applied consistently throughout the year and the preceding year except where noted.

The financial statements have been prepared under the historical cost convention modified to include revaluation of investment properties at fair value through profit and loss.

(b) Going concern basis

The business activity of the Partnership, together with the factors likely to affect its future development, performance and position are set out on pages 2 to 4. The financial position of the Partnership and its liquidity position are set out in these financial statements.

The General Partner has reviewed the current and projected financial position of the Partnership, making reasonable assumptions about future trading performance. After making enquiries, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the General Partner continues to adopt the going concern basis in preparing these financial statements.

(c) Investment properties

Property that is held to earn rentals and/or for capital appreciation is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted if necessary for differences in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

Changes in fair values are recognised in the Statement of Comprehensive Income. Investment properties are derecognised when they have been disposed of.

Where the Partnership disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction process, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) For the year ended 31 December 2018

3 Significant accounting policies (continued)

(d) Property and equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is calculated on the straight line method to write down the cost of other assets to their residual values over their estimated lives, estimated to be 3 - 5 years.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating loss.

Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing asset will flow to the Partnership and the renovation replaces and identifiable part of the asset.

(e) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at the lower of their originally invoiced value and recoverable amount. The Partnership applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

The expected loss rates are based on the payment profiles of sales over a period of 90 days before 31 December 2018 or 1 January 2018, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable. Such forward-looking information would include:

- changes in economic, regulatory, technological and environmental factors, (such as industry outlook, GP, employment and politics);
- external market indicators; and
- tenant base.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

(f) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised at cost and are accrued in the Statement of Financial Position upon receipt of the invoice.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

3 Significant accounting policies (continued)

(g) Provisions and contingent liabilities

Provisions are recognised when the Partnership has a present legal or constructive obligation as a result of past events, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Partnership expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is more probable than not.

Contingent liabilities are disclosed if the future obligation is probable and the amount cannot be reasonably estimated.

(h) Partners' accounts

Partners' accounts consist of capital contributions. The Partnership has classified the Partners' accounts as a financial liability based on the contractual arrangements within the Limited Partnership Agreement which require repayment of the net assets/liabilities upon wind up of the Partnership.

(i) Cash and cash equivalents

Cash at bank and in hand comprises of cash and cash on deposit with banks, both of which are immediately available.

(j) Cash flow statement

The Partnership reports cash flows from operating activities using the indirect method. Interest received is presented within finance income and included in investing cash flows and Interest paid is presented within cash flows from operating activities. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Partnership's business activities.

(k) Revenue

Revenue includes rental income and service charge income.

Rental income, which excludes value added tax, represents rent from investment properties leased out under operating lease agreements and is measured at the fair value of the consideration received or receivable. Rental income from operating leases is recognised in the Statement of Comprehensive income on a straight line basis over the lease term. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Incentives for entering lease arrangements are spread evenly over the non-cancellable period of the lease, even if payments are not made on that basis.

Service charge income is recognised in the accounting period in which control of the services are passed to the tenant, which is when the service is rendered. Service charge income is charged in advance on a quarterly basis based on an annual budget. Any income in excess of annual expenditure, or expenditure in excess of annual income, is held as a payable or a receivable and contributed towards the next year's expenditure or income respectively.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) For the year ended 31 December 2018

3 Significant accounting policies (continued)

(l) Administrative expenses

Administrative expenses include all costs not directly incurred in the operation of the Partnership's property portfolio. This includes administration and management expenses.

(m) Fund Administration fee

Under the terms of the Fund Manager's Agreement dated 21 March 2006 between the Partnership and Aviva Investors Global Services Limited (the "Fund Manager"), the Fund Manager is entitled to an annual administration fee of £50,000 plus RPI from inception in 2003. Fund Administration fees are recognised and paid annually in advance on 1 January each year.

(n) Finance income

Finance income comprises interest income which is recognised as it accrues using the effective interest method. Interest income on loans to related parties is recognised as it accrues using the effective interest method.

(o) Finance costs

Interest paid on bank overdrafts, loans and borrowings is recognised in the Statement of Comprehensive Income on an accruals basis.

(p) Performance fee

In accordance with the Fund Manager's Agreement and Property and Asset Management Agreement (the "Agreements"), both dated 21 March 2006, when the Partnership outperforms against IPD, a performance fee can be payable. The fees are determined by an agreed formula whereby, should the Partnership's performance exceed the benchmark, a fee then becomes payable to the Fund Manager and the Property and Asset Manager.

Performance fees are accrued for as an expense at the best estimate of the amount payable to the Fund Manager.

(q) Finance costs: distributions to Partners

Income produced by the Partnership's investment properties and other sources is distributed to the Partners to the extent that the Partnership's income exceeds expenses (excluding fair value movements) on a quarterly basis in accordance with the Partnership Deed. Capital distributions may be made following sales of investment properties.

The General Partner and the Fund Manager are required to ensure that no distribution is made that would render the Partnership insolvent or unable to pay its expenses for the six month period following a distribution, having regard to the expected receipts of the Partnership.

(r) Taxation

The provisions of Section 111 of the Income and Corporation Taxes Act 1988 require the taxable gains and losses of a limited partnership to be assessable directly upon the partners. Accordingly, no provision has been made for taxation in these financial statements.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) For the year ended 31 December 2018

3 Significant accounting policies (continued)

(s) Fair value disclosures

The different levels of the fair value hierarchy as specified in accordance with IFRS 13 "Fair Value Measurement" are defined below:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly i.e. as prices or indirectly i.e. derived from prices
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Partnership's Financial Statements requires the General Partner to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

In the process of applying the Partnership's accounting policies, the General Partner has made the following judgements which have the most significant effect on the amounts recognised in the Financial Statements:

(a) Valuation of investment properties

The fair value of the Partnership's investment properties represents an estimate by independent professional valuers of the open market value of that property as at the balance sheet date. The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. The valuers also make reference to market evidence of transaction prices for similar properties. Fair value disclosures in relation to investment property are given in Note 10.

(b) Impairment of non-financial assets

Property and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) For the year ended 31 December 2018

5 Property operating expenses

Property operating expenses includes amounts invoiced in respect of facilities management services provided, and other expenses incurred on an accruals basis.

	2018 £	2017 £
Property expenses	1,651,128	1,301,175
Service charge expenses	2,888,700	2,841,970
	<u>4,539,828</u>	<u>4,143,145</u>

6 Administrative expenses

	2018 £	2017 £
Auditors' fees - audit services	11,297	13,200
Fund Administration fees	-	39,780
Performance fees	-	(275,502)
Property Manager fees	430,148	410,920
Professional fees	28,893	72,886
Centre depreciation	129,795	140,621
Loss on disposal of property and equipment	4,151	-
Other administrative expenses	220,599	145,756
	<u>824,883</u>	<u>547,661</u>

The performance fee expenses were £nil (2017: £(275,502)), due to the fact that the updated Trust and management documents are still being negotiated and no amount has been agreed upon for 2018.

The Partnership had no employees in the current or prior year. The Directors received no emoluments for services to the Partnership for the financial year (2017: £nil).

There were no non-audit services provided during 2018 (2017: £nil).

7 Finance income

	2018 £	2017 £
Interest receivable	12,265	-
	<u>12,265</u>	<u>-</u>

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) For the year ended 31 December 2018

8 Finance costs

	2018 £	2017 £
Interest payable	1,571	3,915
	<u>1,571</u>	<u>3,915</u>

9 Finance costs – distributions to Partners

	2018 £	2017 £
Distributions declared and paid	7,149,025	1,365,493
Proposed distributions at 31 December	715	178
Total amounts available for distribution as per Statement of Comprehensive Income	<u>7,149,740</u>	<u>1,365,671</u>

In accordance with the Partnership Agreement, distributions of net income have been allocated to the Partners in proportion to their ownership percentage for the year to which the distribution relates. At the year end the percentage holdings were:

The Designer Retail Outlet Centres (Mansfield) Unit Trust	99.99%
The Designer Retail Outlet Centres (Mansfield) General Partner Limited	0.01%

10 Investment properties

The Partnership's investment property is held at fair value. The Partnership holds one class of investment property, being investment property within the United Kingdom.

	Freehold £
Fair market value 1 January 2017	84,870,076
Capital expenditure	494,990
Change in fair value of investment properties	14,081,838
Fair value at 31 December 2017	<u>99,446,904</u>
Capital expenditure	269,249
Change in fair value of investment properties	55,973
Fair value at 31 December 2018	<u>99,772,126</u>

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

10 Investment properties (continued)

A reconciliation of investment property valuations to the balance sheet carrying value of property is shown below:

	2018	2017
	£	£
Investment property at market value as determined by external valuers	101,600,000	100,700,000
Less accrued lease incentives separately accrued as a debtor in the balance sheet – non-current assets	(1,424,457)	(937,820)
Less accrued lease incentives separately accrued as a debtor in the balance sheet – current assets	(403,417)	(315,276)
Balance sheet carrying value of investment property	<u>99,772,126</u>	<u>99,446,904</u>

The investment property is categorised as Level 3 in the IFRS 13 fair value hierarchy. There have been no transfers between fair value hierarchy levels during the year. Investment properties are valued on a highest and best use basis. For all properties, the current use is considered to be the highest and best use.

The investment property was valued at its open market value for existing use, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors, as at 31 December 2018 by CB Richard Ellis Limited, professionally qualified chartered surveyors.

The valuations performed by the independent valuer for financial reporting processes have been reviewed by the Fund Manager. Discussions of valuation processes and results are held between the Fund Manager and the independent valuers at least once every quarter. At each year end, the Fund Manager:

- Verifies all major inputs to the independent valuation report
- Assesses property valuation movements when compared to the prior year valuation report
- Holds discussions with the independent valuer

Investment properties are valued by using the investment method which involves applying capitalisation yields to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable property and leasing transactions in the market, using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions, being assumptions applied by the valuers and information provided by the General Partner which is derived from the Partnership's financial and property management systems and is subject to the Partnership's overall control environment.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

10 Investment properties (continued)

Significant unobservable inputs in the valuations are as follows:

	Fair value at 31 December 2018	Valuation technique	Net income yield %	Equivalent yield %	Discount rate %
	£'000				
Retail - UK	101,600,000	Investment method	5.97%	5.95%	6.97%

All other factors being equal, a higher equivalent yield or discount rate would lead to a decrease in the valuation of an asset, and an increase in the current or estimated future rental stream would have the effect of increasing the capital value, and vice versa.

Movement in estimates	Equivalent yield	Net income yield	Return yield	Capital Value £
+50bps	6.45%	6.47	6.49	93,500,000
+25bps	6.20%	6.22%	6.23%	97,400,000
-25bps	5.70%	5.72%	5.73%	106,200,000
-50bps	5.45%	5.46%	5.48%	111,200,000

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

11	Property and equipment	Other assets	Total
		£	£
	At 1 January 2017		
	Cost	2,444,039	2,444,039
	Accumulated depreciation	(1,415,237)	(1,415,237)
	Net book amount	1,028,802	1,028,802
	Year ended 31 December 2017		
	Opening net book amount	1,028,802	1,028,802
	Additions	134,019	134,019
	Depreciation	(182,326)	(182,326)
	Closing net book amount	980,495	980,495
	At 31 December 2017		
	Cost	2,578,058	2,578,058
	Accumulated depreciation	(1,597,563)	(1,597,563)
	Net book amount	980,495	980,495
	Year ended 31 December 2018		
	Opening net book amount	980,495	980,495
	Additions	683,465	683,465
	Disposals - cost	(4,660)	(4,660)
	Charge for the year	(330,449)	(330,449)
	Closing net book amount	1,328,851	1,328,851
	At 31 December 2018		
	Cost	3,256,863	3,256,863
	Accumulated depreciation	(1,928,012)	(1,928,012)
	Net book amount	1,328,851	1,328,851
12	Other assets: Amounts falling due after one year	2018	2017
		£	£
	Rent deposits	126,122	279,140
		126,122	279,140

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

13 Trade and other receivables: Amounts falling due within one year

	2018 £	2017 £
Trade receivables	526,360	528,420
Other debtors	700,507	484,975
Prepayments and accrued income	38,502	68,795
Other assets	142,994	14,161
	<u>1,408,363</u>	<u>1,096,351</u>

Trade receivables are shown net of the provision for bad debt and the write off of bad debts which was £76.5k for the year ended 31 December 2018 (2017: £3.9k). There were no material past due or impaired receivables as at 31 December 2018 (2017: £nil) other than those already provided against. The carrying value of the trade and other receivables approximates to fair value due to their relatively short maturity and no indication of impairment to date.

Concentrations of credit risk with respect to receivables are limited due to the size and spread of the Partnership's trading base. No further credit risk provision is therefore required in excess of the normal provision for doubtful receivables.

Other assets relate to cash held as rent deposits for the tenants.

14 Trade and other payables

	2018 £	2017 £
Trade payables	88,168	61,580
VAT payable	71,798	110,402
Accrued performance fees	-	1,842,179
Other accruals and deferred income	1,268,840	968,201
Other creditors	142,994	14,161
Finance costs – distribution payable	893	178
	<u>1,572,693</u>	<u>2,996,701</u>

Other creditors relate to cash held in trust for tenant rent deposits.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

15 Other payables: Amounts falling due after one year

	2018 £	2017 £
Other creditors	126,122	279,140
	<u>126,122</u>	<u>279,140</u>

Other creditors relate to cash held in trust for tenant rent deposits which are due after one year.

16 Financial Instruments

Financial instruments by category

At 31 December 2018

	Loans and receivables	Assets at fair value through profit and loss	Total
	£'000	£'000	£'000
Financial assets – loans and receivables			
Trade and other receivables excluding prepayments	1,370	-	1,370
Cash and cash equivalents	2,741	-	2,741
	<u>4,111</u>	<u>-</u>	<u>4,111</u>
	Liabilities at fair value through profit and loss	Other financial liabilities at amortised cost	Total
	£'000	£'000	£'000
Liabilities as per balance sheet			
Trade and other payables excluding non-financial liabilities.	-	1,572	1,572
	<u>-</u>	<u>1,572</u>	<u>1,572</u>

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

16 Financial Instruments (continued)

Financial instruments by category (continued)

At 31 December 2017	Loans and receivables	Assets at fair value through profit and loss	Total
	£'000	£'000	£'000
Financial assets – loans and receivables			
Trade and other receivables excluding prepayments	1,028	-	1,028
Cash and cash equivalents	7,032	-	7,032
	<u>8,060</u>	<u>-</u>	<u>8,060</u>
	Liabilities at fair value through profit and loss	Other financial liabilities at amortised cost	Total
	£'000	£'000	£'000
Liabilities as per balance sheet			
Trade and other payables excluding non-financial liabilities.	-	2,997	2,997
	<u>-</u>	<u>2,997</u>	<u>2,997</u>

17 Risk management

The key risks arising in the Partnership are market, credit, operational and liquidity risks which are discussed in more detail below.

The Aviva Group's approach to risk and capital management

The Aviva Group (the "Group") operates within its own governance structure and priority framework. It also has its own established governance framework, with clear terms of reference for the Board and the Aviva Executive Committee and a clear organisation structure, with documented delegated authorities and responsibilities (largely through role profiles). Aviva has an Audit Committee, which includes shareholder representatives.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

17 Risk management (continued)

Management of financial and non-financial risks

The Partnership's exposure to different types of risk is limited by the nature of its business as follows:

Market risk

The Partnership's exposure to market risk takes the form of property valuations, which have a direct impact on the value of investments. Market risk is managed by ongoing proactive asset management.

Credit risk

The Partnership does not have a significant exposure to credit risk as receivables are mainly short-term trading items. The Group's investments are managed by agents who have responsibility for the prompt collection of amounts due.

The Partnership manages this risk of tenant default by ensuring that a dedicated credit control team is engaged in collecting the advance quarterly rent from tenants as soon as it falls due.

The Partnership deposits its cash with Barclays Bank PLC which is a reputable credit institution with a high credit rating BBB (2017: A).

Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Aviva Group approach to operational risk are set out in the financial statements of Aviva Investors UK Fund Services Limited, which manages and administers the Partnership's investments.

Details of the Group approach to operational risk are set out in the Aviva plc Annual Report and Accounts 2018, available at <http://www.aviva.com/investor-relations/results-and-reports/reports/>.

Liquidity risk

The Partnership does not have a significant exposure to liquidity risk. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The General Partner monitors the maturity of the Partnership's obligations as and when they fall due. The maturity analysis of the Partnership's financial assets and liabilities as at 31 December 2018 was as follows:

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

17 Risk management (continued)

Liquidity risk (continued)

	On demand £'000	1-3 months £'000	4-12 months £'000	Total £'000
Financial assets – loans and receivables				
Trade and other receivables	1,408	-	-	1,408
Cash and cash equivalents	2,741	-	-	2,741
	<u>4,149</u>	<u>-</u>	<u>-</u>	<u>4,149</u>
Financial liabilities				
Trade creditors	88	-	-	88
Accruals and deferred income	1,268	-	-	1,268
Distributions payable	1	-	-	1
Rent deposits	143	-	-	143
VAT payable	72	-	-	72
	<u>1,572</u>	<u>-</u>	<u>-</u>	<u>1,572</u>

18 Operating lease receivables

The following table sets out the current operating receivables by the Partnership:

	2018	2017
	£	£
Operating lease receivables:		
No later than 1 year	4,132,445	6,868,324
Later than 1 year and not later than 5 years	10,602,036	18,857,974
Later than 5 years	52,832,361	7,667,098
	<u>67,566,842</u>	<u>33,393,396</u>

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

19 Notes to the statement of cash flows

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

	2018 £	2017 £
Operating profit	5,832,435	19,765,739
Changes in working capital:		
(Increase)/ Decrease in receivables and other assets	(886,790)	247,668
Decrease in payables and other financial liabilities	(1,424,723)	(339,925)
Add back non cash items:		
Fair value gain on investment property	(55,973)	(14,081,838)
Depreciation	330,958	182,326
Loss on disposal of fixed assets	4,151	-
Net cash inflow from operating activities	3,800,058	5,773,970

20 Contingent liabilities and commitments

There were no commitments or contingent liabilities at the Statement of Financial Position date (2017: £nil).

21 Net assets attributable to Partners

	Unit Trust 99.99% £	GP 0.01% £	Total 100% £
Proceeds from Partners			
At 1 January 2018	76,840,280	-	76,840,280
At 31 December 2018	76,840,280	-	76,840,280
Income account			
At 1 January 2018	29,968,811	2,998	29,971,809
Loss during the year	(1,306,480)	(131)	(1,306,611)
At 31 December 2018	28,662,331	2,867	28,665,198
Net assets attributable to Partners at 31 December 2018	105,502,611	2,867	105,505,478
Net assets attributable to Partners at 31 December 2017	106,809,091	2,998	106,812,089

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

21 Net assets attributable to Partners (continued)

	Unit Trust 99.99% £	GP 0.01% £	Total 100% £
Proceeds from Partners			
At 1 January 2017	76,840,280	-	76,840,280
Proceeds received	-	-	-
At 31 December 2017	76,840,280	-	76,840,280
Income account			
At 1 January 2017	11,574,498	1,158	11,575,656
Profit during the year	18,394,313	1,840	18,396,153
At 31 December 2017	29,968,811	2,998	29,971,809
Net assets attributable to Partners at 31 December 2017	106,809,091	2,998	106,812,089
Net assets attributable to Partners at 31 December 2016	88,414,778	1,158	88,415,936

22 Related party transactions

	2018		2017	
	Charged during the year £'000	Receivable/ (payable) at year end £'000	Charged during the year £'000	Receivable at year end £'000
Aviva Investors Global Services Limited – fund administration fees	-	-	40	-
Aviva Investors Global Services Limited – performance fees	-	-	(69)	(460)
McArthurGlen UK Limited performance fees	-	-	(207)	(1,382)
McArthurGlen UK Limited management fees	429	(97)	1,407	(80)
McArthurGlen UK Limited leasing fees	152	(14)	157	(46)
McArthurGlen UK Limited – marketing and service charge	387	(77)	494	(20)
McArthurGlen UK Limited – recharges	1,068	(129)	-	-
The Designer Retail Outlet Centres (Mansfield) General Partner Limited – other fees	-	(1)	-	(1)

The performance fee was fully paid during the year ended 31 December 2018.

The Designer Retail Outlet Centres (Mansfield) Limited Partnership

Notes to the Financial Statements (continued) for the year ended 31 December 2018

22 Related party transactions (continued)

	2018		2017	
	Distribution to partners £'000	Distribution payable £'000	Distribution to partners £'000	Distribution payable £'000
The Designer Retail Outlet Centres (Mansfield) Unit Trust	7,150	-	1,366	-
The Designer Retail Outlet Centres (Mansfield) General Partner Limited	1	1	-	-

Aviva Investors Global Services Limited receives fees as it acts as the fund manager for the Partnership.

The Partnership has entered into management contracts with McArthurGlen UK Limited. These agreements cover management fees, leasing fees and marketing and service charges.

The directors received no emoluments for services to the Partnership for the financial year (2017: £nil).

The related parties' receivables and payables are not secured and no guarantees were recovered in respect thereof. The receivables and payables will be settled in accordance with normal credit terms.

23 Parent and ultimate controlling undertaking

The General Partner of the Partnership is The Designer Retail Outlet Centres (Mansfield) General Partner Limited, a company incorporated in Great Britain and registered in England and Wales.

The Partnership's ultimate parent undertaking is The Designer Retail Outlet Centres Unit Trust, which is registered in Jersey.

The financial statements of The Designer Retail Outlet Centres Unit Trust are available on application to:

Aviva Company Secretarial Services Limited
Aviva plc
St Helen's
1 Undershaft, London
EC3P 3DQ

24 Post balance sheet events

There were no significant post balance sheet events to report.