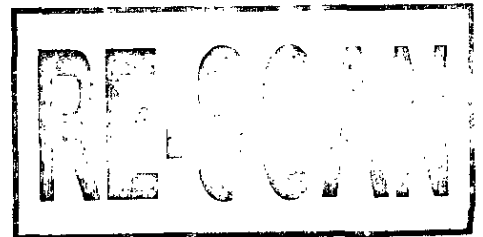


Company No. 07447018

NBIM GEORGE GP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



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NBIM GEORGE GP LIMITED

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NBIM GEORGE GP LIMITED

DIRECTORS, ADVISORS AND OTHER INFORMATION

DIRECTORS

As at the date of signing the financial statements the Directors were as follows:

Matthew Fellows
Richard Ford
Berit Stokke
John Wythe

ADMINISTRATOR

State Street Administration Services (UK) Limited
20 Churchill Place
Canary Wharf
London
E14 5HJ

BANKERS

Citi Bank
Citigroup Centre
33 Canada Square
Canary Wharf
London
E14 5LB

INDEPENDENT AUDITOR

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

REGISTERED OFFICE

20 Churchill Place
Canary Wharf
London
E14 5HJ

COMPANY NO.

07447018

NBIM GEORGE GP LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of NBIM George GP Limited (the "Company") for the year ended 31 December 2016.

INCORPORATION

The Company was incorporated in England and Wales on 22 November 2010 with registered No. 07447018.

ACTIVITIES

The principal activity of the Company is to act as General Partner to NBIM George Partners LP (the "Partnership") whose main activity consists of investing indirectly in property, and also to act as holding company and immediate parent to NBIM George 1 Nominee Limited and NBIM George 2 Nominee Limited (the "Subsidiaries").

The Subsidiaries act as Trustees and hold the property portfolio on trust solely for the Partnership.

RESULTS AND DIVIDENDS

The profit for the year ended 31 December 2016 amounted to £415,858 (31 December 2015: £1,338,251).

The Company's expenses and costs are borne by the Partnership under an administrative costs deed signed by all parties in 2011, and as such, no expense has been reported in the statement of comprehensive income of these financial statements.

The Directors do not recommend a dividend for the year ended 31 December 2016 (31 December 2015: £nil).

GOING CONCERN

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

Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements.

DIRECTORS

The Directors who held office during the year and up to the date of approval of this report were:

Matthew Fellows
Richard Ford
Berit Stokke
John Wythe

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These remain in force at the date of this report.

NBIM GEORGE GP LIMITED

REPORT OF THE DIRECTORS - (CONTINUED)

FINANCIAL RISK MANAGEMENT

The Directors carry out the risk management function in respect of financial risks within the Company. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting year. Financial risk comprises market risk (including currency rate risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Company's financial instruments consist of the investments in the Subsidiaries, the investment in the Partnership, trade and other receivables and trade and other payables.

The main risks arising from the Company's financial instruments are market risk and liquidity risk. The Directors review and agree policies for managing the Company's risk exposure. These policies are described below.

The Company has minimal credit risk as its receivables consist only of an intercompany receivable outstanding as at the statement of financial position date.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from its investment in the Partnership and investments in the Subsidiaries. The Company holds an investment in the Partnership which indirectly holds investment properties. The properties are exposed to general and specific market movements. The Directors review these risks on a quarterly basis.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through intercompany and banking arrangements.

Further details on liquidity risk are shown in Note 3 of the financial statements.

Capital management

The capital of the Company consists of equity (comprising issued share capital and retained earnings). The Company's objective when managing capital is to maintain an appropriate capital structure for the Company to discharge its responsibilities as General Partner in the group structure. The Company is not subject to externally imposed capital requirements.

FUTURE DEVELOPMENTS

The Company will continue to act as General Partner to the Partnership and also to act as holding company and immediate parent to the Subsidiaries.

INDEPENDENT AUDITOR

Deloitte LLP has expressed its willingness to continue in office.

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Where the Company will hold an Annual General Meeting, a resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

NBIM GEORGE GP LIMITED

REPORT OF THE DIRECTORS - (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that year.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS.

In preparing these financial statements, the Directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- * state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

In preparing the Directors' report, the Directors have taken advantage of the exemptions available for small companies in accordance with Section 415(A) of the Companies Act 2006. They have also taken the exemption to not prepare a strategic report.


So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware and he/she has taken all the steps he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors confirm that they have complied with the above requirements throughout the year and subsequently.

BY ORDER OF THE BOARD

Director

Date: 19 May 2017


Richard Lee


Matthew Fennell

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBIM GEORGE GP LIMITED

We have audited the financial statements of NBIM George GP Limited (the "Company") for the year ended 31st December 2016 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBIM GEORGE GP LIMITED - (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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





Mark Beddy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London UK

23 May 2017

NBIM GEORGE GP LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	<u>Notes</u>	<u>31 Dec 16</u>	<u>31 Dec 15</u>
		£	£
ASSETS			
NON-CURRENT ASSETS			
Investment in Partnership	5	3,622,231	3,206,373
Investments in Subsidiaries	6	2	2
		<u>3,622,233</u>	<u>3,206,375</u>
CURRENT ASSETS			
Trade and other receivables	7	1	1
TOTAL ASSETS		<u>3,622,234</u>	<u>3,206,376</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	2	2
TOTAL LIABILITIES		<u>2</u>	<u>2</u>
EQUITY			
Share capital	10	501	501
Retained earnings		3,621,731	3,205,873
TOTAL EQUITY		<u>3,622,232</u>	<u>3,206,374</u>
TOTAL LIABILITIES AND EQUITY		<u>3,622,234</u>	<u>3,206,376</u>

The audited financial statements of NBIM George GP Limited, Company No. 07447018, were approved and authorised for issue by the Board of Directors on the 19 day of May 2017 and were signed on its behalf by:

Director:  
Richard Forns Matthew Forns

(The notes on pages 12 to 22 form part of these financial statements)

NBIM GEORGE GP LIMITED

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2016**

	1 Jan 16 to 31 Dec 16	1 Jan 15 to 31 Dec 15
	£	£
INCOME		
Fair value gain in the year	415,858	1,338,251
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME	415,858	1,338,251

Continuing operations

All items dealt with in arriving at the results for the years ended 31 December 2016 and 31 December 2015 relate to continuing operations.

Continuing operations

No other comprehensive income was derived during the years ended 31 December 2016 and 31 December 2015.

(The notes on pages 12 to 22 form part of these financial statements)

NBIM GEORGE GP LIMITED

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	£	£	£
Balance at 1 January 2015	501	1,867,622	1,868,123
Profit for the year and total comprehensive income	-	1,338,251	1,338,251
Balance at 31 December 2015	501	3,205,873	3,206,374
Profit for the year and total comprehensive income	-	415,858	415,858
Balance at 31 December 2016	501	3,621,731	3,622,232

(The notes on pages 12 to 22 form part of these financial statements)

NBIM GEORGE GP LIMITED

STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31 DECEMBER 2016**

	1 Jan 16 to 31 Dec 16 £	1 Jan 15 to 31 Dec 15 £
Cash flows from operating activities		
Profit for the year and total comprehensive income	415,858	1,338,251
Adjusted for:		
Fair value gain in the year	(415,858)	(1,338,251)
Net cash generated from operating activities	-	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

(The notes on pages 12 to 22 form part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the revaluation of the investment in the Partnership and the investments in the Subsidiaries.

The financial statements are presented in Pounds Sterling which is the Company's presentational and functional currency.

The preparation of financial statements in conformity with IFRS 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. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed.

Going concern

The Company has a net asset position of £3,622,232 as at 31 December 2016 (31 December 2015: £3,206,374). Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Consolidation

The Company is considered to meet the definition of an investment entity. As a result the Company applies the mandatory exception for consolidation and instead measures its Subsidiaries in accordance with IAS 39 'Financial instruments: recognition and measurement'.

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") adopted during the current year

- Amendments to IAS 1, 'Presentation of financial statements' on the disclosure initiative'
- Amendments to IAS 27, 'Separate financial statements'

The amendments to the below standard include annual improvements 2010 - 2012 cycle.

- IAS 24, 'Related Party Disclosures'

The amendments to the below standard include annual improvements 2012 - 2014 cycle.

- IFRS 7, 'Financial instrument: Disclosures', (with consequential amendments to IFRS 1)

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") adopted during the current year - (continued)

These amendments to the standards are effective for the annual periods beginning on or after 1 January 2016. These amendments did not have any impact on the Company's financial position or performance.

New standards and amendments issued but not yet effective for the financial year beginning 1 January 2016 and not early adopted by the Company

There are no standards or amendments to existing standards issued but not yet effective for the annual periods beginning on or after 1 January 2016 that are relevant to the Company.

Upcoming Accounting Requirements not yet endorsed by the EU

- IFRS 9, 'Financial instruments'
- IFRS 15, 'Revenue from Contracts with Customers'
- IFRS 16, 'Leases'
- IAS 12, 'Recognition of Deferred Tax Assets for Unrealised Losses'

The Directors are presently carrying out an assessment of the impact of the applicable new standards and amendments that are either not yet permitted to be adopted, or are not yet mandatory and will determine whether any further changes or disclosures are required in the future.

All other new standards and amendments have no bearing on the operating activities and disclosures of the Company, and consequently have not been listed.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

Statement of comprehensive income and statement of cash flows

The Company presents its statement of comprehensive income by function of expense. The Company reports cash flows using the indirect method.

The acquisition of investments is classified as cash flows from investing activities as the Directors consider that this most appropriately reflects the Company's business activities.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets, and available-for-sale financial assets, as appropriate. The Directors determine the classification of the Company's financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or the Company transfers substantially all risks and rewards of ownership.

The Company's financial assets consist of trade and other receivables, the investment in the Partnership and the investments in the Subsidiaries.

Investment in Partnership

The investment in the Partnership is accounted for at fair value through profit or loss. Gains or losses arising from the fair value are recognised in the statement of comprehensive income.

Investments in Subsidiaries

The investments in the Subsidiaries are accounted for at fair value through profit or loss. There have been no gains or losses arising from the fair value.

Fair value measurement

The investments in the Partnership and the Subsidiaries are classified as financial assets at fair value through profit or loss in accordance with the provisions set out in IAS 39. This classification more fully explains the nature of the investments. The Directors designate the classification of investments at the time of purchase.

IAS 39 requires financial assets to be held at fair value, except only in rare circumstances where the fair value cannot be reliably measured in which case it allows the financial asset to be carried at cost less provision for impairment. IFRS 13 'Fair Value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

The fair valuation of the unquoted investments is the key source of estimation uncertainty at the date of the statement of financial position that has a significant risk of causing a material adjustment in the carrying value of the investments.

The fair value of the investments as at 31 December 2016 amounted to £3,622,233 (31 December 2015: £3,206,375).

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. If the due date of the liability is less than one year, discounting is omitted.

Trade and other receivables

Trade and other receivables are composed of trade receivables with due dates of less than one year.

A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The provision is recognised in the statement of comprehensive income.

Trade and other payables

Current liabilities are composed of trade and other payables with due dates of less than one year.

Expenses

The Company's expenses and costs are borne by the Partnership under an administrative costs deed signed by all parties in 2011.

2. SIGNIFICANT JUDGEMENT AND KEY ESTIMATES

The preparation of financial statements in conformity with IFRS 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. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. The Directors believe that the underlying assumptions are appropriate. 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.

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors believe that critical accounting judgement has been applied in the preparation of these financial statements in respect of the valuation of the investment in the Partnership and the investments in the Subsidiaries, see Notes 5 and 6 for further details.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****3. FINANCIAL RISK MANAGEMENT**

The Directors carry out the risk management function in respect of financial risks within the Company. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting year. Financial risk comprises market risk (including currency rate risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Company's financial instruments consist of the investments in the Subsidiaries, the investment in the Partnership, trade and other receivables and trade and other payables.

The Company's financial instruments and how they are measured in the statement of financial position are summarised as follows:

As at 31 December 2016	Assets at fair value through profit or loss	Loans and receivables	Other financial liabilities at amortised cost	Total
	£	£	£	£
Financial assets				
Investment in Partnership	3,622,231	-	-	3,622,231
Investments in Subsidiaries	2	-	-	2
Trade and other receivables	-	1	-	1
Financial liabilities				
Trade and other payables	-	-	(2)	(2)
	<u>3,622,233</u>	<u>1</u>	<u>(2)</u>	<u>3,622,232</u>

The main risks arising from the Company's financial instruments are market risk and liquidity risk. The Directors review and agree policies for managing the Company's risk exposure. These policies are described below.

The Company has minimal credit risk as its receivables consist only of an intercompany receivable outstanding as at the statement of financial position date.

a) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through intercompany and banking arrangements.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****3. FINANCIAL RISK MANAGEMENT - (CONTINUED)****a) Liquidity risk - (continued)**

The table below summarises the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments:

	<u>On demand</u>	<u>More than 3 months</u>	<u>Total</u>
31 December 2016	£	£	£
Trade and other receivables	1	-	1
	<hr/>	<hr/>	<hr/>
Trade and other payables	2	-	2
	<hr/>	<hr/>	<hr/>
	<u>On demand</u>	<u>More than 3 months</u>	<u>Total</u>
31 December 2015	£	£	£
Trade and other receivables	1	-	1
	<hr/>	<hr/>	<hr/>
Trade and other payables	2	-	2
	<hr/>	<hr/>	<hr/>

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from its investment in the Partnership and investments in the Subsidiaries. The Company holds an investment in the Partnership which indirectly holds investment properties. The properties are exposed to general and specific market movements. The Directors review these risks on a quarterly basis.

i) Foreign exchange risk

The Company has no exposure to foreign currency risk as its operational activities and investments are conducted in base currency.

ii) Price risk

The Company is not exposed to the market risk with respect to financial instruments as it does not hold any marketable equity securities.

iii) Cash flow risk and interest rate risk

The Company is not exposed to cash flow risk or interest rate risk as its receivables and payables consist only of an intercompany receivable and an intercompany payable as at the statement of financial position date.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****3. FINANCIAL RISK MANAGEMENT - (CONTINUED)****b) Market risk - (continued)****iv) Fair value**

The cost and the corresponding fair value of the Company's financial instruments are as follows:

	<u>31 Dec 16</u>		<u>31 Dec 15</u>	
	Cost	Fair value	Cost	Fair value
	£	£	£	£
Investment in Partnership	500	3,622,231	500	3,206,373
Investments in Subsidiaries	2	2	2	2
Trade and other receivables	1	1	1	1
Trade and other payables	(2)	(2)	(2)	(2)

Sensitivity in the fair value of the investment in the Partnership is derived directly and proportionally from the fair value of the investment property held directly by the Partnership.

Fair value hierarchy

The Company has adopted the amendment to International Financial Reporting Standard No. 13 'Fair Value Measurement' ("IFRS 13") for financial instruments that are measured at fair value. IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****3. FINANCIAL RISK MANAGEMENT - (CONTINUED)****b) Market risk - (continued)****iv) Fair value - (continued)****Fair value hierarchy - (continued)**

The table below analyses the financial instruments measured at fair values as at the statement of financial position date by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2016	Level 1	Level 2	Level 3
	£	£	£
Investment in Partnership	-	-	3,622,231
Investments in Subsidiaries	-	-	2
Trade and other receivables	-	1	-
Trade and other payables	-	(2)	-
31 December 2015	Level 1	Level 2	Level 3
	£	£	£
Investment in Partnership	-	-	3,206,373
Investments in Subsidiaries	-	-	2
Trade and other receivables	-	1	-
Trade and other payables	-	(2)	-

In the opinion of the Directors there are no observable inputs relating to the valuation of the Partnership and the Subsidiaries hence level 3 is the appropriate classification of the investments.

For further information on the fair value techniques of the investment in the Partnership and the investments in the Subsidiaries, please refer to Notes 5 and 6, respectively.

c) Capital management

The capital of the Company consists of equity (comprising issued share capital and retained earnings). The Company's objective when managing capital is to maintain an appropriate capital structure for the Company to discharge its responsibilities as General Partner in the group structure. The Company is not subject to externally imposed capital requirements.

4. KEY MANAGEMENT PERSONNEL

The Company has no employees. The key management personnel have been identified as the Directors of the Company. During the year the Directors received remuneration of £17,301 (31 December 2015: £17,302), which was borne by the Partnership under the administrative costs deed signed in 2011.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****5. INVESTMENT IN PARTNERSHIP**

	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
Cost at the start of the year	500	500
Cost at the end of the year	500	500
Fair value gain at the start of the year	3,205,873	1,867,622
Fair value gain for the year	415,858	1,338,251
Fair value gain at the end of the year	3,621,731	3,205,873
Fair value	3,622,231	3,206,373

The investment is accounted for at fair value through profit or loss. Changes in fair value gains in the table above are recognised in the statement of comprehensive income.

The Company made an investment in the capital of the Partnership representing 0.50% of the total capital of the Partnership. As at 31 December 2016, the Partnership has a net asset value of £1,272,990,294 (31 December 2015: £1,208,071,088).

The Company acts as the General Partner of the Partnership whose registered address is at 20 Churchill Place, Canary Wharf, London, E14 5HJ. The Partnership qualifies as a qualifying partnership under the Partnership (Accounts) Regulation 2008 and accordingly, the Partnership's financial statements are appended to the Company's financial statements.

The fair value of the financial instrument, which comprises the Company's investment in the Partnership, is estimated to be equal to its capital contributed and 0.50% of the retained earnings of the Partnership as determined by the Directors as at the statement of financial position date.

6. INVESTMENTS IN SUBSIDIARIES

	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
Cost at the start and end of the year	2	2
Fair value	2	2

The Company has investments in ordinary shares of £1 in each of the Subsidiaries' share capital which represent 100% interest in these Subsidiaries. The Subsidiaries have remained dormant during the year.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****7. TRADE AND OTHER RECEIVABLES**

	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
Amount due from a related party (see Note 11)	1	1

Trade and other receivables are neither past due nor impaired.

8. TRADE AND OTHER PAYABLES

	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
Amount due to a related party (see Note 11)	2	2

Trade and other payables are interest free and have settlement dates within one year.

9. TAXATION

The Company did not generate any taxable income during the year. Its expenses and costs are borne by the Partnership under an administrative costs deed. Accordingly, the Directors believe that no taxation should be recognised in the financial statements during the year ended 31 December 2016 (31 December 2015: £nil).

10. SHARE CAPITAL

	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
AUTHORISED:		
501 ordinary shares of £1 each	501	501
ISSUED AND PAID:		
501 ordinary shares of £1 each	501	501

11. RELATED PARTY DISCLOSURES

The Company's immediate parent is Burlington Number 1 Limited (the "Parent Company"). The Company acts as General Partner to the Partnership.

At 31 December 2016, a total amount of £1 (31 December 2015: £1) was receivable from the Partnership (see Note 7).

During the year, expenses of £54,678 (31 December 2015: £59,147) were borne by the Partnership on behalf of the Company under an administrative costs deed signed in 2011.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11. RELATED PARTY DISCLOSURES - (CONTINUED)

At 31 December 2016, a total amount of £2 (31 December 2015: £2) was payable by the Company to the Subsidiaries at £1 each for the ordinary shares it subscribed for during 2011 (see Note 8).

A total amount of £29,665 was incurred by the Company representing its tax charge for the year (31 December 2015: £27,224). The amount is borne by the Partnership under the administrative costs deed hence not included in these financial statements.

12. IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

The Parent Company, as the sole shareholder of the Company, is considered the immediate controlling party.

Norges Bank, as the sole shareholder of the Parent Company, is considered the ultimate controlling party and is the smallest and largest entity which consolidates these financial statements. Norges Bank was incorporated in Norway and its financial statements are available from Bankplassen 2, 0151 Oslo, Norway.

13. AUDITOR'S REMUNERATION

Audit fees of £3,980 (31 December 2015: £4,050) were borne by another group company in the accounting year.

14. SUBSEQUENT EVENTS

There were no material events after the date of the statement of financial position that have a bearing on the understanding of these financial statements.

Registered in England No: LP014218

NBIM GEORGE PARTNERS LP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7447018



COMPANIES HOUSE

NBIM GEORGE PARTNERS LP

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NBIM GEORGE PARTNERS LP

PARTNERS, ADVISORS AND OTHER INFORMATION

DIRECTORS OF THE GENERAL PARTNER

As at the date of signing the financial statements the Directors of the General Partner were as follows:

Matthew Fellows
Richard Ford
Berit Stokke
John Wythe

LIMITED PARTNER

NBIM George BTLP Limited
20 Churchill Place
Canary Wharf
London
E14 5HJ

GENERAL PARTNER

NBIM George GP Limited
20 Churchill Place
Canary Wharf
London
E14 5HJ

ADMINISTRATOR

State Street Administration Services (UK) Limited
20 Churchill Place
Canary Wharf
London
E14 5HJ

INDEPENDENT AUDITOR

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

BANKERS

Citi Bank
Citigroup Centre
33 Canada Square
Canary Wharf
London
E14 5LB

REGISTERED OFFICE

20 Churchill Place
Canary Wharf
London
E14 5HJ

REGISTRATION NO.

LP014218

NBIM GEORGE PARTNERS LP

STRATEGIC REPORT

NBIM George GP Limited (the "General Partner") presents its strategic report of NBIM George Partners LP (the "Partnership") for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Partnership is to invest indirectly in property. During the year the Partnership made further additions to its investment in the Regent Street Estate ("RSE") amounting to £11,731,604 (31 December 2015: £17,573,799), taking the total investment to £650,523,104. The investment in RSE provides the Partnership the right to receive 25% (31 December 2015: 25%) of the net operating income of RSE, which is part of The Crown Estate's property portfolio. The Crown Estate is a diverse portfolio of UK buildings, shoreline, sealed, forestry, agriculture and common land that generates valuable revenue for the UK government every year.

REVIEW OF BUSINESS

The Partnership's profit for the year amounted to £83,171,754 (31 December 2015: £267,650,249).

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:

	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
Net asset value (NAV)	1,272,990,294	1,208,071,088
Market value of assets	1,273,776,256	1,208,146,993

FINANCIAL RISK MANAGEMENT

The General Partner carries out the risk management function in respect of financial risks within the Partnership. Financial risks are risks arising from financial instruments to which the Partnership is exposed during or at the end of the reporting year. Financial risk comprises market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Partnership's financial instruments consist of the investment in RSE, cash and cash equivalents, trade and other receivables, trade and other payables and borrowings (loans from Partners).

The main risks arising from the Partnership's financial instruments are credit risk, liquidity risk and market risk. The General Partner reviews and agrees policies for managing the Partnership's risk exposure. These policies are described below and have remained unchanged for the year under review.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The primary source of credit risk to which the Partnership is exposed is its investment in RSE. Defaults by the tenants who occupy the properties within the RSE portfolio may result in a loss occurring in respect of the Partnership's investment. The General Partner monitors the performance of the RSE portfolio on a regular basis through review of the quarterly property and financial reports. Credit risk also arises from cash and cash equivalents, both within the Partnership and the RSE portfolio. Cash balances are deposited with approved financial institutions of a rating deemed appropriate by the General Partner.

NBIM GEORGE PARTNERS LP

STRATEGIC REPORT - (CONTINUED)

FINANCIAL RISK MANAGEMENT - (CONTINUED)

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Partnership's liquidity position is monitored regularly by the General Partner.

Further details on liquidity risk are shown in Note 4 of the financial statements.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Partnership's market risks arise from its investment in RSE, to the extent that this is exposed to general and specific market movements due to the volatility of the property market and the variability of the prevailing market interest rate which was taken into consideration by the valuer in choosing an appropriate discount rate in the valuation process. The General Partner reviews these risks on a quarterly basis.

Further details on market risk are shown in Note 4 of the financial statements.

d) Capital management

The Partnership's objectives when managing capital are to safeguard the Partnership's ability to continue as a going concern. Furthermore, the Partnership manages its capital in order to provide the Partners with above average returns over the medium to long term through income and capital appreciation. The Partnership aims to deliver this objective through the purchase of investments that will provide the Partnership with the right to receive cash flows from a property portfolio. The Partnership is not subject to externally imposed capital requirements.

EMPLOYEES


The Partnership has no employees (31 December 2015: nil).

FUTURE DEVELOPMENTS

The Partnership will continue to hold the Investment Property to earn rental income.

BY ORDER OF THE BOARD

Signed for and on behalf of
NBIM George GP Limited
as General Partner of
NBIM George Partners LP


Richard Lee


Matthew Fellow

Date: 19 May 2017

NBIM GEORGE PARTNERS LP

REPORT OF THE GENERAL PARTNER

The General Partner presents its report and the audited financial statements of the Partnership for the year ended 31 December 2016.

PARTNERSHIP ESTABLISHMENT

The Partnership was established in England and Wales on 26 November 2010 with registered No. LP014218.

PARTNERS AND PARTNERS' INTEREST

The Partnership's profit for the year amounted to £83,171,754 (31 December 2015: £267,650,249) with a net asset value of £1,272,990,294 (31 December 2015: £1,208,071,088). The General Partner does not propose the payment of a distribution in respect of the year ending 31 December 2016.

The Partners as at 31 December 2016 and their interests in the capital and current accounts were as follows:

	Capital account	Loan advances	Current account
	£	£	£
NBIM George GP Limited	500	-	3,621,731
NBIM George BTLTP Limited	99,500	548,544,026	720,724,537
	<u>100,000</u>	<u>548,544,026</u>	<u>724,346,268</u>

FINANCIAL RISK MANAGEMENT

The main risks arising from the Partnership's financial instruments are credit risk, liquidity risk and market risk. Please see further details of the financial risk management on pages 3 to 4 of the Strategic Report.

GOING CONCERN

The General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 2 to the financial statements.

SUBSEQUENT EVENTS

Subsequent events have been evaluated up to the date the audited financial statements were approved and authorised for issue by the General Partner and there are no material events to be disclosed or adjusted for in these audited financial statements.

INDEPENDENT AUDITOR

Deloitte LLP has expressed its willingness to continue in office.

Each person who is a Director of the General Partner at the date of approval of this report confirms that:

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

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

NBIM GEORGE PARTNERS LP

REPORT OF THE GENERAL PARTNER - (CONTINUED)

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES

Company law as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008 (the "Regulations") and the terms of the Limited Partnership Agreement require the General Partner to prepare financial statements which shall be in accordance with generally accepted accounting principles. In accordance with the Limited Partnership Agreement the General Partner has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by European Union ("EU"), as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Under company law as applied to qualifying partnerships the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Partnership's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS.

In preparing these financial statements, the General Partner is required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- * state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.


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


So far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditor is unaware and it has taken all the steps it ought to have taken as General Partner to make itself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

The General Partner confirms that it has complied with the above requirements throughout the year and subsequently.

BY ORDER OF THE BOARD

Signed for and on behalf of
NBIM George GP Limited
as General Partner of
NBIM George Partners LP


Richard Lee


Matthew Evans

Date: 19 MAY 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBIM GEORGE PARTNERS LP

We have audited the financial statements of NBIM George Partners LP (the "Partnership") for the year ended 31st December 2016 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Partners' Interests, the Statement of Cash Flows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the qualifying Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of General Partner's Responsibilities, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Partner; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31st December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBIM GEORGE PARTNERS LP - (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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



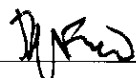

Mark Beddy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London UK

23 May 2017

NBIM GEORGE PARTNERS LP**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	<u>Notes</u>	<u>31 Dec 16</u>	<u>31 Dec 15</u>
		£	£
ASSETS			
NON-CURRENT ASSETS			
Financial asset - real estate	6	1,273,776,256	1,208,146,993
CURRENT ASSETS			
Trade and other receivables	7	1,517	64,131
Cash and cash equivalents		560,000	740,247
		561,517	804,378
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	(1,347,479)	(880,283)
NET CURRENT LIABILITIES		(785,962)	(75,905)
NET ASSETS		1,272,990,294	1,208,071,088
AMOUNTS ATTRIBUTABLE TO THE PARTNERS			
Partners' capital	13	100,000	100,000
Partners' loans	13	548,544,026	566,796,574
Partners' current account	13	724,346,268	641,174,514
		1,272,990,294	1,208,071,088

The audited financial statements of NBIM George Partners LP with registered No. LP014218 were approved and authorised for issue by the Board of Directors of the General Partner on the 19th day of May 2017 and were signed on its behalf by:

Director:  
RICHARD FOLS MATTHEW FELLS

(The notes on pages 13 to 31 form part of these financial statements)

NBIM GEORGE PARTNERS LP

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	1 Jan 16 to 31 Dec 16 £	1 Jan 15 to 31 Dec 15 £
INCOME			
Investment income		29,793,503	27,052,586
EXPENSES			
Transaction costs		(262,085)	(393,247)
Administrative expenses	9	(257,323)	(470,000)
		(519,408)	(863,247)
OPERATING PROFIT	5	29,274,095	26,189,339
Gain on revaluation of financial asset - real estate	6	53,897,659	241,460,910
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		83,171,754	267,650,249

Continuing operations

All items dealt with in arriving at the results for the years ended 31 December 2016 and 31 December 2015 relate to continuing operations.

Other Comprehensive Income

No other comprehensive income was derived during the years ended 31 December 2016 and 31 December 2015.

(The notes on pages 13 to 31 form part of these financial statements)

NBIM GEORGE PARTNERS LP

STATEMENT OF CHANGES IN PARTNERS' INTERESTS**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Notes</u>	<u>General Partner</u>	<u>Limited Partner</u>	<u>Total</u>
		£	£	£
Balance at 1 January 2015		1,868,122	946,445,362	948,313,484
Loans advanced by the Limited Partner	13	-	5,184,335	5,184,335
Loans repaid to the Limited Partner	13	-	(13,076,980)	(13,076,980)
Profit for the year and total comprehensive income		1,338,251	266,311,998	267,650,249
Balance at 31 December 2015		<u>3,206,373</u>	<u>1,204,864,715</u>	<u>1,208,071,088</u>
Loans advanced by the Limited Partner	13	-	7,010,388	7,010,388
Loans repaid to the Limited Partner	13	-	(25,262,936)	(25,262,936)
Profit for the year and total comprehensive income		415,858	82,755,896	83,171,754
Balance at 31 December 2016		<u><u>3,622,231</u></u>	<u><u>1,269,368,063</u></u>	<u><u>1,272,990,294</u></u>

(The notes on pages 13 to 31 form part of these financial statements)

NBIM GEORGE PARTNERS LP**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	1 Jan 16 to 31 Dec 16 £	1 Jan 15 to 31 Dec 15 £
Cash flows from operating activities			
Profit for the year and total comprehensive income		83,171,754	267,650,249
Adjustments for:			
Gain on revaluation of financial asset - real estate	6	(53,897,659)	(241,460,910)
Changes in working capital			
Decrease / (increase) in trade and other receivables		62,614	(31,402)
Increase / (decrease) in trade and other payables		467,196	(337,454)
Net cash generated from operating activities		29,803,905	25,820,483
Cash flows from investing activities			
Investment in the financial asset - real estate	6	(11,731,604)	(17,573,799)
Net cash used in investing activities		(11,731,604)	(17,573,799)
Cash flows from financing activities			
Proceeds from the Limited Partner's loan advances	13	7,010,388	5,184,335
Repayment of the Limited Partner's loan	13	(25,262,936)	(13,076,980)
Net cash used in financing activities		(18,252,548)	(7,892,645)
Net (decrease) / increase in cash and cash equivalents		(180,247)	354,039
Cash and cash equivalents at the beginning of the year		740,247	386,208
Cash and cash equivalents at the end of the year		560,000	740,247

(The notes on pages 13 to 31 form part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. NATURE OF THE PARTNERSHIP

The Partnership is a limited partnership registered in England and Wales which prepares its financial statements under the Company law as applied to qualifying partnerships by the Partnership (Accounts) Regulations 2008 (the "Regulations"). The nature of the Partnership's operations and its principal activities are disclosed on page 3. The General Partner is NBIM George GP Limited which has ultimate responsibility for the management and control of the Partnership in accordance with, and subject to, the Limited Partnership Agreement (the "LPA") and applicable law and regulation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation

The financial statements of the Partnership have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and part VII of the Companies Act 2006, as required by the Company law as applied to qualifying partnerships by the Regulations. The financial statements have been prepared on a going concern basis, applying the historical cost convention as modified by the revaluation of the financial asset - real estate.

The financial statements are presented in Pounds Sterling which is the Partnership's presentational and functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed.

Going concern

The Partnership has a net asset position of £1,272,990,294 as at 31 December 2016 (31 December 2015: £1,208,071,088). Partners' loans of £548,544,026 were outstanding as at 31 December 2016 (31 December 2015: £566,796,574). The loans are repayable to the lender after a twelve month written notice period given by the lender. No such demand was received by the Partnership to the date of the signing of the financial statements.

Furthermore, the Partnership has £10,483,169 of unfunded contractual commitments relating to its investment in RSE. The Partnership's ultimate parent has undertaken to fund these commitments, to the extent the Partnership has insufficient resources, as and when they are due.

Accordingly, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") adopted during the current year

- Amendments to IAS 1, 'Presentation of financial statements' on the disclosure initiative'

The amendments to the below standard include annual improvements 2010 - 2012 cycle.

- IAS 24, 'Related Party Disclosures'

The amendments to the below standard include annual improvements 2012 - 2014 cycle.

- IFRS 7, 'Financial instrument: Disclosures', (with consequential amendments to IFRS 1)

These amendments to the standards are effective for the annual periods beginning on or after 1 January 2016. These amendments did not have any impact on the Partnership's financial position or performance.

New standards and amendments issued but not yet effective for the financial year beginning 1 January 2016 and not early adopted by the Partnership.

There are no standards or amendments to existing standards issued but not yet effective for the annual periods beginning on or after 1 January 2016 that are relevant to the Partnership.

Upcoming Accounting Requirements not yet endorsed by the EU

- IFRS 9, 'Financial instruments'
- IFRS 15, 'Revenue from Contracts with Customers'
- IFRS 16, 'Leases'
- IAS 12, 'Recognition of Deferred Tax Assets for Unrealised Losses'

The General Partner is presently carrying out an assessment of the impact of the applicable new standards and amendments that are either not yet permitted to be adopted, or are not yet mandatory and will determine whether any further changes or disclosures are required in the future.

All other new standards and amendments have no bearing on the operating activities and disclosures of the Partnership, and consequently have not been listed.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Pounds Sterling, which is the Partnership's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

Statement of comprehensive income and statement of cash flows

The Partnership presents its statement of comprehensive income by function of expense. The Partnership reports cash flows using the indirect method.

The acquisition of investments is classified as cash flows from investing activities as the General Partner considers that this most appropriately reflects the Partnership's business activities.

Financial assets

Financial assets are classified as financial asset - real estate (held at fair value through profit or loss), or loans and receivables. The General Partner determines the classification of the Partnership's financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or the Partnership transfers substantially all risks and rewards of ownership.

The Partnership's financial assets consist of trade and other receivables, cash and cash equivalents and the financial asset - real estate.

Financial Asset - Real Estate

The investment in RSE is classified as a financial asset - real estate in accordance with IAS 39 'Financial Instruments: Recognition and Measurement' ("IAS 39"). Financial asset - real estate is initially recognised at fair value and transaction costs are expensed when they are incurred. Subsequent changes in fair value are recognised in the statement of comprehensive income in the accounting period in which they arise.

Investment in real estate consists of the financial asset - real estate, see Note 6 for further information. At each reporting date, real estate investments are adjusted to reflect their fair values as estimated by external independent valuation specialists using the discounted cash flow technique.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fair value measurement

The financial asset - real estate is classified as a financial asset at fair value through profit or loss in accordance with the provisions set out in IAS 39. This classification fully explains the nature of the investments. The General Partner designates the classification of investments at the time of purchase.

IAS 39 requires financial assets to be held at fair value, except only in rare circumstances where the fair value cannot be reliably measured in which case it allows the financial assets to be carried at cost less provision for impairment. IFRS 13 'Fair Value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

The fair valuation of the unquoted investment is the key source of estimation uncertainty at the date of the statement of financial position that has a significant risk of causing a material adjustment in the carrying value of the investment.

The fair value of the investment in RSE as at 31 December 2016 amounted to £1,273,776,256 (31 December 2015: £1,208,146,993).

Financial liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other financial liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All borrowings are classified as other financial liabilities. Initial recognition is at fair value less directly attributable transaction costs incurred. After initial recognition, the borrowings are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. If the due date of the liability is less than one year, discounting is omitted.

Trade and other receivables

Trade and other receivables are composed of trade receivables with due dates of less than one year.

A provision for impairment of trade and other receivables is established when there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The provision is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Due to the short-term nature of these instruments, the carrying value equals fair value.

Trade and other payables

Trade and other payables are composed of trade payables with due dates of less than one year.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the statement of financial position date. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Partners' loans

Partners' loans are composed of non-interest bearing borrowings from the Limited Partner.

Partners' loans are recognised initially at fair value, net of transaction costs incurred. Partners' loans are subsequently stated at amortised cost.

Revenue recognition

Investment income represents income from the Partnership's investment in RSE. The investment income represents 25% of the net operating income of the RSE portfolio and is recognised in the statement of comprehensive income on receipt.

Expenses

All expenses are recognised on an accruals basis in the statement of comprehensive income in the period in which they arise.

Finance income

Finance income comprises deposit interest income and interest income. Finance income is recognised in the statement of comprehensive income on an accruals basis.

Transaction costs

Transaction costs are defined as all costs directly attributable to corporate real estate transactions and will typically include fees to advisors, lawyers and valuation experts, and stamp duty. Transaction costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Taxation

Each Partner is exclusively liable for any tax liabilities arising out of its interest in the Partnership. Under the administrative costs deed, the Partnership has undertaken to pay the tax due on behalf of each Partner and, accordingly this cost is recorded in these financial statements.

3. SIGNIFICANT JUDGEMENT AND KEY ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. The General Partner believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are summarised as below.

Investment valuation

In relation to the valuation of the investment in RSE, an independent valuer in the United Kingdom was appointed to provide independent comprehensive annual and quarterly valuation services.

The valuation was prepared in accordance with the Statement of Works dated 15 August 2012. The valuation was prepared in accordance with IFRS, whereby fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At each reporting date the financial asset - real estate's carrying amount is adjusted to reflect its fair value as estimated by external independent valuation specialists using the discounted cash flow technique.

Real estate valuations are by their nature predisposed to significant forward-looking judgements. These include key assumptions and estimates in respect of the individual property type, location, expected future cash flows (such as tenants' contracts, future revenue streams, and the condition of the property) as well as discount rates. Such estimates generally reflect recent comparable market transactions of properties having similar location, characteristics and quality. In addition, and where relevant, development risks (such as future construction costs and letting risks) are considered when determining the fair value of properties under development. Standard assumptions are used that are in accordance with international valuation standards. As a result, the valuations reflect best local market estimates at the valuation date and are sensitive to fluctuations to key assumptions in the event of assumptions not being achieved may have a material effect on the value of the financial asset - real estate.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. SIGNIFICANT JUDGEMENT AND KEY ESTIMATES - (CONTINUED)

Investment valuation - (continued)

The discounted cash flow technique involves the projection of a series of periodic cash flows either to an operating property or a development property, or from a portfolio of properties as in the case for the interest in an income stream. To this projected cash flow series, an appropriate risk adjusted market discount rate is applied to establish an indication of the present value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as gross rental income, less vacancy, collection losses, direct and indirect operating expenses and other obligations to arrive at the net operating income. A series of periodic net operating incomes, along with an estimate of the terminal value calculated using a consistent valuation approach are discounted to present value. The terminal value is the capitalised present value estimate of the net cash flow at disposition that is anticipated at the end of the projection period. The aggregate of these net present values equals the market value of the property or the financial asset.

In applying the discounted cash flow technique, the valuer had considered the quarterly forecasted net operating income payments due to the Partnership throughout an explicit forecast period. The forecasted cash flows from these have been discounted back to the valuation date at an appropriate discount rate that reflects the inherent risk of the investment.

The key assumptions which have been used in determining the fair value of the investment in RSE are as follows:

- a) assessment of current and future income, and liabilities deriving from the ownership of the property portfolio;
- b) a long term growth rate has been applied within each property sector based upon the independent valuers projected nominal growth rates. These rates are derived by considering historic long term real growth and incorporating long term inflation projections to arrive at future estimated nominal growth rates;
- c) a blended discount rate of 6.35% (31 December 2015: 7.55%);
- d) risk free rate of rate of 2.37% (31 December 2015: 2.65%); and
- e) in addition, various assumptions have been made in consideration of future inflation, rental growth, non-recoverable running costs and likely future capital expenditure.

The General Partner has reviewed and approved the valuation report prepared by the independent valuer, which was used to assess the reasonableness of the assumptions used in the valuation and the adequacy of the work performed.

4. FINANCIAL RISK MANAGEMENT

The General Partner carries out the risk management function in respect of financial risks within the Partnership. Financial risks are risks arising from financial instruments to which the Partnership is exposed during or at the end of the reporting year. Financial risk comprises market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****4. FINANCIAL RISK MANAGEMENT - (CONTINUED)**

The Partnership's financial instruments consist of the investment in RSE, cash and cash equivalents, trade and other receivables, trade and other payables and borrowings (loans from Partners).

The Partnership's financial instruments and how they are measured in the statement of financial position are summarised as follows:

As at 31 December 2016

	Assets at fair value through profit or loss	Loans and receivables	Other financial liabilities at amortised cost	Total
	£	£	£	£
Financial assets				
Financial asset - real estate	1,273,776,256	-	-	1,273,776,256
Trade and other receivables	-	1,517	-	1,517
Cash and cash equivalents	-	560,000	-	560,000
Financial liabilities				
Trade and other payables	-	-	(1,347,479)	(1,347,479)
Partners' loans	-	-	(548,544,026)	(548,544,026)
	<u>1,273,776,256</u>	<u>561,517</u>	<u>(549,891,505)</u>	<u>724,446,268</u>

The main risks arising from the Partnership's financial instruments are credit risk, liquidity risk and market risk. The General Partner reviews and agrees policies for managing the Partnership's risk exposure. These policies are described below and have remained unchanged for the year under review.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The primary source of credit risk to which the Partnership is exposed is its investment in RSE. Defaults by the tenants who occupy the properties within the RSE portfolio may result in a loss occurring in respect of the Partnership's investment. The General Partner monitors the performance of the RSE portfolio on a regular basis through review of the quarterly property and financial reports. Credit risk also arises from cash and cash equivalents, both within the Partnership and the RSE portfolio. Cash balances are deposited with approved financial institutions of a rating deemed appropriate by the General Partner.

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****4. FINANCIAL RISK MANAGEMENT - (CONTINUED)****b) Liquidity risk - (continued)**

The Partnership's liquidity position is monitored regularly by the General Partner.

The table below summarises the maturity profile of the Partnership's financial assets and financial liabilities based on contractual undiscounted payments:

31 December 2016	<u>Less than 1</u> <u>year</u>	<u>1 to 5 years</u>	<u>More than 5</u> <u>years</u>	<u>Total</u>
		£	£	£
Trade and other receivables	1,517	-	-	1,517
Partners' loans	-	-	548,544,026	548,544,026
Trade and other payables	1,347,479	-	-	1,347,479
Total financial liabilities	1,347,479	-	548,544,026	549,891,505
31 December 2015	<u>Less than 1</u> <u>year</u>	<u>1 to 5 years</u>	<u>More than 5</u> <u>years</u>	<u>Total</u>
		£	£	£
Trade and other receivables	64,131	-	-	64,131
Partners' loans	-	-	566,796,574	566,796,574
Trade and other payables	880,283	-	-	880,283
Total financial liabilities	880,283	-	566,796,574	567,676,857

The Partners' loans are repayable after a twelve month written notice period given by the lender.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Partnership's market risks arise from its investment in RSE, to the extent that this is exposed to general and specific market movements due to the volatility of the property market and the variability of the prevailing market interest rate which was taken into consideration by the valuer in choosing an appropriate discount rate in the valuation process. The General Partner reviews these risks on a quarterly basis.

i) Foreign exchange risk

The Partnership has no exposure to foreign currency risk as its operational activities and investments are conducted in base currency.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4. FINANCIAL RISK MANAGEMENT - (CONTINUED)

c) Market risk - (continued)

ii) Price risk

The Partnership is exposed to property price risk including property rentals risk. The Partnership is not exposed to the market risk with respect to financial instruments as it does not hold any marketable equity securities.

Political and economic uncertainties continue to exist following the UK's referendum decision to leave the EU. Until the UK's future exit arrangements have been negotiated, it is not possible to quantify the potential impact that the referendum will have on the Investment Property value going forward. The General Partner continues to closely monitor this emerging issue.

Further details regarding the uncertainty involved in valuing the financial asset - real estate are provided in Notes 3 and 6.

iii) Cash flow risk and interest rate risk

The Partnership is exposed to cash flow and interest rate risk through its investment in RSE. Fluctuations in interest rates as well as the volatility of the estimated rental income, will impact the fair value of the investment.

A sensitivity analysis has been included in Note 6.

iv) Fair value

The cost and the corresponding fair value of the Partnership's financial instruments are as follows:

	<u>31 Dec 16</u>		<u>31 Dec 15</u>	
	Cost	Fair value	Cost	Fair value
	£	£	£	£
Financial asset - real estate	650,523,104	1,273,776,256	638,791,500	1,208,146,993
Trade and other receivables	1,517	1,517	64,131	64,131
Cash and cash equivalents	560,000	560,000	740,247	740,247
Trade and other payables	(1,347,479)	(1,347,479)	(880,283)	(880,283)
Partners' loans	(548,544,026)	(548,544,026)	(566,796,574)	(566,796,574)

Financial asset - real estate comprises the Partnership's investment in RSE. The investment in RSE has been valued by a professionally qualified independent valuer using a discounted cash flow technique. The fair value is deemed to be equal to the present value of estimated future cash flows, discounted by the applicable yield curve derived from quoted interest rates. The fair value of all other financial assets and financial liabilities approximates their carrying value.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2016****4. FINANCIAL RISK MANAGEMENT - (CONTINUED)****c) Market risk - (continued)****iv) Fair value - (continued)****Fair value hierarchy**

The Partnership has adopted the amendment to International Financial Reporting Standard No. 13 'Fair Value Measurement' ("IFRS 13") for financial instruments that are measured at fair value. IFRS 13 requires the Partnership to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The table below analyses the financial instruments measured at fair values as at the statement of financial position date by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2016	Level 1	Level 2	Level 3
	£	£	£
Financial asset - real estate	-	-	1,273,776,256
Trade and other receivables	-	1,517	-
Cash and cash equivalents	560,000	-	-
Trade and other payables	-	(1,347,479)	-
Partners' loans	-	(548,544,026)	-
31 December 2015	Level 1	Level 2	Level 3
	£	£	£
Financial asset - real estate	-	-	1,208,146,993
Trade and other receivables	-	64,131	-
Cash and cash equivalents	740,247	-	-
Trade and other payables	-	(880,283)	-
Partners' loans	-	(566,796,574)	-

For further information on the fair value technique of the financial asset - real estate, please refer to Note 6.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4. FINANCIAL RISK MANAGEMENT - (CONTINUED)

d) Capital management

The Partnership's objectives when managing capital are to safeguard the Partnership's ability to continue as a going concern. Furthermore, the Partnership manages its capital in order to provide the Partners with above average returns over the medium to long term through income and capital appreciation. The Partnership aims to deliver this objective through the purchase of investments that will provide the Partnership with the right to receive cash flows from a property portfolio. The Partnership is not subject to externally imposed capital requirements.

5. OPERATING PROFIT

The operating profit is stated after charging:

	1 Jan 16 to 31 Dec 16	1 Jan 15 to 31 Dec 15
	£	£
Audit fees payable to the Partnership's auditor for the audit of the financial statements	19,850	20,250
Tax fees (see Note 9)	29,665	27,224

The analysis of the auditor's remuneration is as follows:

Fees payable to the Partnership's auditor and its associates for the audit of the Partnership's annual financial statements

9,000	9,200
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Fees payable to the Partnership's auditor and its associates for other services

- The audit of Related Parties

10,850	11,050
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19,850	20,250
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6. FINANCIAL ASSET - REAL ESTATE

	31 Dec 16	31 Dec 15
	£	£
Regent Street Estate ("RSE")		
Fair value at the beginning of the year	1,208,146,993	949,112,284
Subsequent additions	11,731,604	17,573,799
Gain on revaluation	53,897,659	241,460,910
Fair value at the end of the year	1,273,776,256	1,208,146,993

In 2011 the Partnership acquired the right to receive 25% (31 December 2015: 25%) of the net operating income generated by the RSE portfolio for 150 years from 1 April 2011 to 2 March 2161.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6. FINANCIAL ASSET - REAL ESTATE - (CONTINUED)

The RSE portfolio is part of The Crown Estate's ("TCE") property portfolio and was developed in the 19th and 20th centuries. Currently, the RSE portfolio is a mixed-used retail, restaurant and office portfolio in London's West End. During the year the Partnership made further additions to the RSE Portfolio amounting to £11,731,604 (31 December 2015: £17,573,799).

The Partnership's investment in RSE was valued as at 31 December 2016 at £1,273,776,256 (31 December 2015: £1,208,146,993) by a professionally qualified independent valuer. The valuation was prepared in accordance with the Statement of Works dated 15 August 2012.

The independent valuer used the discounted cash flow technique in order to value the completed properties within the asset given that the Partnership's investment in RSE is income driven. For all properties classed as development, the independent valuer takes into account accumulated capital expenditure and a proportion of developer's profit as well as market assumptions on re-letting the completed developments, assuming commercial lease terms and applicable costs.

Sensitivity analysis

The investment in RSE is materially supported by the value of the underlying real estate assets. The valuation is prepared by an independent valuer and is subject to key judgements relating to market conditions. As such the sensitivity analysis for the investment was prepared in consideration of expected market return and level of income. The underlying investment in real estate, unleveraged is £1,274 million. Considering the +/- movement in the yield of up to 20 basis points and a +/- movement in income/ERV of up to 10%, the maximum change in value of the investment is approximately +16.3% /-12.9% or a range in value of investment of £1,107.70 million to £1,478.85 million.

7. TRADE AND OTHER RECEIVABLES

	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
Prepayments	1,017	3,259
Other receivables	500	60,872
	<u>1,517</u>	<u>64,131</u>

Trade and other receivables are neither past due nor impaired.

NBIM GEORGE PARTNERS LP**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016**

8. TRADE AND OTHER PAYABLES	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
Deferred tax liability	552,374	513,418
VAT payable	712,925	304,656
Trade payables	66,860	48,723
Corporation tax payable	15,319	13,485
Intercompany payable (see Note 10)	1	1
	<u>1,347,479</u>	<u>880,283</u>

Trade payables are interest free and have settlement dates within one year.

9. ADMINISTRATIVE EXPENSES

The administrative expenses includes tax fees, the details of which are as follows:

	<u>1 Jan 16</u> <u>to</u> <u>31 Dec 16</u>	<u>1 Jan 15</u> <u>to</u> <u>31 Dec 15</u>
	£	£
Partnership profit for the year	83,171,754	267,650,249
Add tax fees for the year	29,665	27,224
Partnership profit for the year before tax	<u>83,201,419</u>	<u>267,677,473</u>
Add / (deduct) adjusting items:		
Gain on revaluation of financial asset - real estate	(53,897,659)	(241,460,910)
Non-deductible expenses	360,814	671,433
Prior year over accrual of tax	(46)	(29)
Taxable income for the year	<u>29,664,528</u>	<u>26,887,967</u>
Share of General Partner in %	0.50%	0.50%
	<u>148,323</u>	<u>134,440</u>
Corporation tax	20.00%	20.25%
Tax fees	<u>29,665</u>	<u>27,224</u>

The tax fees during the year represent the General Partner's share of the tax due calculated on the taxable income of the Partnership which the Partnership pays on behalf of the General Partner in accordance with the administrative costs deed.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9. ADMINISTRATIVE EXPENSES - (CONTINUED)

The standard rate of Corporation tax in the UK has stayed at 20% with effect from 1st April 2015. Accordingly, the effective rate of tax for the year is 20% (year ended 31 December 2015: 20.25%). In the 2015 Budget presentation, it was announced that the standard rate of Corporation tax is to be reduced to 19% from 2017, and 18% from 2020.

10. RELATED PARTY DISCLOSURES

The General Partner controls the day-to-day operations of the Partnership in accordance with the LPA.

NBIM George BTLP Limited is the Limited Partner, which owns 99.5% of the Partnership's capital.

The Partnership's ultimate parent is Norges Bank which is based in Norway.

During the year a total loan of £7,010,388 (31 December 2015: £5,184,335) was advanced to the Partnership by the Limited Partner in a nominee capacity. Repayments to the Limited Partner in its nominee capacity totalled £25,262,936 (31 December 2015: £13,076,980). As at 31 December 2016 an amount of £548,544,026 (31 December 2015: £566,796,574) remains outstanding and payable to the Limited Partner, see Note 13 for further details.

The Limited Partner acts as Bare Trustee on behalf of its parent Norges Bank. Transactions entered into by the Limited Partner in its capacity as Bare Trustee have been excluded from the financial statements of the Limited Partner on the basis that they are included within the financial statements of Norges Bank which owns any beneficial interest or obligation arising from these transactions.

At 31 December 2016, a total amount of £1 (31 December 2015: £1) was payable to the General Partner (see Note 8).

The Partnership bears expenses and costs on behalf of other related parties under an administrative costs deed signed by all parties in 2011. Under this deed the following costs have been included in the Partnership's expenses for the year:

	1 Jan 16 to 31 Dec 16	1 Jan 15 to 31 Dec 15
	£	£
Burlington Number 1 Limited	11,309	12,042
NBIM George BTLP Limited	22,525	19,063
NBIM George GP Limited	54,678	59,147
NBIM George 1 Nominee Limited	3,205	2,882
NBIM George 2 Nominee Limited	3,205	2,882
	<hr/>	<hr/>
	94,922	96,016
	<hr/>	<hr/>

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10. RELATED PARTY DISCLOSURES - (CONTINUED)

The Partnership's result for the year includes a tax charge of £29,665 (31 December 2015: £27,224) incurred by the General Partner. These are borne by the Partnership under the administrative costs deed. See Note 9 for further details.

The Partnership has borne the cost of directors' emoluments on behalf of other group companies during the year as follows:

	1 Jan 16 to 31 Dec 16	1 Jan 15 to 31 Dec 15
	£	£
Burlington Number 1 Limited	2,163	2,163
NBIM George BTLP Limited	9,600	9,600
NBIM George GP Limited	17,301	17,302
NBIM George 1 Nominee Limited	1,081	1,081
NBIM George 2 Nominee Limited	1,081	1,081
	31,226	31,227

11. IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

NBIM George GP Limited as General Partner of the Partnership is the immediate controlling party.

Norges Bank is considered to be the ultimate controlling party and is the smallest and largest entity which consolidates these financial statements. Norges Bank was incorporated in Norway and its financial statements are available from Bankplassen 2, 0151 Oslo, Norway.

12. SUBSEQUENT EVENTS

There were no material events after the date of the statement of financial position that have a bearing on the understanding of these financial statements.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13. AMOUNTS ATTRIBUTABLE TO THE PARTNERS

a) Movements in Partners' Accounts	Balance brought forward	Capital contributions	Loans advanced during the year (c)	Loans repaid during the year (c)	Profit for the year	Total
31 December 2016	£	£	£	£	£	£
General Partner	3,206,373	-	-	-	415,858	3,622,231
Limited Partner	1,204,864,715	-	7,010,388	(25,262,936)	82,755,896	1,269,368,063
	<u>1,208,071,088</u>	<u>-</u>	<u>7,010,388</u>	<u>(25,262,936)</u>	<u>83,171,754</u>	<u>1,272,990,294</u>

31 December 2015	Balance brought forward	Capital contributions	Loans advanced during the year (c)	Loans repaid during the year (c)	Profit for the year	Total
31 December 2015	£	£	£	£	£	£
General Partner	1,868,122	-	-	-	1,338,251	3,206,373
Limited Partner	946,445,362	-	5,184,335	(13,076,980)	266,311,998	1,204,864,715
	<u>948,313,484</u>	<u>-</u>	<u>5,184,335</u>	<u>(13,076,980)</u>	<u>267,650,249</u>	<u>1,208,071,088</u>

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13. AMOUNTS ATTRIBUTABLE TO THE PARTNERS - (CONTINUED)

b) Cumulative Partners' Accounts

	Capital account	Loan advances (c)	Current account	Total as at 31 Dec 2016
31 December 2016	£	£	£	£
General Partner	500	-	3,621,731	3,622,231
Limited Partner	99,500	548,544,026	720,724,537	1,269,368,063
	<u>100,000</u>	<u>548,544,026</u>	<u>724,346,268</u>	<u>1,272,990,294</u>

	Capital account	Loan advances (c)	Current account	Total as at 31 Dec 2015
31 December 2015	£	£	£	£
General Partner	500	-	3,205,873	3,206,373
Limited Partner	99,500	566,796,574	637,968,641	1,204,864,715
	<u>100,000</u>	<u>566,796,574</u>	<u>641,174,514</u>	<u>1,208,071,088</u>

NBIM GEORGE PARTNERS LP**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****13. AMOUNTS ATTRIBUTABLE TO THE PARTNERS - (CONTINUED)****c) Loan advances**

The details of the Partners' loan advances were as follows:

	<u>31 Dec 16</u>	<u>31 Dec 15</u>
	£	£
Balance brought forward	566,796,574	574,689,219
Drawdowns during the year	7,010,388	5,184,335
Repayments during the year	(25,262,936)	(13,076,980)
	<u>548,544,026</u>	<u>566,796,574</u>

The loan advances are non-interest bearing and shall be repayable to the Lender after a twelve month written notice period given by the Lender. No such demand was received by the Partnership to the date of the signing of the financial statements.