

Company No. 07447018

NBIM GEORGE GP LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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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 (resigned: 28 July 2017)
Berit Stokke
Egil Stryse (appointed: 28 July 2017)
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

Queensberry House
3 Old Burlington Street
London
W1S 3AE

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 2017.

INCORPORATION

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

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 2017 amounted to £705,473 (31 December 2016: £415,858).

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 2017 (31 December 2016: £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 (resigned: 28 July 2017)

Berit Stokke

Egil Stryse (appointed: 28 July 2017)

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 investment in the Partnership, the investments in the Subsidiaries, trade and other receivables and trade and other payables.

The main risks arising from the Company's financial instruments are liquidity risk and market 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 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.

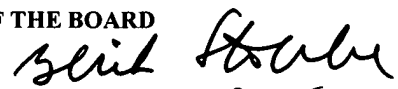
So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware and he/she has taken all the steps he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor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


BEATE STALKE


MATTHEW FELLOWS

11 May 2018

Independent auditor's report to the members of NBIM George GP Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of NBIM George GP Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the cash flow statement;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Report on other legal and regulatory requirements**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

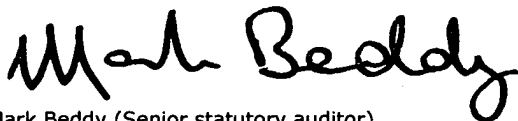
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.



Mark Beddy (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 22 May 2018

NBIM GEORGE GP LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	<u>Notes</u>	<u>31 Dec 17</u>	<u>31 Dec 16</u>
		£	£
ASSETS			
NON-CURRENT ASSETS			
Investment in Partnership	5	4,327,704	3,622,231
Investments in Subsidiaries	6	2	2
		<u>4,327,706</u>	<u>3,622,233</u>
CURRENT ASSETS			
Trade and other receivables	7	1	1
		<u>4,327,707</u>	<u>3,622,234</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	2	2
		<u>2</u>	<u>2</u>
EQUITY			
Share capital	10	501	501
Retained earnings		4,327,204	3,621,731
		<u>4,327,705</u>	<u>3,622,232</u>
TOTAL LIABILITIES AND EQUITY			
		<u>4,327,707</u>	<u>3,622,234</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 11 day of May 2018 and were signed on its behalf

Director: Britt Stokke
BRITT STOKKE

Matthew Fellows
MATTHEW FELLOWS

(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 2017**

	1 Jan 17 to 31 Dec 17	1 Jan 16 to 31 Dec 16
	£	£
INCOME		
Fair value gain in the year	705,473	415,858
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME	705,473	415,858

Continuing operations

All items dealt with in arriving at the results for the years ended 31 December 2017 and 31 December 2016 relate to continuing operations.

Other comprehensive income

No other comprehensive income was derived during the years ended 31 December 2017 and 31 December 2016.

(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 2017**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	£	£	£
Balance at 1 January 2016	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
Profit for the year and total comprehensive income	-	705,473	705,473
Balance at 31 December 2017	501	4,327,204	4,327,705

(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 2017**

	1 Jan 17 to 31 Dec 17 £	1 Jan 16 to 31 Dec 16 £
Cash flows from operating activities		
Profit for the year and total comprehensive income	705,473	415,858
Adjusted for:		
Fair value gain in the year	(705,473)	(415,858)
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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 functional and presentation 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 £4,327,705 as at 31 December 2017 (31 December 2016: £3,622,232) and all expenses and costs are borne by the Partnership under an administrative costs deed. 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'.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2017

- IAS 7 'Statement of Cash Flows' amendment was issued in January 2016 and became effective for periods beginning 1 January 2017.

The amendment requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including non-cash changes and changes arising from cash flows.

This amendment does not have any impact on the Company's financial position, performance or disclosures in its financial statements.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2017 and not early adopted by the Company

- IFRS 9 'Financial Instruments' was issued in July 2014 and will become effective for periods beginning on or after 1 January 2018.
- IFRS 15 'Revenue from Contracts with Customers' was issued in May 2014 and will become effective for periods beginning on or after 1 January 2018.
- IFRS 16 'Leases' was issued in January 2016 and will become effective for periods beginning on or after 1 January 2019.

The new standards are not expected to have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

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.

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.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial assets - (continued)

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 the investment in the Partnership, the investments in the Subsidiaries, trade and other receivables.

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 financial statements.

The fair value hierarchy has been disclosed in Note 3.

The fair value of the investments as at 31 December 2017 amounted to £4,327,706 (31 December 2016: £3,622,233).

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.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial liabilities - (continued)

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 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 2017****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 investment in the Partnership, the investments in the Subsidiaries, 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 2017	Assets at fair value through profit or loss	Loans and receivables	Other financial liabilities at amortised cost	Total
	£	£	£	£
Financial assets				
Investment in Partnership	4,327,704	-	-	4,327,704
Investments in Subsidiaries	2	-	-	2
Trade and other receivables	-	1	-	1
Financial liabilities				
Trade and other payables	-	-	(2)	(2)
	<u>4,327,706</u>	<u>1</u>	<u>(2)</u>	<u>4,327,705</u>

The main risks arising from the Company's financial instruments are liquidity risk and market 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.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****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 2017	£	£	£
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 2016	£	£	£
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 exchange risk as its operational activities and investments are conducted in its functional 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 intercompany payables as at the statement of financial position date.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****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 17</u>		<u>31 Dec 16</u>	
	Cost	Fair value	Cost	Fair value
	£	£	£	£
Investment in Partnership	500	4,327,704	500	3,622,231
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 2017

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 2017	Level 1	Level 2	Level 3
	£	£	£
Investment in Partnership	-	-	4,327,704
Investments in Subsidiaries	-	-	2
Trade and other receivables	-	1	-
Trade and other payables	-	(2)	-
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)	-

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 £14,424 (31 December 2016: £17,301), which was borne by the Partnership under an administrative costs deed signed in 2011.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****5. INVESTMENT IN PARTNERSHIP**

	<u>31 Dec 17</u>	<u>31 Dec 16</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	3,621,731	3,205,873
Fair value gain during the year	705,473	415,858
Fair value gain at the end of the year	4,327,204	3,621,731
Fair value	4,327,704	3,622,231

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 2017, the Partnership has a net asset value of £1,568,065,644 (31 December 2016: £1,272,990,294).

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 17</u>	<u>31 Dec 16</u>
	£	£
Cost at the start of the year	2	2
Cost at the 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 are NBIM George 1 Nominee Limited and NBIM George 2 Nominee Limited whose registered office addresses are Queensberry House, 3 Old Burlington Street, London, W1S 3AE. These Subsidiaries have remained dormant during the year.

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****7. TRADE AND OTHER RECEIVABLES**

	<u>31 Dec 17</u>	<u>31 Dec 16</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 17</u>	<u>31 Dec 16</u>
	£	£
Amounts due to related parties (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 2017 (31 December 2016: £nil).

10. SHARE CAPITAL

	<u>31 Dec 17</u>	<u>31 Dec 16</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 NBIM Burlington Holdings Limited (the "Parent Company"). The immediate parent for the year ended 31 December 2016 and for the period from 1 January 2017 to 18 December 2017 was Burlington Number 1 Limited. The Company acts as General Partner to the Partnership.

At 31 December 2017, a total amount of £1 (31 December 2016: £1) was receivable from the Partnership (see Note 7).

At 31 December 2017, a total amount of £2 (31 December 2016: £2) was payable by the Company to the Subsidiaries at £1 each (see Note 8).

NBIM GEORGE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11. RELATED PARTY DISCLOSURES - (CONTINUED)

During the year, expenses of £28,475 (31 December 2016: £54,678) were borne by the Partnership on behalf of the Company under an administrative costs deed signed in 2011.

A total amount of £36,139 (31 December 2016: £29,665) was incurred by the Company representing its tax charge for the year. 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

On 18 December 2017, Burlington Number 1 Limited transferred its shares in the Company to NBIM Burlington Holdings Limited, another subsidiary of Norges Bank, which is now the sole shareholder and 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 established in Norway and its financial statements are available from Bankplassen 2, 0151 Oslo, Norway.

13. AUDITOR'S REMUNERATION

Audit fees of £4,000 (31 December 2016: £3,980) 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
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 (resigned: 28 July 2017)

Berit Stokke

Egil Stryse (appointed: 28 July 2017)

John Wythe

LIMITED PARTNER

NBIM BTLP Limited
(formerly known as NBIM George BTLP Limited)
Queensberry House
3 Old Burlington Street
London
W1S 3AE

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

REGISTRATION NO.

LP014218

GENERAL PARTNER

NBIM George GP Limited
Queensberry House
3 Old Burlington Street
London
W1S 3AE

INDEPENDENT AUDITOR

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

REGISTERED OFFICE

Queensberry House
3 Old Burlington Street
London
W1S 3AE

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 2017.

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 £184,630,212 (31 December 2016: £11,731,604), taking the total investment to £835,153,316. The additions during the year include add-on investments to 10 Piccadilly, Block W9 and development funding, as well as an increase in interest from 25% to 50% in Quadrant 3, all of which are part of the Crown Estate's property portfolio. The investment in the RSE provides the Partnership with the right to receive 25% of the net operating income of RSE, with the exception of the Quadrant 3 property, whereby from 1 September 2017, the Partnership is entitled to receive 50% of the net operating income from this property. 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 £141,094,602 (31 December 2016: £83,171,754).

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 17</u>	<u>31 Dec 16</u>
	£	£
Net asset value (NAV)	1,568,065,644	1,272,990,294
Market value of financial asset - real estate	1,568,671,250	1,273,776,256

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 financial asset - real estate, trade and other receivables, cash and cash equivalents, 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 through its financial asset - real estate. 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 financial asset - real estate, to the extent that this is exposed to general and specific market movements due to the volatility of the property market. 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 2016: nil).

FUTURE DEVELOPMENTS

The Partnership will continue to hold the financial asset - real estate to earn investment income and for capital appreciation.

BY ORDER OF THE BOARD

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


BEN STOKKE

Date: 11 May 2018


MATTHEW FELLOWS

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 2017.

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 £141,094,602 (31 December 2016: £83,171,754) with a net asset value of £1,568,065,644 (31 December 2016: £1,272,990,294). The General Partner does not propose the payment of a distribution in respect of the year ending 31 December 2017 (31 December 2016: £nil).

The Partners as at 31 December 2017 and their interests in the capital and current accounts were as follows:

	Capital account	Loan advances	Current account
	£	£	£
NBIM George GP Limited	500	-	4,327,204
NBIM BTLP Limited	99,500	702,524,774	861,113,666
	<u>100,000</u>	<u>702,524,774</u>	<u>865,440,870</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 of the persons 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 (the "LPA") require the General Partner to prepare financial statements which shall be in accordance with generally accepted accounting principles. In accordance with the LPA the General Partner has 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") and part VII of the Companies Act 2006, as required by the Regulations. 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


BENT STOKKE

Date: 11 May 2018



6 MATTHEW FELLOWS

Independent auditor's report to the members of NBIM George Partners LP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the partnership's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

We have audited the financial statements of NBIM George Partners LP (the 'partnership') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in partners' interests;
- the statement of cash flows;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of the general partner

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, and for such internal control as the general partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless the general partner either intends to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the general partner, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the general partner 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 general partner as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the general partner and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the general partner has been prepared in accordance with applicable legal requirements.

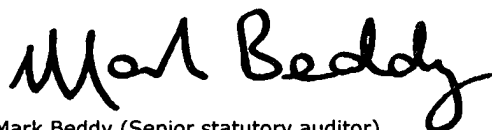
In the light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the report of the general partner or the strategic report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Mark Beddy (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

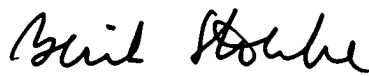
Date: 22 May 2018

NBIM GEORGE PARTNERS LP**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	<u>Notes</u>	<u>31 Dec 17</u>	<u>31 Dec 16</u>
		£	£
ASSETS			
NON-CURRENT ASSETS			
Financial asset - real estate	7	1,568,671,250	1,273,776,256
CURRENT ASSETS			
Trade and other receivables	8	25,897	1,517
Cash and cash equivalents		1,706,655	560,000
		1,732,552	561,517
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	(2,338,158)	(1,347,479)
NET CURRENT LIABILITIES		(605,606)	(785,962)
NET ASSETS		1,568,065,644	1,272,990,294
AMOUNTS ATTRIBUTABLE TO THE PARTNERS			
Partners' capital	14	100,000	100,000
Partners' loans	14	702,524,774	548,544,026
Partners' current account	14	865,440,870	724,346,268
		1,568,065,644	1,272,990,294

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 11 day of May 2018 and were signed on its behalf by:

Director:



BENT STOKKE



MATTHEW FELLOWS.

(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 2017**

	Notes	1 Jan 17 to 31 Dec 17 £	1 Jan 16 to 31 Dec 16 £
INCOME			
Investment income		37,761,831	29,793,503
TOTAL INCOME		37,761,831	29,793,503
EXPENSES			
Transaction costs		(6,684,753)	(262,085)
Administrative expenses	10	(250,910)	(257,323)
TOTAL EXPENSES		(6,935,663)	(519,408)
OPERATING PROFIT	5	30,826,168	29,274,095
Gain on revaluation of financial asset - real estate	7	110,264,782	53,897,659
Finance income	6	3,652	-
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		141,094,602	83,171,754

Continuing operations

All items dealt with in arriving at the results for the years ended 31 December 2017 and 31 December 2016 relate to continuing operations.

Other comprehensive income

No other comprehensive income was derived during the years ended 31 December 2017 and 31 December 2016.

(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 2017**

	<u>Notes</u>	<u>General Partner</u>	<u>Limited Partner</u>	<u>Total</u>
		£	£	£
Balance at 1 January 2016		3,206,373	1,204,864,715	1,208,071,088
Loans advanced by the Limited Partner	14	-	7,010,388	7,010,388
Loans repaid to the Limited Partner	14	-	(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>3,622,231</u>	<u>1,269,368,063</u>	<u>1,272,990,294</u>
Loans advanced by the Limited Partner	14	-	210,880,427	210,880,427
Loans repaid to the Limited Partner	14	-	(56,899,679)	(56,899,679)
Profit for the year and total comprehensive income		705,473	140,389,129	141,094,602
Balance at 31 December 2017		<u><u>4,327,704</u></u>	<u><u>1,563,737,940</u></u>	<u><u>1,568,065,644</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 2017**

	Notes	1 Jan 17 to 31 Dec 17 £	1 Jan 16 to 31 Dec 16 £
Cash flows from operating activities			
Profit for the year and total comprehensive income		141,094,602	83,171,754
Adjustments for:			
Gain on revaluation of financial asset - real estate	7	(110,264,782)	(53,897,659)
Finance income		(3,652)	-
Changes in working capital			
(Increase) / decrease in trade and other receivables		(24,380)	62,614
Increase in trade and other payables		990,679	467,196
Net cash generated from operating activities		31,792,467	29,803,905
Cash flows from investing activities			
Investment in the financial asset - real estate	7	(184,630,212)	(11,731,604)
Finance income received		3,652	-
Net cash used in investing activities		(184,626,560)	(11,731,604)
Cash flows from financing activities			
Proceeds from the Limited Partner's loan advances	14	210,880,427	7,010,388
Repayment of the Limited Partner's loan	14	(56,899,679)	(25,262,936)
Net cash generated from / (used in) financing activities		153,980,748	(18,252,548)
Net increase / (decrease) in cash and cash equivalents		1,146,655	(180,247)
Cash and cash equivalents at the beginning of the year		560,000	740,247
Cash and cash equivalents at the end of the year		1,706,655	560,000

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

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 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 functional and presentation currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the General Partner 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 and that the Partnership's financial statements therefore fairly present the financial position and results.

Going concern

The Partnership has a net asset position of £1,568,065,644 as at 31 December 2017 (31 December 2016: £1,272,990,294). Partners' loans of £702,524,774 were outstanding as at 31 December 2017 (31 December 2016: £548,544,026). 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 £17,620,509 (2016: £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 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2017

- IAS 7 'Statement of Cash Flows' amendment was issued in January 2016 and became effective for periods beginning 1 January 2017.

The amendment requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including non-cash changes and changes arising from cash flows.

This amendment does not have any impact on the Partnership's financial position or performance but has resulted in extra disclosures.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2017 and not early adopted by the Partnership.

- IFRS 9 'Financial Instruments' was issued in July 2014 and will become effective for periods beginning on or after 1 January 2018.
- IFRS 15 'Revenue from Contracts with Customers' was issued in May 2014 and will become effective for periods beginning on or after 1 January 2018.
- IFRS 16 'Leases' was issued in January 2016 and will become effective for periods beginning on or after 1 January 2019.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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 the financial asset - real estate, trade and other receivables and cash and cash equivalents.

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 year in which they arise.

Investment in real estate consists of the financial asset - real estate, see Note 7 for further information. At each reporting date, real estate investments are adjusted to reflect their fair values as estimated by an external professional independent valuation specialist.

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).

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****Fair value measurement - (continued)**

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 financial statements.

The fair value hierarchy has been disclosed in Note 4.

The fair value of the financial asset - real estate as at 31 December 2017 amounted to £1,568,671,250 (31 December 2016: £1,273,776,256).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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, with the exception of the Quadrant 3 property, whereby from 1 September 2017, the investment income represents 50% of the net operating income from this property. Investment income 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 year 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 independent valuation specialists, and stamp duty. Transaction costs are expensed as incurred.

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.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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 the General Partner 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 external professional independent valuation specialist in the United Kingdom was appointed to provide independent comprehensive annual and quarterly valuation services, under a Statement of Works dated 1 April 2016.

The valuation was prepared in accordance with IFRS together with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards (“IVS”) and the RICS UK Valuation Standards (the “RICS Red Book”), whereby the 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 an external professional independent valuation specialist by reference to market evidence of transactions for similar properties.

The fair value of investment properties is principally determined using the income capitalisation approach. Under this approach, forecast net cash flows, based upon current market derived estimated rental values (market rents) together with estimated costs, are discounted at market derived capitalisation rates to produce the independent valuation specialist's opinion of fair value. The average discount rate, which, if applied to all cash flows would produce the fair value, is described as the equivalent yield.

Where applicable, development properties, are valued using a residual valuation method. Under this methodology, the independent valuation specialist assesses the completed development value using income and yield assumptions. Deductions are then made for estimated costs to complete, including finance and developer's profit, to arrive at the valuation. As the development approaches completion, the independent valuation specialist may consider the income capitalisation approach to be more appropriate.

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) an equivalent yield of 3.62% (31 December 2016: 3.75%) and
- c) in addition, various assumptions have been made in consideration of non-recoverable running costs and likely future capital expenditure.

The General Partner has approved the valuation report prepared by the external professional independent valuation specialist following a review of the assumptions used, as well as the resulting valuations.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****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.

The Partnership's financial instruments consist of the financial asset - real estate, trade and other receivables, cash and cash equivalents, 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 2017

	Assets at fair value through profit or loss	Loans and receivables	Other financial liabilities at amortised cost	Total
	£	£	£	£
Financial assets				
Financial asset - real estate	1,568,671,250	-	-	1,568,671,250
Trade and other receivables	-	25,897	-	25,897
Cash and cash equivalents	-	1,706,655	-	1,706,655
Financial liabilities				
Trade and other payables	-	-	(2,338,158)	(2,338,158)
Partners' loans	-	-	(702,524,774)	(702,524,774)
	<u>1,568,671,250</u>	<u>1,732,552</u>	<u>(704,862,932)</u>	<u>865,540,870</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 through its financial asset - real estate. 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

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****4. 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.

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

31 December 2017	<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	25,897	-	-	25,897
Cash and cash equivalents	1,706,655	-	-	1,706,655
Total financial assets	1,732,552	-	-	1,732,552
Trade and other payables	2,338,158	-	-	2,338,158
Partners' loans	-	-	702,524,774	702,524,774
Total financial liabilities	2,338,158	-	702,524,774	704,862,932

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
Cash and cash equivalents	560,000	-	-	560,000
Total financial assets	561,517	-	-	561,517
Trade and other payables	1,347,479	-	-	1,347,479
Partners' loans	-	-	548,544,026	548,544,026
Total financial liabilities	1,347,479	-	548,544,026	549,891,505

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

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4. FINANCIAL RISK MANAGEMENT - (CONTINUED)

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 financial asset - real estate, to the extent that this is exposed to general and specific market movements due to the volatility of the property market. The General Partner reviews these risks on a quarterly basis.

i) Foreign exchange risk

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

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 RSE portfolio 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 7.

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.

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

A sensitivity analysis has been included in Note 7.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****4. FINANCIAL RISK MANAGEMENT - (CONTINUED)****c) Market risk - (continued)****iv) Fair value**

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

	<u>31 Dec 17</u>		<u>31 Dec 16</u>	
	Cost	Fair value	Cost	Fair value
	£	£	£	£
Financial asset - real estate	835,153,316	1,568,671,250	650,523,104	1,273,776,256
Trade and other receivables	25,897	25,897	1,517	1,517
Cash and cash equivalents	1,706,655	1,706,655	560,000	560,000
Trade and other payables	(2,338,158)	(2,338,158)	(1,347,479)	(1,347,479)
Partners' loans	(702,524,774)	(702,524,774)	(548,544,026)	(548,544,026)

Financial asset - real estate comprises the Partnership's investment in RSE. The investment in RSE has been valued by an external professional independent valuation specialist. The fair value has primarily been derived using comparable recent market transactions on arm's length terms and market knowledge from the independent valuation specialist's agency experience. The fair value of all other financial assets and financial liabilities approximates their carrying value.

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.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****4. FINANCIAL RISK MANAGEMENT - (CONTINUED)****c) 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 2017	Level 1	Level 2	Level 3
	£	£	£
Financial asset - real estate	-	-	1,568,671,250
Trade and other receivables	-	25,897	-
Cash and cash equivalents	1,706,655	-	-
Trade and other payables	-	(2,338,158)	-
Partners' loans	-	(702,524,774)	-
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)	-

For further information on the fair value technique of the financial asset - real estate, please refer to Note 7.

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.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****5. OPERATING PROFIT**

The operating profit is stated after charging:

	1 Jan 17 to 31 Dec 17	1 Jan 16 to 31 Dec 16
	£	£
Audit fees payable to the Partnership's auditor for the audit of the financial statements	18,500	19,850
Tax fees (see Note 10)	36,139	29,665

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	7,500	9,000
Fees payable to the Partnership's auditor and its associates for other services		
- The audit of related parties	11,000	10,850
	<u>18,500</u>	<u>19,850</u>

6. FINANCE INCOME

	1 Jan 17 to 31 Dec 17	1 Jan 16 to 31 Dec 16
	£	£
Other interest income	<u>3,652</u>	<u>-</u>

7. FINANCIAL ASSET - REAL ESTATE

	31 Dec 17	31 Dec 16
	£	£
Regent Street Estate ("RSE")		
Fair value at the beginning of the year	1,273,776,256	1,208,146,993
Subsequent additions	184,630,212	11,731,604
Gain on revaluation	110,264,782	53,897,659
	<u>1,568,671,250</u>	<u>1,273,776,256</u>

In 2011 the Partnership acquired the right to receive 25% of the net operating income generated by the RSE portfolio for 150 years from 1 April 2011 to 2 March 2161. This percentage has remained constant until the interest in Quadrant 3 of the RSE portfolio was increased to 50% in 2017.

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7. FINANCIAL ASSET - REAL ESTATE - (CONTINUED)

During the year the Partnership made further additions to its investment in the Regent Street Estate ("RSE"). The additions during the year include add-on investments to 10 Piccadilly, Block W9 and development funding, as well as an increase in interest from 25% to 50% in Quadrant 3, all of which are part of the Crown Estate's property portfolio. The investment in the RSE provides the Partnership with the right to receive 25% of the net operating income of RSE, with the exception of the Quadrant 3 property, whereby from 1 September 2017, the Partnership is entitled to receive 50% of the net operating income from this property.

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 £184,630,212 (31 December 2016: £11,731,604).

The Partnership's investment was valued as at 31 December 2017 at £1,568,671,250 (31 December 2016: £1,273,776,256) by a professionally qualified independent valuation specialist. The valuation was prepared in accordance with the Statement of Works dated 1 April 2016.

The external professional independent valuation specialist used an analysis of comparable recent market transactions on arm's length terms and market knowledge from the independent valuation specialist's agency experience to value the completed properties within the RSE portfolio. For all properties classed as development, the external professional independent valuation specialist 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. By necessity a valuation requires the independent valuation specialist to make subjective judgements that, even if logical and appropriate may differ from those made by a purchaser, or another independent valuation specialist. Property values can change substantially over short periods of time.

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 valuation specialist 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 £1,530.42 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 +15.6% /-13.7% or a range in value of investment of £1,769.36 million to £1,321.39 million.

8. TRADE AND OTHER RECEIVABLES

	<u>31 Dec 17</u>	<u>31 Dec 16</u>
	£	£
Prepayments	671	1,017
Other receivables	25,226	500
	<u>25,897</u>	<u>1,517</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 2017**

9. TRADE AND OTHER PAYABLES	<u>31 Dec 17</u>	<u>31 Dec 16</u>
	£	£
VAT payable	1,643,939	712,925
Deferred tax liability	564,160	552,374
Trade payables	111,150	66,860
Corporation tax payable	18,908	15,319
Amount due to a related party (see Note 11)	1	1
	<hr/>	<hr/>
	2,338,158	1,347,479
	<hr/>	<hr/>

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

10. ADMINISTRATIVE EXPENSES

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

	<u>1 Jan 17</u>	<u>1 Jan 16</u>
	to	to
	<u>31 Dec 17</u>	<u>31 Dec 16</u>
	£	£
Partnership profit for the year	141,094,602	83,171,754
Add tax fees for the year	36,139	29,665
	<hr/>	<hr/>
Partnership profit for the year before tax	141,130,741	83,201,419
Add / (deduct) adjusting items:		
Gain on revaluation of financial asset - real estate	(110,264,782)	(53,897,659)
Non-deductible expenses	6,728,097	360,814
Prior year over accrual of tax	-	(46)
	<hr/>	<hr/>
Taxable income for the year	37,594,056	29,664,528
Share of General Partner in %	0.50%	0.50%
	<hr/>	<hr/>
	187,970	148,323
Corporation tax	19.25%	20.00%
	<hr/>	<hr/>
Tax fees	36,184	29,665
	<hr/>	<hr/>
Prior period adjustment	(45)	-
	<hr/>	<hr/>
Tax fees for the year	36,139	29,665
	<hr/>	<hr/>

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10. ADMINISTRATIVE EXPENSES - (CONTINUED)

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.

The standard rate of Corporation tax in the UK was reduced to 19% with effect from 1 April 2017. Accordingly, the effective rate of tax for the year is 19.25% (year ended 31 December 2016: 20%). In the 2015 Budget presentation, it was announced that the standard rate of Corporation tax is to be reduced to 18% from 1 April 2020.

11. RELATED PARTY DISCLOSURES

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

NBIM BTLP Limited (formerly known as NBIM George BTLP Limited) acts as the Limited Partner to the Partnership and owns 99.5% of the Partnership's capital.

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.

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 17 to 31 Dec 17	1 Jan 16 to 31 Dec 16
	£	£
Burlington Number 1 Limited	8,817	11,309
NBIM BTLP Limited	17,497	22,525
NBIM George GP Limited	28,475	54,678
NBIM George 1 Nominee Limited	4,730	3,205
NBIM George 2 Nominee Limited	4,730	3,205
	<hr/>	<hr/>
	64,249	94,922
	<hr/>	<hr/>

At 31 December 2017, a total amount of £1 (31 December 2016: £1) was payable to the General Partner (see Note 9).

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****11. RELATED PARTY DISCLOSURES - (CONTINUED)**

During the year a total loan of £210,880,427 (31 December 2016: £7,010,388) was advanced to the Partnership by the Limited Partner in a nominee capacity. Repayments to the Limited Partner in its nominee capacity totalled £56,899,679 (31 December 2016: £25,262,936). As at 31 December 2017 an amount of £702,524,774 (31 December 2016: £548,544,026) remains outstanding and payable to the Limited Partner, see Note 14 for further details.

The Partnership's result for the year includes a tax charge of £36,139 (31 December 2016: £29,665) incurred by the General Partner. These are borne by the Partnership under the administrative costs deed. See Note 10 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 17 to 31 Dec 17	1 Jan 16 to 31 Dec 16
	£	£
Burlington Number 1 Limited	1,803	2,163
NBIM BTLP Limited	9,600	9,600
NBIM George GP Limited	14,424	17,301
NBIM George 1 Nominee Limited	902	1,081
NBIM George 2 Nominee Limited	902	1,081
	<hr/>	<hr/>
	27,631	31,226
	<hr/>	<hr/>

12. 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 established in Norway and its financial statements are available from Bankplassen 2, 0151 Oslo, Norway.

13. 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 2017****14. AMOUNTS ATTRIBUTABLE TO THE PARTNERS****a) Movements in Partners' Accounts**

	Balance brought forward	Loans advanced during the year (c)	Loans repaid during the year (c)	Profit for the year	Total
31 December 2017	£	£	£	£	£
General Partner	3,622,231	-	-	705,473	4,327,704
Limited Partner	1,269,368,063	210,880,427	(56,899,679)	140,389,129	1,563,737,940
	<u>1,272,990,294</u>	<u>210,880,427</u>	<u>(56,899,679)</u>	<u>141,094,602</u>	<u>1,568,065,644</u>

	Balance brought forward	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>7,010,388</u>	<u>(25,262,936)</u>	<u>83,171,754</u>	<u>1,272,990,294</u>

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****14. AMOUNTS ATTRIBUTABLE TO THE PARTNERS - (CONTINUED)****b) Cumulative Partners' Accounts**

	Capital account	Loan advances (c)	Current account	Total as at 31 Dec 2017
31 December 2017	£	£	£	£
General Partner	500	-	4,327,204	4,327,704
Limited Partner	99,500	702,524,774	861,113,666	1,563,737,940
	<u>100,000</u>	<u>702,524,774</u>	<u>865,440,870</u>	<u>1,568,065,644</u>

	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>

NBIM GEORGE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2017****14. AMOUNTS ATTRIBUTABLE TO THE PARTNERS - (CONTINUED)****c) Loan advances**

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

	<u>31 Dec 17</u>	<u>31 Dec 16</u>
	£	£
Balance brought forward	548,544,026	566,796,574
Drawdowns during the year	210,880,427	7,010,388
Repayments during the year	(56,899,679)	(25,262,936)
	<u>702,524,774</u>	<u>548,544,026</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.