

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717
ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717

CONTENTS

	Pages
Directors, Officers and Other Information	2
Directors' Report	3 – 5
Independent Auditor's Report	6 – 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 – 19

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors

Robert Peto (retired 25 August 2020)
Mike Balfour
James Clifton-Brown
Jill May
Sarah Slater

Independent Auditor

Deloitte LLP
Regency Court
Gategny Esplanade
Guernsey
United Kingdom
GY1 3HW

Registered Office

Bow Bells House
1 Bread Street
London
EC4M 9HH

Company Number

Registered in England and Wales: No. 08680717

Other Information

Standard Life Investments SLIPIT (General Partner) Limited (the 'Company') is a wholly owned subsidiary of Standard Life Investments Property Holdings Limited.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their annual report and audited financial statements of the Company for the year ended 31 December 2020.

Directors

The current Directors of the Company and those in office throughout the year are as follows:

R H Peto (retired 25 August 2020)
M Balfour
J B Clifton-Brown
Jill May
Sarah Slater

Principal Activity

The principal activity of the Company is to act as the General Partner of Standard Life Investments (SLIPIT) Limited Partnership (the 'Partnership') which is engaged in the business of property investment. The Company does not hold any capital investment in the Partnership but is entitled to a priority income distribution of an amount equal to its expenses paid by the Partnership in the year. The Partnership is a partnership within the meaning of the Limited Partnership Act 1907.

The Company also holds a £1 ordinary share in Standard Life Investments (SLIPIT Nominee) Limited, a company set up to hold legal title of the properties held in the Partnership.

Future Development

Given the low cost base and netting Priority Partnership income, the Directors expect the Directors expect the level of activity to be maintained in the foreseeable future.

Going Concern

The Directors have considered the basis of preparation of the accounts given the COVID-19 pandemic and believe that it is still appropriate for the accounts to be prepared on the going concern basis.

The Directors have a reasonable expectation that the Company will be able to continue in operational existence and to have adequate resources to meet its liabilities as they fall due over the next twelve months given the support provided by Standard Life Investments Property Holdings Ltd as noted in Note 3(d). Therefore, the Directors continue to adopt the going concern basis of accounting when preparing the annual financial statements.

Financial Instruments

The business of the Company includes use of financial instruments. Details of the Company's risk management objectives and policies, and exposures to market risk, operational risk and liquidity risk in relation to financial instruments are detailed below.

Independent Auditor

Deloitte LLP have been appointed as independent auditor of the Company in accordance with the provisions of the Companies Act 2006.

Qualifying Indemnity Provisions

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

Dividend

The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2020 (2019: £nil).

Employees

The Company has no employees (2019: Nil).

Strategic Report

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 382 of the Companies Act 2006 relating to small companies.

Principal Risks and Uncertainties

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

Management of financial and non-financial risks

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

Market Risk

The Company does not have a significant exposure to market risk.

Operational Risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Company's approach to operational risk are set out in the Consolidated financial statements of the Group, which can be found at <https://www.aberdeenstandard.com/docs?documentId=GB-120521-149261-4>.

Liquidity Risk

The Company does not have a significant exposure to liquidity risk. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The Directors monitor the maturity of the Company's obligations as and when they fall due.

Disclosure of Information to the Independent Auditor

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

- So far as the Director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the Partnership's auditors are unaware; and
- Each director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

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

Subsequent Events

Subsequent events post the year end are set out in note 15 to the accounts.

Other Disclosures

During the year ended 31 December 2020 there were no political contributions (2019: none).

The immediate parent undertaking of the General Partner is Standard Life Investments Property Holdings Limited, whose ultimate parent undertaking is Standard Life Investments Property Income Trust Limited, a company incorporated in Guernsey.

Standard Life Investments Property Income Trust Limited is the parent undertaking of both the largest and the smallest group of undertakings to consolidate the financial statements at 31 December 2020. The consolidated financial statements of Standard Life Investments Property Income Trust Limited are available on application to:

Group Company Secretary
Standard Life Investments Property Income Trust Limited
Trafalgar Square
15, Bankes
St Peter Port
Guernsey
GU1 3QJ

And are also available to download at www.slipit.co.uk

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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 Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify partners, in writing about the use of disclosure exemptions, if any, on FRS 102 used in the preparation of 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 Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006 as applicable to qualifying partnerships. It is 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 this report, the Directors have taken advantage of the exemption for small companies, in accordance with Section 415(A) of the Companies Act 2006.

On behalf of the Board



Michael Ballour
Director of Standard Life Investments SLIPIT (General Partner) Limited
29 July 2021

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717

Independent auditor's report to the members of Standard Life Investments SLIPIT (General Partner) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Standard Life Investments SLIPIT (General Partner) Limited ("the company"):

- give a true and fair view of the state of the company's affairs as at 31st December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED

Registered in England and Wales: No. 08680717

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include the Companies Act 2006; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the qualifying partnership's ability to operate or to avoid a material penalty. These include the Companies Act 2006.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717

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.

John Clacy (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Peter Port, Guernsey

29 July 2021

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

		31 Dec 2020	31 Dec 2019
	<u>Notes</u>	<u>£</u>	<u>£</u>
Turnover		6,343	6,327
Administrative expenses	5	(5,999)	(6,495)
Profit/(loss) before tax		344	(168)
Taxation	6	-	-
Total comprehensive income/(loss) for the year		344	(168)

Continuing Operations

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2020 and 31 December 2019 relate to continuing operations.

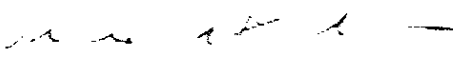
(The notes on pages 12 to 19 form an integral part of these financial statements)

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales, No. 08680717

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31 Dec 2020 £	31 Dec 2019 £
Fixed Assets			
Investments	7	<u>1</u>	<u>1</u>
Current Assets			
Debtors	8	<u>1</u>	<u>1</u>
		1	1
Creditors: Amounts due falling within one year	9	<u>(5,983)</u>	<u>(6,327)</u>
Net current liabilities		<u>(5,982)</u>	<u>(6,326)</u>
Net liabilities attributable to shareholders		<u>(5,981)</u>	<u>(6,325)</u>
Capital and Reserves			
Called up share capital	10	1	1
Profit and loss account		<u>(5,982)</u>	<u>(6,326)</u>
Total shareholders' deficit		<u>(5,981)</u>	<u>(6,325)</u>

These audited financial statements were approved and authorised for issue by the Board on 29 July 2021 and were signed on its behalf by


Michael Baifour
Director of Standard Life Investments SLIPIT (General Partner) Limited

(The notes on pages 12 to 19 form an integral part of these financial statements)

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share Capital	Profit and loss account	Total equity
	£	£	£
Opening balance at 1 January 2020	1	(6,326)	(6,325)
Total comprehensive income for the year	-	344	344
Balance at 31 December 2020	1	(5,982)	(5,981)

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share Capital	Profit and loss account	Total equity
	£	£	£
Opening balance at 1 January 2019	1	(6,158)	(6,157)
Total comprehensive loss for the year	-	(168)	(168)
Balance at 31 December 2019	1	(6,326)	(6,325)

(The notes on pages 12 to 19 form an integral part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General Information

Standard Life Investments SLIPIT (General Partner) Limited (the 'Company') act as the General Partner of Standard Life Investments (SLIPIT) Limited Partnership (the 'Partnership') which is engaged in the business of property investment.

The Company incorporated in the United Kingdom and registered in England and Wales is registered as a private company limited by its shares and its registered address is Bow Bells House, 1 Bread Street, London, EC4M 9BE.

2. Statement of Compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies Act 2006.

3. Accounting Policies

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have all been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of accounting

As noted in note 3(d), the financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The functional currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has taken advantage of the exemptions under Section 400 of the Companies Act 2006 not to prepare group financial statements as it and its subsidiaries are included in the consolidated financial statements of Standard Life Investments Property Income Trust Limited which are publicly available as noted in note 14.

(b) Cash flow statement

The Company as a qualifying entity has taken advantage of the exemption from preparing a cash flow statement conferred by FRS 102.

(c) Strategic report

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 382 of the Companies Act 2006 relating to small companies.

(d) Going concern basis

The Company is reliant on the support of the other Group members to be able to meet its liabilities as they fall due. Standard Life Investments Property Holdings Limited, a group Company, has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing these financial statements. Therefore, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of approval of the accounts and for this reason they have continued to adopt the going concern basis in preparing the financial statements.

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717

The Directors have considered the basis of preparation of the accounts given the COVID-19 pandemic and believe that it is still appropriate for the accounts to be prepared on the going concern basis.

(e) Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost (less any permanent diminution in value). Acquisition costs are capitalised as incurred and are included in the assets' carrying amount.

(f) Debtors and current assets

Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full.

(g) Current liabilities

Other payables are recognised on an accruals basis.

(h) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic financial assets, including debtors, cash and cash equivalents, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of

ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument.

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Commitments to make which meet the conditions above are measured at cost (which may be nil) less impairment.

Non-current debt instruments which meet the following conditions, are subsequently measured at amortised costs using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount, or (ii) a fixed rate of return over the life of the instrument, or (iii) a variable return that, throughout the life of the instrument, is equal to a single reference quoted or observable interest rate, or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could by its terms result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

Debt instruments that are classified as payable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at amortised cost, using the effective interest rate method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs, directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Cash in hand and at bank

The Company has no bank accounts. Expenses are settled on its behalf by the Partnership.

(k) Taxation

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

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

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED
Registered in England and Wales: No. 08680717

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

(l) Turnover

Turnover, which excludes value added tax, represents distribution income earned from the Partnership which is recognised when the right to ownership is determined..

(m) Administration expenses

Administrative expenses include fees for statutory services.

(n) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no significant judgements or sources of estimation uncertainty.

5. Administrative Expenses

The profit/(loss) before taxation is stated after charging:

	31 Dec 2020	31 Dec 2019
	<u>£</u>	<u>£</u>
Audit fees	5,000	5,000
Tax fees	999	1,495
Total	<u>5,999</u>	<u>6,495</u>

Fees payable to the auditors for the audit of the Company's financial statements for the year amounting to £5,000 (2019: £5,000) are settled by the Partnership, and this forms part of the distribution received from the Partnership as income

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

The Directors received no emoluments from the Company for services to the Company for the financial year (2019: £nil).

6. Taxation

	31 Dec 2020	31 Dec 2019
	<u>£</u>	<u>£</u>
Analysis of tax charge in the year:		
UK corporation tax charge on profit/(loss) for the year	<u>-</u>	<u>-</u>
Tax on profit/(loss)	<u>-</u>	<u>-</u>

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED

Registered in England and Wales: No. 08680717

(a) Tax reconciliation

The tax on the Company's (deficit)/surplus before tax differs from the theoretical amount that would arise using the tax rate 19% in the United Kingdom as follows:

	31 Dec 2020	31 Dec 2019
	£	£
Profit/(Loss) before taxation	344	(168)
Profit/(Loss) multiplied by the standard rate of corporation tax in the UK of 19%	65	(32)
Deferred tax assets not recognised	(65)	32
Current tax charge for the year	-	-

(b) Deferred tax

The Company has unrecognised temporary differences of £5,982 (2019: £6,326) to carry forward indefinitely against future taxable income.

7. Investment

	31 Dec 2020	31 Dec 2019
	£	£
Investment in subsidiary undertakings		
Shares at cost and carrying value:		
At start of the year	1	1
At end of the year	1	1

Investments in subsidiary undertakings are shown below:

	Principal activity	Percentage or issued ordinary share capital held	Country of incorporation
Standard Life Investments (SLIPIT Nominee) Limited	Holding company	100%	England

The investment represents the total of 100% share of Partner's capital, profits and reserves in Standard Life Investment (SLIPIT Nominee) Limited registered in England (Registered Office: Bow Bells House, 1 Bread Street, London, EC4M 9HH) in accordance with the Companies Act 2006, whose net asset value as at 31 December 2020 is £1 and profit and loss for the year was £nil.

8. Debtors: Amounts Falling Due within One Year

	31 Dec 2020	31 Dec 2019
	£	£
Unpaid share capital (see note 10)	1	1
Total debtors amounts falling due within one year	1	1

9. Creditors: amounts falling due within one year

	31 Dec 2020	31 Dec 2019
	£	£
Amounts owed to subsidiary undertakings	1	1
Accruals and deferred income	5,982	6,326
Total creditors amounts falling due within one year	5,983	6,327

STANDARD LIFE INVESTMENTS SLIPIT (GENERAL PARTNER) LIMITED

Registered in England and Wales: No. 08680717

10. Called up share capital

	31 Dec 2020	31 Dec 2019
	£	£
Allotted, called up and unpaid share capital of the Company at 31 December was 1 (2019: 1) ordinary share of £1	1	1

11. Contingent Liabilities and Commitments

There were no contingent liabilities or commitments at the reporting date (31 December 2019: £Nil).

12. Related Party Transactions

	Income earned / (expenses incurred) in year	31 Dec 2020 Receivable at year end	Income earned / (expenses incurred) in year	31 Dec 2019 Receivable at year end
	£	£	£	£
Standard Life Investments (SLIPIT) Limited Partnership – priority distribution	6,343	-	6,327	-
Standard Life Investments (SLIPIT) Limited Partnership – payment on behalf of the Company	(6,343)	-	(6,327)	-
	-	-	-	-

The Company is entitled to a priority distribution of an amount equal to its expenses paid by the Partnership in the year.

The Directors received no emoluments for services to the Partnership for the financial year (31 December 2019: £Nil).

13. Financial Instruments

The carrying value of the Company's financial assets and liabilities are summarised by category below:

	31 Dec 20	31 Dec 19
	£	£
Financial assets		
Measured at cost less impairment:		
Investments (see note 7)	1	1
Measured at undiscounted amount receivable:		
Debtors (see note 8)	1	1
	2	2
Financial liabilities		
Measured at undiscounted amount payable:		
Creditors (see note 9)	(5,983)	(6,327)
	(5,983)	(6,327)

14. Parent and Ultimate Controlling Undertaking

The immediate parent undertaking of the Company is Standard Life Investments Property Holdings Limited, whose ultimate parent undertaking is Standard Life Investments Property Income Trust Limited, a company incorporated in Guernsey.

Standard Life Investments Property Income Trust Limited is the parent undertaking of both the largest and the smallest group of undertakings to consolidate the financial statements at 31 December 2020. The consolidated financial statements of Standard Life Investment Property Income Trust Limited are available on application to the:

Group Company Secretary
Standard Life Investments Property Income Trust Limited
Trafalgar Square
Les Banques
St Peter Port, Guernsey
GY1 3QL
And are also available on the website at www.slipit.co.uk

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699
ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 8680 717

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

CONTENTS

	Pages
Partners, Advisers and Other Information	2
Strategic Report	3 – 4
General Partner's Report	5 – 7
Independent Auditor's Report	8 – 11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Net Assets Attributable to Partners	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 – 27

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

PARTNERS, ADVISERS AND OTHER INFORMATION

Limited Partner

Standard Life Investments Property Holdings Limited

General Partner

Standard Life Investments SLIPIT (General Partner) Limited
Bow Bells House
1 Bread Street
London
EC4M 9HH

Fund Manager

Aberdeen Standard Fund Managers Limited
Bow Bells House
1 Bread Street
London
EC4M 9HH

Independent Auditor

Deloitte LLP
Regency Court
Glatigny Esplanade
Guernsey
United Kingdom
GY1 3HW

Bankers

Citibank NA
Canada Square
London
E14 5LB

Registered Office

Bow Bells House
1 Bread Street
London
EC4M 9HH

Registered Number

Registered in England and Wales: No. LP015699

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors of the General Partner (the “Directors”) present their strategic report of Standard Life Investments (SLIPIT) Limited Partnership (the “Partnership”) for the year ended 31 December 2020.

The Partnership

The Partnership was established on 11 September 2013 and is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907. The total commitment of the Partners as at 31 December 2020 is £138,462,001 (2019: £138,462,001) of which £138,462,001 (2019: £138,462,001) has been drawn down.

The Partnership's General Partner is Standard Life Investments SLIPIT (General Partner) Limited, a company incorporated in Great Britain and registered in England and Wales.

Principal Activity of the Partnership

The principal activity of the Partnership is to acquire, develop and manage for investment purposes a number of commercial properties

Partnership Performance

The financial position of the Partnership at 31 December 2020 is shown in the Statement of Financial Position on page 13, with the results shown in the Statement of Comprehensive Income on page 12.

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:

	31 December 2020	31 December 2019
Net asset value (NAV)	£77,211,411	£124,241,977
Market value of properties	£74,950,000	£125,255,000
Number of assets	11	16

As demonstrated by the KPIs above the Partnership continues to hold investments, and the net asset value has decreased as a result of the disposal of five investment properties during the year in line with expectations of the investment strategy.

Capital Management and Objectives

The Partnership operates as an ungeared fund.

No new equity in the form of capital contributions and advances was injected into the Partnership during the year ended 31 December 2020 (2019: £nil). The Partnership has now fully drawn down its Partners' commitments.

Purchases and Disposals

The partnership completed five sales in the year for a total of £41.0 million before costs (2019 £nil).

Principal Risks and Uncertainties

The key risks arising in the Partnership are market, credit, operational and liquidity risks which are discussed in more detail in note 12.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

Employees

The Partnership has no employees (2019: Nil). The key management personnel have been identified as the Directors of the General Partner. The Directors received no remuneration (2019: £ Nil).

For and on behalf of the Partnership:



Michael Saffour
Director of Standard Life Investments (SLIPIT) General Partner Limited
29 July 2021

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP

Registered in England and Wales: No. LP015699

GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors of the General Partner present their annual report and the audited financial statements of the Partnership for the year ended 31 December 2020.

Results and Distributions

The total comprehensive loss for 2020 was £6,524,224 (2019: gain of £985,607). Distributions to the Partners were £40,506,343 (2019: £1,006,327).

Directors

The Directors of Standard Life Investments SLIPIT (General Partner) Limited who were in office throughout the year, and up to the date of signing the financial statements were as follows:

R H Peto (retired 25 August 2020)

M Balfour

J Clifton-Brown

Jill May

Sarah Slater

Partners' Accounts

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

The Partners' accounts include capital contributions and Partners' advances as follows:

As at 31 December 2020

	Capital Contributions	Capital Advance
	£	£
Standard Life Investments Property Holdings Limited	138,462,001	-
Standard Life Investments SLIPIT (General Partner) Limited	-	-
Total	138,462,001	-

As at 31 December 2019

	Capital Contributions	Capital Advance
	£	£
Standard Life Investments Property Holdings Limited	138,462,001	-
Standard Life Investments SLIPIT (General Partner) Limited	-	-
Total	138,462,001	-

Amounts Attributable to the General Partner

The General Partner is entitled to a priority profit share in accordance with the Partnership Agreement for its services as General Partner.

The General Partner's allocations are expensed through the statement of comprehensive income.

The General Partner's priority profit share entitlement for the year was £6,343 (2019: £6,327).

Going Concern

The Directors have considered the basis of preparation of the accounts given the COVID-19 pandemic and believe that it is still appropriate for the accounts to be prepared on the going concern basis.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

Financial Instruments

The business of the Partnership includes the use of financial instruments. Details of the Partnership's risk management objectives and policies, and exposures to market risk, credit risk, operational risk and liquidity risk relating to financial instruments are set out in note 12.

Independent Auditor

It is the intention of the Directors to reappoint the auditor, Deloitte LLP, under the deemed appointment rules of Section 487 of the Companies Act 2006.

Disclosure of Information to the Independent Auditor

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

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

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

Other Disclosures

During the year ended 31 December 2020 there were no political contributions (2019: none).

The immediate parent undertaking of the General Partner is Standard Life Investments Property Holdings Limited, whose ultimate parent undertaking is Standard Life Investments Property Income Trust Limited, a company incorporated in Guernsey.

Standard Life Investments Property Income Trust Limited is the parent undertaking of both the largest and the smallest group of undertakings to consolidate the financial statements at 31 December 2020. The consolidated financial statements of Standard Life Investments Property Income Trust Limited are available on application to:

Group Company Secretary
Standard Life Investments Property Income Trust Limited
Trafalgar Square
Les Banques
St Peter Port
Guernsey
GY1 3QL

And available to download from the website at www.slipit.co.uk

Statement of General Partner's Responsibilities

The General Partner is responsible for preparing the General Partner's Report and the Financial Statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Under Company Law the

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year. In preparing these financial statements, the General Partner is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards (including FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify partners in writing about the use of disclosures exemptions, if any, in FRS 102 used in the preparation of 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 as applicable to qualifying partnerships. It is also responsible for safeguarding the assets of the Partnership and for ensuring taking reasonable steps for the prevention and detection of fraud and other irregularities.

The report has been prepared in accordance with special provisions relating to small companies within Part 15 of the Companies Act 2006.

For and on behalf of the Partnership:



Michael Barlow
Director of Standard Life Investments (SLIPIT) General Partner Limited
23 July 2021

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

Independent auditor's report to the members of Standard Life Investments (SLIPIT) Limited Partnership

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Standard Life Investments (SLIPIT) Limited Partnership (the 'qualifying partnership'):

- give a true and fair view of the state of the qualifying partnership's affairs as at 31st December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; 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 which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in net assets attributable to partners;
- the statement of cash flows; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the General Partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the qualifying partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the General Partner with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The General Partner is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the qualifying partnership's industry and its control environment, and reviewed the qualifying partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the qualifying partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include the Limited Partnership Agreement dated 11 March 2016, the Companies Act 2006; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the qualifying partnership's ability to operate or to avoid a material penalty. These include the Limited Partnership Agreement dated 11 March 2016 and the Companies Act 2006.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- investment property valuation: we obtained an understanding of the relevant controls in relation to the valuation process; we evaluated the competence, capabilities and objectivity of the external valuers' in order to obtain an understanding of the work of that expert; with involvement of our real estate specialists, we challenged the external valuer on their valuation process and assumptions, performance of the portfolio, significant assumptions and judgement, by benchmarking valuation assumptions, in particular the equivalent yields and estimated market rates, to relevant market evidence including specific property transactions and other external data; and we performed audit procedures to assess the integrity of the information provided to the external valuer, including testing on a sample basis back to underlying lease agreements; and
- recoverability of rental income receivable: we obtained an understanding of the management's processes and obtained an understanding of relevant controls relating to the recoverability of rental income; we tested the considerations used by management to recalculate the rent receivable amount and assess the provisions applied; and we assessed the ageing of income accrued and tested the recoverability for a sample of balances with regard to cash received after the balance sheet date.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

Use of our report

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

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

John Clacy (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Peter Port, Guernsey
29 July 2021

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

		31 Dec 20	31 Dec 19
	Notes	£	£
Rental income		6,997,819	7,225,262
Service charge income		563,299	550,830
Property expenses		(1,272,032)	(1,126,910)
Service charge expenditure		(563,299)	(550,830)
Valuation loss from investment properties	6	(6,571,217)	(4,162,356)
Loss on disposal of investment properties	6	(4,796,994)	-
Gross (loss)/profit		<u>(5,642,424)</u>	<u>1,935,996</u>
 Auditor's fees	 3	 (30,000)	 (29,850)
Investment management fees		(817,700)	(862,449)
Valuers fees	3	(20,362)	(30,182)
Administrative expenses		(13,759)	(28,050)
Operating (loss)/profit		<u>(881,821)</u>	<u>950,465</u>
 Interest receivable and similar income		 21	 142
Total comprehensive (loss)/gain for the year		<u>(6,524,224)</u>	<u>985,607</u>

Continuing Operations

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2020 and 31 December 2019 relate to continuing operations.

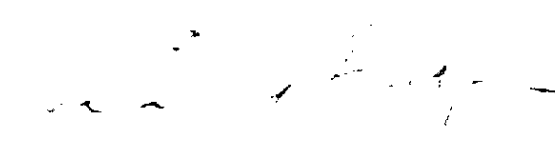
(The notes on pages 16 to 27 form an integral part of these financial statements)

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31 Dec 20 £	31 Dec 19 £
Assets			
Non-current assets			
Investment properties	6	71,125,922	124,161,352
Lease incentives	6	1,824,078	1,093,611
Trust deposits held on behalf of tenants		48,585	718,674
		<u>71,998,585</u>	<u>125,973,637</u>
Current Assets			
Trade and other receivables	7	3,912,013	568,940
Cash and cash equivalents		7,121,923	1,752,821
		<u>6,033,936</u>	<u>2,321,761</u>
Total assets		<u>78,032,520</u>	<u>128,295,408</u>
Liabilities			
Current liabilities			
Trade and other payables	8	3,772,524	3,321,794
		<u>3,772,524</u>	<u>3,321,794</u>
Non-current liabilities			
Rent deposits on behalf of tenants		48,585	718,674
		<u>48,585</u>	<u>718,674</u>
Total liabilities		<u>3,821,109</u>	<u>4,040,468</u>
Net assets		<u>74,211,411</u>	<u>124,254,940</u>
Capital and Reserves			
Partners' Contributions		138,462,001	138,462,001
Capital Reserve		3,193,781	14,571,362
Profit and loss account		<u>7,444,371</u>	<u>(28,782,010)</u>
Net assets attributable to Partners		<u>74,211,411</u>	<u>124,254,940</u>

The unaudited financial statements were approved and authorised for issue by the Board of Directors of Standard Life Investments SLIPIT (General Partner) Limited, the General Partner, on 29 July 2021 and were signed on its behalf by



Michael Balfour
Director of Standard Life Investments SLIPIT (General Partner) Limited

(The notes on pages 16 to 27 form an integral part of these financial statements.)

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Partners' Contributions	Capital reserve	Profit and loss account	Total
		£	£	£	£
Opening balance at 1 January 2020		138,462,001	14,561,992	(28,782,016)	124,241,977
Total comprehensive loss for the year		-	-	(6,524,223)	(6,524,223)
Finance costs – distributions to Partners	4	-	-	(40,506,343)	(40,506,343)
Transfer to capital reserve		-	(11,368,211)	11,368,211	-
Balance at 31 December 2020		138,462,001	3,193,781	(64,444,371)	77,211,411

FOR THE YEAR ENDED 31 DECEMBER 2019

		Partners' Contributions	Capital reserve	Profit and loss account	Total
		£	£	£	£
Opening balance at 1 January 2019		138,462,001	18,724,348	(32,923,652)	124,262,697
Total comprehensive surplus for the year		-	-	985,607	985,607
Finance costs – distributions to Partners	4	-	-	(1,006,327)	(1,006,327)
Transfer to capital reserve		-	(4,162,356)	4,162,356	-
Balance at 31 December 2019		138,462,001	14,561,992	(28,782,016)	124,241,977

(The notes on pages 16 to 27 form an integral part of these financial statements)

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31 Dec 20 £	31 Dec 19 £
Cash flows from operating activities			
Loss/(Gain) for the year		(6,524,224)	985,607
Movement in non-current lease incentives		(1,091,404)	(536,675)
Movement in trade and other receivables		(2,682,983)	383,876
Movement in trade and other payables		(222,349)	455,347
Finance income		(21)	(142)
Valuation loss from investment properties	6	6,571,217	4,162,356
Loss on disposal of investment properties	6	4,796,994	-
Net cash inflow from operating activities		<u>847,230</u>	<u>5,450,369</u>
Cash flows from investing activities			
Interest received		21	142
Purchase of investment properties	6	-	(3,500,000)
Capital expenditure on investment properties	6	(254,813)	(1,270,681)
Net proceeds from disposal of investment properties	6	40,283,006	-
Net cash inflow/(outflow) from investing activities		<u>40,028,214</u>	<u>(4,770,539)</u>
Cash flows from financing activities			
Payment of finance costs – distributions	4	(40,506,343)	(1,006,327)
Net cash outflow from financing activities		<u>(40,506,343)</u>	<u>(1,006,327)</u>
Net increase/(decrease) in cash and cash equivalents		369,101	(326,497)
Cash and cash equivalents at the beginning of the year		1,752,821	2,079,318
Cash and cash equivalents at the end of the year		<u>2,121,922</u>	<u>1,752,821</u>

(The notes on pages 16 to 27 form an integral part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

The partnership is incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Bow Bells House, 1 Bread Street, London, EC4M 9BE. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

(a) Basis of accounting

The Partnership Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investments and certain financial assets and liabilities measured at fair value through profit or loss and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the Partnerships (Accounts) Regulations 2008.

The Directors of the General Partner have considered the basis of preparation of the accounts given the COVID-19 pandemic and believe that it is still appropriate for the accounts to be prepared on the going concern basis.

The functional currency of the Partnership is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates.

(b) Going concern basis

The General Partner has reviewed the current and projected financial position of the Partnership, making reasonable assumptions about future trading performance. After making enquiries, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of approval of the accounts. Accordingly, the General Partner continues to adopt the going concern basis in preparing these financial statements.

(c) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually by reference to a third party valuation report produced by independent appraisers, with any change recognised in the Statement of Comprehensive Income.

(d) Trade and other receivables

Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full.

(e) Current liabilities

Trade and other payables are recognised on an accruals basis.

(f) Financial instruments

The Partnership has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Financial assets are recognised when the Partnership becomes a party to the contractual provisions of the instrument.

Basic financial assets, including debtors, cash and cash equivalents, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument.

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Commitments which meet the conditions above are measured at cost (which may be nil) less impairment.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique.

(g) Leases

Leases, where the lessor retains substantially all of the risks and rewards of ownership, are classified as operating leases. Payments made as lessees under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income. If the impact of straight-lining is material the

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

income is amortised over the lease term. The same applies for receipts as lessors under operating leases (net of any incentives given to the lessee) which are credited to the Statement of Comprehensive Income on a straight-line basis over the period of the lease if there is a material impact.

In accordance with the transitional provisions of FRS 102, lease incentives on leases which were in existence prior to the date of transition 1 January 2014 have been spread over the shorter of the lease term and the period to the first review date on which the rent is first expected to be adjusted to the prevailing market rate.

Assets held under finance leases, which transfer to the Partnership as lessee, substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The capitalised lease debtor is amortised over the shorter of estimated useful life or life of the lease using the interest rate implicit in the lease. The rental payments earned on the lease are split between amortisation of the lease debtor and lease income in the Statement of Comprehensive Income.

(h) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Partnership has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Partnership expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is more probable than not. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Partnership's control. Contingent liabilities are disclosed if the future obligation is probable and the amount cannot be reasonably estimated.

Contingent assets are not recognised. Contingent assets are disclosed if an inflow of economic benefit is probable.

(i) Partners' accounts

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

(j) Cash and cash equivalents

Cash and cash equivalents comprises of cash and cash on deposits with banks, both of which are immediately available.

(k) Cash flow

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

(l) Rental income

Rental income comprises of rent receivable on investment properties leased out under operating lease agreements arising in the United Kingdom net of VAT.

Rent receivable is recognised on an accruals basis in the Statement of Comprehensive Income, over the period to which the income relates. Rent receivable also includes incentives given to tenants, such as rent-free

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

periods, and if the impact of these is material to the financial statements they are amortised over the period of the lease.

(m) Property expenses

Property operating costs are expensed as incurred and any property operating expenditure not recovered from tenants through service charges is charged to the Statement of Comprehensive Income as cost of sales.

(n) Administration expenses

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

(o) Investment management fees

From 23 December 2015 onwards, the Fund Manager (Standard Life Investments (Corporate Funds) Limited) is entitled to an annual fee which is a percentage of the total assets of the controlling company Standard Life Investments Property Income Trust Limited (SLIPIT). On 10 December 2018, the Fund Manager contract was novated on the same commercial terms to Aberdeen Standard Fund Managers Limited. The Partnership is required to pay a percentage of this fee based on the Partnership NAV compared to the SLIPIT NAV.

Until 30 June 2019, under the terms of the Fund Manager's Agreement the Fund Manager was entitled to 0.75% of total assets up to £200 million; 0.70% of total assets between £200 million and £300 million; and 0.65% of total assets in excess of £300 million. From 1 July 2019, under the terms of the Fund Manager's Agreement the Fund Manager is entitled to 0.70% of total assets up to £500 million; and 0.60% of total assets in excess of £500 million.

(p) Interest receivable and similar income

Interest receivable on cash at bank is recognised on an accruals basis. Other interest receivable and similar income is recognised using the effective interest rate method.

(q) Distributions

Income produced by the Partnership's investment properties and other sources is distributed to the Partners to the extent that the Partnership's income exceeds expenses, on a quarterly basis in accordance with the LPA. Where the distribution has been determined for the period, the amount is accounted for as a finance cost.

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

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Partnership's Financial Statements requires the General Partner to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant estimates and judgements are set out below. There were no critical accounting judgements:

Valuation of investment properties

The fair value of the Partnership's investment properties represents an estimate by independent professional valuers of the open market value of those properties at the statement of financial position date. The

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. The valuers also make reference to market evidence of transaction prices for similar properties. Fair value disclosures in relation to investment properties are given in note 6.

Impairment loss allowance

Impairment loss allowance are also a key estimation uncertainty. These are measured with reference to amounts included as income at the year end but not yet collected. In assessing whether the bad debt provision is needed the Partnership takes into account qualitative and quantitative reasonable and supportable information.

Due to the impact of COVID-19 on collection rates, there has been a significant impact on the bad debt provision. Each individual rental income debtor is reviewed to assess whether it is believed there is a probability of default and expected Impairment loss given the knowledge and intelligence of the individual tenant and an appropriate allowance made.

3. Fees

Valuers fee

Knight Frank LLP ("the Valuers"), external international real estate consultants, were appointed as valuers in respect of the assets comprising the property portfolio. The total valuation fees charged for the year amounted to £20,362 (2019: £30,182) of which minimum fees of £2,500 per property (2019: £2,500) were incurred due for new properties added to the portfolio. The amount due and payable at the year end amounted to £3,185 excluding VAT (2019: £5,323 excluding VAT). The annual fee is equal to 0.017 percent of the aggregate value of the property portfolio paid quarterly.

Auditor's fee

Deloitte LLP have been appointed as independent auditor of the Partnership. The audit fees for the year amounted to £30,000 (2019: £29,850) and relate to audit services provided for the 2020 financial year. There were no non-audit services provided to the Partnership by the auditor during the year.

4. Finance Costs – Distributions

	31 Dec 20	31 Dec 19
	£	£
Finance costs – capital distributions to the Standard Life Investments Property Holdings Limited following the sale of properties	39,500,000	-
Finance costs – revenue distributions to Standard Life Investments Property Holdings Limited	1,000,000	1,000,000
Finance costs – priority distribution to Standard Life Investments SLIPIT (General Partner) Limited	6,343	6,327
Total amounts available for distribution as per statement of comprehensive income	40,506,343	1,006,327

In accordance with the Partnership Agreement, the General Partner is entitled to a priority distribution out of net income of an amount equal to its expenses incurred; any remaining net income is allocated 100% to the Limited Partner.

5. Taxation

The Partnership is not subject to taxation and no provision for taxation on Partnership profits has been made in the financial statements. Any tax on income or capital is the responsibility of each individual partner.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

6. Investment Properties

	Industrial £	Office £	Retail £	Total £
Market value at 1 January 2020	88,800,000	12,175,000	24,280,000	125,255,000
Purchase of investment property	-	-	-	-
Capital expenditure	46,084	208,729	-	254,813
Opening market value of disposed investment properties	(41,100,000)	-	(3,980,000)	(45,080,000)
Valuation loss from investment properties	(2,018,071)	(1,400,425)	(3,152,721)	(6,571,217)
Movement in lease incentives receivable	771,987	116,696	202,721	1,091,404
Market value at 31 December 2020	46,500,000	11,100,000	17,350,000	74,950,000
Investment property recategorised as held for sale	-	-	-	-
Market value net of held for sale at 31 December 2020	46,500,000	11,100,000	17,350,000	74,950,000
Adjustment for lease incentives	(1,088,907)	(390,077)	(345,094)	(1,824,078)
Carrying value at 31 December 2020	45,411,093	10,709,923	17,004,906	73,125,922

	Industrial £	Office £	Retail £	Total £
Market value at 1 January 2019	84,130,000	13,300,000	26,680,000	124,110,000
Purchase of investment property	3,500,000	-	-	3,500,000
Capital expenditure	1,120,212	150,469	-	1,270,681
Opening market value of disposed investment properties	-	-	-	-
Valuation loss from investment properties	(180,354)	(1,548,850)	(2,433,152)	(4,162,356)
Movement in lease incentives receivable	230,142	273,381	33,152	536,675
Market value at 31 December 2019	88,800,000	12,175,000	24,280,000	125,255,000
Investment property recategorised as held for sale	-	-	-	-
Market value net of held for sale at 31 December 2019	88,800,000	12,175,000	24,280,000	125,255,000
Adjustment for lease incentives	(677,860)	(273,381)	(142,372)	(1,093,613)
Carrying value at 31 December 2019	88,122,140	11,901,619	24,137,628	124,161,387

The valuations were performed by Knight Frank LLP, accredited external valuers with recognised and relevant professional qualifications and recent experience of the location and category of the investment properties being valued. The valuation model in accordance with the Royal Institute of Chartered Surveyors ('RICS') requirements on disclosure for Regulated Purpose Valuations has been applied (RICS Valuation – Professional Standards January 2014 (revised April 2015) published by the Royal Institution of Chartered Surveyors). The market value provided by Knight Frank at the year end was £74,950,000 (2019: £125,255,000) however an adjustment has been made for lease incentives of £1,824,078 (2019: £1,093,613) that are already accounted for as an asset. Valuation gains and losses from investment properties are recognised in the Statement of Comprehensive Income for the period and are attributable to changes in unrealised gains or losses relating to investment properties held at the end of the reporting period.

In the Cash Flow Statement, proceeds from disposal of investment properties comprise:

	31 Dec 2020 £	31 Dec 2019 £
Opening market value of disposed investment properties	45,080,000	-
Loss on disposal of investment properties	(4,796,994)	-

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

10,283,006

-

Valuation Methodology

The fair value of completed investment properties are determined using the income capitalisation method.

The income capitalisation method is based on capitalising the net income stream at an appropriate yield. In establishing the net income stream the valuers have reflected the current rent (the gross rent) payable to lease expiry, at which point the valuer has assumed that each unit will be re-let at their opinion of ERV. The valuers have made allowances for voids where appropriate, as well as deducting non recoverable costs where applicable. The appropriate yield is selected on the basis of the location of the building, its quality, tenant credit quality and lease terms amongst other factors.

No properties have changed valuation technique during the year. At the Balance Sheet date the income capitalisation method is appropriate for valuing all assets.

The Partnership appoints suitable valuers (such appointment is reviewed on a periodic basis) to undertake a valuation of all the direct real estate investments on a quarterly basis. The valuation is undertaken in accordance with the then current RICS guidelines and requirements as mentioned earlier.

The Investment Manager meets with the valuers on a quarterly basis to ensure the valuers are aware of all relevant information for the valuation and any change in the investment over the quarter. The Investment Manager then reviews and discusses the draft valuations with the valuers to ensure correct factual assumptions are made. The valuers report a final valuation that is then reported to the Board.

The management group that determines the Partnership's valuation policies and procedures for property valuations is the Property Valuation Committee. The Committee reviews the quarterly property valuation reports produced by the valuers (or such other person as may from time to time provide such property valuation services to the Partnership) before its submission to the Board, focusing in particular on:

- significant adjustments from the previous property valuation report;
- reviewing the individual valuations of each property;
- compliance with applicable standards and guidelines including those issued by RICS and the UKLA Listing Rules;
- reviewing the findings and any recommendations or statements made by the valuer;
- considering any further matters relating to the valuation of the properties.

The Chairman of the Committee makes a brief report of the findings and recommendations of the Committee to the Board after each Committee meeting. The minutes of the Committee meetings are circulated to the Board. The Chairman submits an annual report to the Board summarising the Committee's activities during the year and the related significant results and findings.

All investment properties are classified as Level 3 in the fair value hierarchy. There were no movements between levels during the year.

There are currently no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal.

The table below outlines the valuation techniques and inputs used to derive Level 3 fair values for each class of investment properties. The table includes:

- The fair value measurements at the end of the reporting period.
- The level of the fair value hierarchy (e.g. Level 3) within which the fair value measurements are categorised in their entirety.
- A description of the valuation techniques applied.
- Fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building.

Country & class	Fair value £	Valuation technique	Key unobservable input	Range (weighted average)
UK industrial level 3	46,500,000	• Income capitalisation	<ul style="list-style-type: none"> • Initial yield • Reversionary yield • Equivalent yield • Estimated rental value per Sq.m 	<ul style="list-style-type: none"> • 0.00% to 7.25% (4.51 %) • 5.42% to 8.07% (6.52 %) • 5.39% to 6.98% (6.07%) • £4.00 to £6.50 (£5.23)
UK office level 3	11,100,000	• Income capitalisation	<ul style="list-style-type: none"> • Initial yield • Reversionary yield • Equivalent yield • Estimated rental value per Sq.m 	<ul style="list-style-type: none"> • 2.90% to 13.36% (5.73%) • 7.35% to 9.08% (7.82%) • 7.03% to 8.18% (7.34%) • £17.30 to £24.10 (£22.26)
UK retail level 3	17,350,000	• Income capitalisation	<ul style="list-style-type: none"> • Initial yield • Reversionary yield • Equivalent yield • Estimated rental value per Sq.m 	<ul style="list-style-type: none"> • 7.34% to 9.47% (8.14%) • 5.78% to 8.40% (7.10%) • 6.26% to 8.060% (7.38%) • £8.70 to £28.60 (£18.94)
74,950,000				

Descriptions and definitions

The table above includes the following descriptions and definitions relating to valuation techniques and key observable inputs made in determining the fair values.

Estimated rental value (ERV)

The rent at which space could be let in the market conditions prevailing at the date of valuation.

Equivalent yield

The equivalent yield is defined as the internal rate of return of the cash flow from the property, assuming a rise or fall to ERV at the next review or lease termination, but with no further rental change.

Initial yield

Initial yield is the annualised rents of a property expressed as a percentage of the property value.

Reversionary yield

Reversionary yield is the anticipated yield to which the initial yield will rise (or fall) once the rent reaches the ERV.

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of completed investment property.

	2020	2019
	£	£
Increase in equivalent yield of 50 bps	(7,015,513)	(11,192,620)
Decrease in rental rates of 5% (ERV)	(3,871,902)	(5,623,618)

Below is a list of how the interrelationships in the sensitivity analysis above can be explained.

In both cases outlined in the sensitivity table the estimated Fair Value would increase (decrease) if:

- The ERV is higher (lower)
- Void periods were shorter (longer)

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

- The occupancy rate was higher (lower)
- Rent free periods were shorter (longer)
- The capitalisation rates were lower (higher)

7. Trade and other receivables

	31 Dec 20	31 Dec 19
	£	£
Trade debtors	967,975	484,319
Tenant deposits	671,073	38,965
Sundry debtors	2,272,965	35,656
Total debtors amounts falling due within one year	<u>3,912,013</u>	<u>558,940</u>

Trade debtors are shown net of the provision for bad debt which was £581,840 for the year ended 31 December 2020 (2019: £20,570).

8. Trade and other payables

	31 Dec 20	31 Dec 19
	£	£
Trade and other payables	929,389	1,645,965
Deferred income	1,177,448	1,231,352
Tenant deposits	671,073	38,965
VAT payable	623,573	32,960
Accruals	371,041	375,542
Total creditors amounts falling due within one year	<u>3,772,524</u>	<u>3,324,784</u>

9. Contingent Liabilities and Commitments

There were no contingent liabilities or commitments at the reporting date (2019: £Nil).

10. Net Assets Attributable to Partners

	Limited Partner 100% £	Total 100% £
Partners' Contributions		
At 01 January	138,462,001	138,462,001
At 31 December	<u>138,462,001</u>	<u>138,462,001</u>
Profit and loss account		
At 1 January	(28,782,016)	3,577,017
Total comprehensive loss for the year	(6,524,223)	(6,524,223)
Finance distributions - revenue	(40,506,343)	(40,500,000)
Transfer to capital reserve	11,368,211	11,368,211
At 31 December	<u>(64,444,371)</u>	<u>(32,078,995)</u>
Capital reserve		
At 1 January	14,561,992	(17,797,041)
Transfer to capital reserve	(11,368,211)	(11,368,211)
At 31 December	<u>3,193,781</u>	<u>(29,171,595)</u>
Net assets attributable to Partners at 31 December 2020	<u>77,211,411</u>	<u>77,211,411</u>
Net assets attributable to Partners at 31 December 2019	<u>124,241,977</u>	<u>124,241,977</u>

The GP has 0% of ownership as such no net assets attributable to the GP have been disclosed.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

11. Related Party Transactions

	Expense paid in year	2020 Payable at year end	Expense paid in year	2019 Payable at year end
	£	£	£	£
Aberdeen Standard Fund Managers Limited	817,700	206,674	862,449	216,956
Standard Life Investments SLIPIT (General Partner) Limited – priority distribution	6,343	-	6,327	-
Standard Life Investments Property Holdings Limited - distributions	40,500,000	-	1,000,000	-
	<u>41,324,043</u>	<u>206,674</u>	<u>1,868,776</u>	<u>216,596</u>

Aberdeen Standard Fund Managers Limited received fees as they acted as the fund manager for the Partnership. The total fees charged for the year amounted to £817,700 (2019: £862,449). The amount due and payable quarterly in arrears at the year end amounted to £206,674 excluding VAT (2019: £216,956 excluding VAT).

The General Partner is entitled to a priority distribution out of the net income of an amount equal to its expenses incurred.

The Directors received no emoluments for services to the Partnership for the financial year (2019: £Nil).

12. Financial Instruments

The carrying value of the Partnership's financial assets and liabilities are summarised by category below:

	31 Dec 20 £	31 Dec 19 £
Financial assets		
Measured at fair value through profit or loss:		
Investment properties	73,125,922	124,161,387
Measured at amortised cost:		
Cash and cash equivalents	2,121,922	1,752,821
Measured at undiscounted amount receivable:		
Trade and other receivables	3,912,013	558,940
Lease incentives	1,824,078	1,093,613
	<u>80,983,935</u>	<u>127,566,761</u>
Financial liabilities		
Measured at undiscounted amount payable:		
Trade and other payables	(3,772,524)	(3,323,784)
	<u>(3,772,524)</u>	<u>(3,323,784)</u>

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

The Partnership's income, expense, gains and losses in respect of financial instruments are summarised below:

	31 Dec 20	31 Dec 19
	£	£
Interest income and expense		
Total interest income for financial assets at amortised cost	21	142
Fair value (losses) and gains		
On financial assets measured at fair value through profit or loss	(11,368,211)	(4,162,356)

The General Partner is a wholly owned subsidiary company of Standard Life Investments Property Income Trust Limited and as such follows the financial risk management objectives and policies applicable to that company.

The Partnership's operations expose it to a variety of financial risk that comprises market risk, credit risk, operational risk and liquidity risk. The General Partner has in place a risk management programme that seeks to limit the adverse effects on financial performance by monitoring all associated risks.

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

Market Risk

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

Credit Risk

The Partnership does not have a significant exposure to credit risk as receivables are mainly short term trading items. The Partnership's investments are managed by the Fund Manager (Aberdeen Standard Fund Managers Limited) who have responsibility for the prompt collection of amounts due.

The Partnership manages this risk of tenant default by ensuring that a dedicated credit control team is engaged in collecting the advance quarterly rent from tenants as soon as it falls due. There is no significant concentration of credit risk with respect to tenants; the two biggest tenants represent 30% of the Partnership's passing rent as at 31 December 2020 (2019: 19.0%).

Loan commitments are made under the limited partnership agreement ("LPA") that is signed by all parties so that all members of the Partnership are aware of their commitments. The General Partner communicates regularly with all the members of the Partnership to make them aware of likely future capital requirements and provide explanations for investment performance to manage the risk of default.

Cash and cash equivalents are held with financial institutions with good credit ratings.

Operational Risk

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

Liquidity Risk

The Partnership does not have a significant exposure to liquidity risk. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The General Partner monitors the maturity of the Partnership's obligations as and when they fall due.

STANDARD LIFE INVESTMENTS (SLIPIT) LIMITED PARTNERSHIP
Registered in England and Wales: No. LP015699

The maturity analysis of the Partnership's financial liabilities as at 31 December 2020 was as follows:

	On Demand £	1 – 3 Months £	4 – 12 Months £	More than 12 Months £	Total £
Financial Liabilities					
Trade and other payables	929,389	-	-	-	929,389
VAT payable	623,573	-	-	-	623,573
Deferred income	-	1,177,448	-	-	1,177,448
Accrued expenses	371,041	-	-	-	371,041
Rental deposits	-	-	671,073	-	671,073
	<u>1,924,003</u>	<u>1,177,448</u>	<u>671,073</u>	<u>-</u>	<u>3,772,524</u>

The maturity analysis of the Partnership's financial liabilities as at 31 December 2019 was as follows:

	On Demand £	1 – 3 Months £	4 – 12 Months £	More than 12 Months £	Total £
Financial Liabilities					
Trade and other payables	1,645,965	-	-	-	1,645,965
VAT payable	32,960	-	-	-	32,960
Deferred income	-	1,231,352	-	-	1,231,352
Accrued expenses	375,542	-	-	-	375,542
Rental deposits	-	-	38,965	-	38,965
	<u>2,054,467</u>	<u>1,231,352</u>	<u>38,965</u>	<u>-</u>	<u>3,324,784</u>

13. Parent and Ultimate Controlling Undertaking

The Partnership's General Partner is Standard Life Investments SLIPIT (General Partner) Limited, a company incorporated in Great Britain and registered in England and Wales.

The immediate parent undertaking of the General Partner is Standard Life Investments Property Holdings Limited, whose ultimate parent undertaking is Standard Life Investments Property Income Trust Limited, a company incorporated in Guernsey.

The consolidated financial statements of Standard Life Investments Property Income Trust Limited are available on application to:

Group Company Secretary
Standard Life Investments Property Income Trust Limited
Trafalgar Square
Les Banques
St Peter Port, Guernsey
GY1 3QL

And available to download on the website at www.slipit.co.uk