

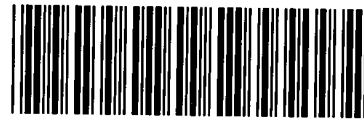
Registration number: 8699607

TIAA International Holdings 3 Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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TIAA International Holdings 3 Limited

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TIAA International Holdings 3 Limited

Company Information

Directors	G. E. Brightman M. J. Sales
Company secretary	Cornhill Secretaries Limited
Registered office	150 Aldersgate Street London EC1A 4AB
Bankers	Citibank london NA CCG Centre Canary Wharf London E14 5LB
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

TIAA International Holdings 3 Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their strategic report on TIAA International Holdings 3 Limited ("TIH 3" or the "Company") for the year ended 31 December 2018.

Business Review

TIH 3 was incorporated in the United Kingdom on 20 September 2013. Its principal activity is that of a holding company for Nuveen Real Estate Limited ("Nuveen Group").

The Company applies FRS 101 --Reduced Disclosure Framework and has taken advantage of certain exemptions allowed under this standard. Further details are provided in note 2 of the financial statements. The Company's immediate parent undertaking has been notified and did not object to the disclosure exemptions.

Principal Risks and Uncertainties

The ultimate controlling party of TIH 3 is Teachers Insurance and Annuity Association ("TIAA" or "the Group"). The Group has a risk management framework in place to ensure that TIH 3 meets its objectives within acceptable risk parameters. This framework is reviewed regularly so that new and emerging risks are identified early on. The Group's culture embeds the management of risk at all levels within the organisation. The framework under which it operates also ensures that the business is capable of meeting its business objectives within its risk appetite and is subject to continuous review. Financial risks are discussed further in note 3 to the financial statements.

EU Referendum

The UK is scheduled to depart the European Union. The terms of the departure have not yet been agreed and the impact it will have on the UK financial services sector remains unclear. The Company anticipates a more challenging market for commercial property in the UK and will continue to measure strategic performance alongside the Key Performance Indicators highlighted below.

Key Performance Indicators

The company's key financial and other performance indicators during the year were as follows:

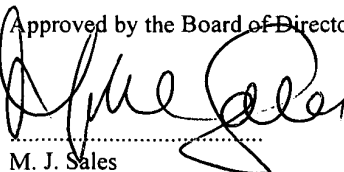
	Unit	2018	2017
Cash used in operations	£	(1,292,752)	(159,020)

The Company use the following key performance indicators (KPIs) to assist in the understanding of the development, performance and position of the business:

(i) Cash flow from Operations

The Company monitors operating cash flows as a key element in understanding the performance and position of the business.

Approved by the Board of Directors on 16/4/19 and signed on behalf of:


M. J. Sales
Director

TIAA International Holdings 3 Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

Please also refer to the Strategic Report on page 2 for the activities of the Company and a discussion of the principle risks and uncertainties.

Directors

The Directors who held office during the year ended 31 December 2018 and up to the date of signing the financial statements were as follows:

J MacCarthy (resigned 28 December 2018)

G. E. Brightman (appointed 28 December 2018)

M. J. Sales (appointed 28 December 2018)

Results and Dividends

The loss for the year ended 31 December 2018 amounted to £17,984 (2017: £24,428). The Directors do not recommend payment of a dividend (2017: nil).

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position and its financial risk management objectives are included in the Strategic Report. The Directors have a reasonable expectation that the Company has adequate resources to continue in operation existence for the foreseeable future. The Company has adopted the going concern basis of accounting in preparing its annual financial statements.

TIAA International Holdings 3 Limited

Directors' Report for the Year Ended 31 December 2018 (continued)

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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 company's auditors are aware of that information.

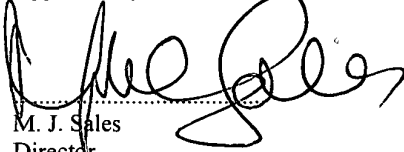
Independent Auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board of Directors on 16/4/19 and signed on behalf of:



M. J. Sales
Director

Independent auditors' report to the members of TIAA International Holdings 3 Limited

Report on the audit of the financial statements

Opinion

In our opinion, TIAA International Holdings 3 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

16 April 2019

TIAA International Holdings 3 Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses	5	<u>(17,984)</u>	<u>(24,428)</u>
Operating loss		<u>(17,984)</u>	<u>(24,428)</u>
Loss before tax		<u>(17,984)</u>	<u>(24,428)</u>
Loss and total comprehensive expense for the financial year		<u><u>(17,984)</u></u>	<u><u>(24,428)</u></u>

The above results were derived from continuing operations.

The Company has no items of other comprehensive income (2017: £nil).

The notes on pages 10 to 25 are an integral part of these financial statements.

TIAA International Holdings 3 Limited

(Registration number: 8699607)

Statement of Financial Position as at 31 December 2018

	Note	31 December 2018 £	31 December 2017 £
Fixed assets			
Investments	8	202,322,796	202,322,796
Current assets			
Trade and other receivables	9	181,177	156,177
Cash and Cash equivalents	10	<u>2,139,763</u>	<u>3,432,515</u>
		2,320,940	3,588,692
Creditors: Amounts falling due within one year			
Trade and other payables	11	<u>13,547</u>	<u>1,263,315</u>
Net current assets		<u>2,307,393</u>	<u>2,325,377</u>
Net assets		<u>204,630,189</u>	<u>204,648,173</u>
Equity			
Called up share capital	12	600	600
Share premium reserve		202,162,796	202,162,796
Retained earnings		<u>2,466,793</u>	<u>2,484,777</u>
Total equity		<u>204,630,189</u>	<u>204,648,173</u>

The notes on pages 10 to 25 form an integral part of these financial statements.

The financial statements on pages 7 to 25 were approved by the Board of Directors on 16/4/19 and signed on behalf of:

M. J. Sales
Director

TIAA International Holdings 3 Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Called up share capital £	Share premium £	Retained earnings £	Total Shareholders' Funds £
Balance at 1 January 2017	600	202,162,796	2,509,205	204,672,601
Loss and total comprehensive income for the year	-	-	(24,428)	(24,428)
Balance as at 31 December 2017	<u>600</u>	<u>202,162,796</u>	<u>2,484,777</u>	<u>204,648,173</u>
Loss and total comprehensive income for the year	-	-	(17,984)	(17,984)
Balance as at 31 December 2018	<u>600</u>	<u>202,162,796</u>	<u>2,466,793</u>	<u>204,630,189</u>

The notes on pages 10 to 25 form an integral part of these financial statements.

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The Company is a private company limited by shares, incorporated and domiciled in United Kingdom.

The address of its registered office is:

150 Aldersgate Street

London

EC1A 4AB

The principal activity of the Company is that of a holding company.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 (share capital);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows),
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position),
 - 111 (cash flow statement information), and

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

- 134-136 (capital management disclosures) if not a financial position.
- IAS 7, 'Statement of cash flows' exemption from preparing statement of cash flows and related notes;
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation).

Going concern

The Directors have drawn up the financial statements on the basis that the Company is a going concern. The Group has considerable financial resources to be able to support the Company for the foreseeable future.

New Standards, amendments, and IFRIC Interpretations

IFRS 9 and IFRS 15 are new accounting standards for the year ended 31 December 2018. As per the assessment made by management, there is no material impact on the company. There are no other amendments to accounting standards, or IFRIC Interpretations that are effective for the year ended 31 December 2018 that have had a material impact on the company.

Consolidation

The Company is a wholly owned subsidiary of TIAA International Holdings 2 Limited. It is included in the consolidated financial statements of TIAA International Holdings 2 Limited which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Financial Instruments

Classification

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company has become a party to the contractual obligations of the financial instrument. The Company determines the classification of its financial instruments at initial recognition in accordance with the categories outlined below and re-evaluates this designation at each reporting year end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Liabilities within the scope of IFRS 9, 'Financial Instruments' are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

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

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

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

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Financial Instruments

Recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value or in the case of investments not at fair value; through profit or loss with directly attributable transaction costs.

The Company's financial assets consist of loans and receivables.

Financial assets recognised in the Statement of Financial Position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents are also classified as loans and receivables. Cash and cash equivalents includes cash in hand and deposits held at call with banks.

The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are extinguished, discharged or cancelled or have expired.

Impairment

The Company assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred). The carrying amount of the asset is reduced and the amount of the loss is recognised in the Statement of Comprehensive Income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment loss.

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks.

Called up share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Current and deferred tax

Income tax expense represents the sum of the current tax and deferred tax.

The charge for current tax is based on the result for the period adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the income statement unless the item to which the tax relates was recognised outside the income statement being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised and is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Administrative expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in the Statement of Comprehensive Income in the period in which they are incurred (on an accruals basis).

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are reasonable approximation of the loss rates for the contract assets.

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Trade payables

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

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

3 Financial risk management

(a) Interest rate risk

Changes in market interest rates do not have any significant direct effect on the Company's income. Management does not view interest rate risk as a significant risk area.

(b) Liquidity risk

Liquidity risk is the risk of failure to have sufficient financial resources to meet its day to day capital and cash flow obligations and requirements. Management does not believe liquidity risk to be a material risk area for the Company due to the nature of its activities.

(c) Credit risk

Credit risk is defined as the exposure to the possibility of a financial loss resulting from a counterparty's failure to meet its financial obligations. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the period end date.

Credit risk in the Company principally arises from cash and cash equivalents which have been deposited with third party institutions. The third party institutions are subject to a periodic solvency review to ensure their credit worthiness. The credit quality of the financial institutions in which the Company has deposits is assessed by reference to the short term credit rating of these institutions.

4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed as follows:

The fair value of financial instruments that are not traded in an active market is deemed as cost. Management reviews the investment at each year end for any signs of impairment. At the balance sheet date, financial assets had a carrying amount of £202,322,796 (2017: £202,322,796) which is deemed to be the fair value.

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

4 Critical accounting estimates and judgements (continued)

Impairment of trade and other receivables

The company makes an estimate of therecoverable amount of trade and other receivables when assessing the impairment of trade and other receivables, management considers factoring including the credit rating of receivables, the aging profile of receivables and historical experience. The Company applies IFRS 9 simplified approach to measure expected credit loss which uses life time expected loss allowance.

The Directors do not consider that there are any other accounting estimates or judgements that are critical to the understanding of the Company's financial statements.

5 Administrative expenses

Operating profit is stated after charging:

	2018	2017
	£	£
Legal and professional fees	10,469	16,078
Auditors' remuneration	6,828	7,600
Other expenses	687	750
	<u>17,984</u>	<u>24,428</u>

All fees payable to the Company's auditors is for the audit of the Company's financial statements, so no split for non-audit services is required.

6 Directors' remuneration

The emoluments of M. Sales are paid by Nuveen Administration Limited which makes no recharge to the Company. The emoluments of G. Brightman are paid by the parent with no recharge being made to the Company. The Directors are directors of a number of fellow subsidiaries and their total emoluments are included in the aggregate of directors emoluments disclosed in those financial statements.

7 Taxation

Factors affecting tax charge for the year

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017: 19.25%).

The difference between the total current tax charge shown above and the amount calculated applying the standard rate of UK corporation tax to the profit before tax is as follows:

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

7 Taxation (continued)

	2018 £	2017 £
Loss before tax	<u>(17,984)</u>	<u>(24,428)</u>
Tax on profit on ordinary activities at standard corporation tax rate of 19% (2016: 19%)	(3,417)	(4,702)
Adjustments to tax charge in respect of previous periods - deferred tax	-	(484)
Effects of group relief/other reliefs	3,417	4,702
Deferred tax expense (credit) relating to changes in tax rates or laws	<u>-</u>	<u>484</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

At the year end, the Company had accumulated tax losses amounting to £21,508 (2017: £21,508) giving rise to a potential deferred tax asset of £3,656 (2017: £3,656) when calculated using the 2020 substantively enacted UK Corporation Tax rate of 17% (2017: 17%), being the furthest point in time that has a substantively enacted tax rate.

There is no tax payable or receivable in the year (2017: £nil).

The net deferred tax asset has not been recognised in the financial statements due to uncertainty regarding the timing and level of future profits.

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Investments

Subsidiaries	£
Cost	
At 1 January 2017	202,322,796
At 31 December 2017	202,322,796
At 1 January 2018	202,322,796
At 31 December 2018	202,322,796
Net book value	
At 31 December 2018	202,322,796
At 31 December 2017	202,322,796

The fair value of the investments cannot be determined as they are not traded in an active market, therefore the investments are held at cost.

The following were subsidiary undertakings of the Company:

2018:	Class of shares	Holding	£
Nuveen Real Estate Limited	Ordinary	99%	202,322,796
2017:	Class of shares	Holding	£
Nuveen Real Estate Limited	Ordinary	99%	202,322,796

The aggregate of the share capital and reserves as at 31 December and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	31 December 2018 £	31 December 2017 £
Aggregate of share capital and reserves	216,083,696	201,869,661
Profit	9,250,545	6,515,026
	<u>225,334,241</u>	<u>208,384,687</u>

Details of the subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	2018	2017
Nuveen Real Estate Limited	Holding company	201 Bishopsgate, London, United Kingdom, EC2M 3BN	99%	99%	99%	99%
Nuveen FCACO Limited	Holding company	201 Bishopsgate, London, United Kingdom, EC2M 3BN	99%	99%	99%	99%

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2018	2017
Nuveen Europe Holdings Limited	Holding company	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
Nuveen Group Holdings Limited	Holding company	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
Nuveen Administration Limited	Administration company	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
Nuveen Real Estate Management Limited	Operating company	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
Nuveen Management AIFM Limited	Operating company	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
TIAA-CREF Asset Management UK Limited	Operating company	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
Henderson European Retail Property Fund Management S.à.r.l	Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		93%	93%
Nuveen Management Company (Luxembourg) No1 S.à.r.l	Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		93%	93%
Nuveen Fund Management (Europe) S.à.r.l	Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
Nuveen Property Management (Jersey) Limited	Operating company	11-15 Seaton Place, St Helier, Jersey, JE4 0QH		99%	99%
Nuveen Fund Management (Jersey) Limited	Operating company	11-15 Seaton Place, St Helier, Jersey, JE4 0QH		99%	99%

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2018	2017
Nuveen Shopping Centre Verwaltungs GmbH	Dormant	Bockenheimer Landstr. 24, 60323, Frankfurt, Germany		99%	99%
Nuveen Singapore Private Limited		50 Raffles Place, #06-00 Singapore, Land Tower, 048623, Singapore Operating company		99%	99%
Nuveen Fund Management Vanquish (Jersey) Limited	Dormant	11-15 Seaton Place, St Helier, Jersey, JE4 0QH		99%	99%
Nuveen Fund Management Vanquish II (Jersey) Limited	Dormant	11-15 Seaton Place, St Helier, Jersey, JE4 0QH		99%	99%
Henderson Ventures Property Funds Management S.á.r.l	Joint Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
Nuveen (France) SAS	Operating company	7, rue Scribe - 75009 Paris, France		99%	99%
CLOF II (No1 GP) Limited	Related to CLOF fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
CLOF II (No1 Nominee) Limited	Related to CLOF fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
CLOF II (No2 GP) Limited	Related to CLOF fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
CLOF II (No3 GP) Limited	Related to CLOF fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
CLOF II (GP) Limited	Related to CLOF fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
Matador General Partner Limited	LP Dormant	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2018	2017
Nuveen Beteiligung Verwaltungs GmbH	Dormant	Bockenheimer Landstr. 24, 60323, Frankfurt, Germany		99%	99%
Nuveen Corporate Secretarial Services Limited	Dormant	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
Nuveen Real Estate (Australia) Limited	Operating company	44 Martin Place, Sydney, NSW 2000, Australia		99%	99%
Nuveen Operations Limited	Dormant	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
THRE Australia Real Estate Pty. Ltd.	Dormant	44 Martin Place, Sydney, NSW 2000, Australia		99%	99%
THRE Melbourne Retail Holding 1 Pty. Ltd.	Dormant	44 Martin Place, Sydney, NSW 2000, Australia		99%	99%
THRE Melbourne Retail Asset 1 Pty. Ltd.	Dormant	44 Martin Place, Sydney, NSW 2000, Australia		99%	99%
Nuveen Real Estate Nominees Limited	Dormant	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
OMP Limited (GP)	Related to OMP fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
UK OM (LP1) (GP) Limited	Related to OMP fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
UK OM (LP1) Limited	Related to OMP fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
UK OM (LP2) (GP) Limited	Related to OMP fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
UK OM (LP2) Limited	Related to OMP fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2018	2017
UK OM (LP3) (GP) Limited	Related to OMP fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
UK OM (LP3) Limited	Related to OMP fund	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%
TIAA-CREF Luxembourg S.à.r.l	Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
Nuveen S.à.r.l	Italy Operating company	Piazza Pio XI, 1, 20123 Milan, Italy		99%	99%
Islazul Partner S.à.r.l	General Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
Anglo-Sino Henderson Investment Consultancy (Beijing) Limited	Co Operating company	Unit 22/23B, 36/F, China World Tower, No.1 Jianguomenwai Avenue, Chaoyang District, 100004 Beijing, China		99%	99%
Nuveen Investment Consulting (Shanghai) Limited	Co Operating company	Suite 965,9/F, Eco City, No.1788,Nanjing West Road, Jing 'An District, Shanghai, China		99%	99%
Nuveen Estate Partners S.à.r.l	Real Debt (GP) Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
T-C Investments S.à.r.l	Lux GP Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
TH PELV GP S.à.r.l	Real Estate Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
Enhanced Carry (GP) S.à.r.l	Debt Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2018	2017
European Cities Partnership (GP) S.à.r.l	Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
Nuveen Management Austria GmbH	Operating company	Falkestraße 1, A-1010 Vienna, Austria		64%	64%
Nuveen Management Finland Oy	Operating company	Y-tunnus 2847548-9, Mannerheimintie 20, 00100, Helsinki, Finland		99%	99%
ERES APAC II (GP) S.à.r.l	Operating company	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
Nuveen Estate Partners II S.à.r.l	Real Debt (GP)	Operating company 4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
CLOF Vanquish Limited	II	11-15 Seaton Place, St Helier, Jersey, JE4 0QH		99%	99%
Nuveen Alternatives Europe S.à.r.l	Asset management	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	0%
Nuveen Asset Management Europe S.à.r.l	Asset management	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	0%
Tokyo Multifamily Ptd Ltd	Related to Tokyo GP Multifamily fund	8 Robinson Road #14-00 ASO Buiding, Singapore		99%	0%
Asia Pacific Cities Management S.a.r.l	Asset management	4a rue Henri M Schnadt, L-2530 Gasperich, Luxembourg		99%	99%
TH Real Estate Limited	Dormant	201 Bishopsgate, London, United Kingdom, EC2M 3BN		99%	99%

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

9 Trade and other receivables

	31 December 2018 £	31 December 2017 £
Due within one year		
Amounts owed by Group undertakings	<u>181,177</u>	<u>156,177</u>
	<u>181,177</u>	<u>156,177</u>

The amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayments and are payable on demand.

10 Cash and cash equivalents

	31 December 2018 £	31 December 2017 £
Cash at bank	<u>2,139,763</u>	<u>3,432,515</u>
	<u>2,139,763</u>	<u>3,432,515</u>

11 Trade and other payables

	31 December 2018 £	31 December 2017 £
Amounts falling due within a year		
Accrued expenses	13,547	12,339
Trade payables	-	1,770
Amounts owed to Group undertakings	<u>-</u>	<u>1,249,206</u>
	<u>13,547</u>	<u>1,263,315</u>

The amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayments and are payable on demand.

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

12 Share capital

Allotted, called up and fully paid shares

	31 December 2018		31 December 2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>600</u>	<u>600</u>	<u>600</u>	<u>600</u>

On incorporation date (20 September 2013) the Company issued 600 ordinary shares at £1 each.

13 Related party transactions

The Company has taken advantage of the exemption in FRS 101 by not disclosing related party transactions entered into between two or more parties of a group.

The amounts listed below were outstanding at the Statement of Financial Position date:

Receivables from Group undertakings:

	2018 £	2017 £
TIAA International Holdings 1 Limited	<u>181,177</u>	<u>156,177</u>
	<u>181,177</u>	<u>156,177</u>

Payables to Group undertakings

	2018 £	2017 £
TIAA International Holdings 2 Limited	<u>-</u>	<u>1,249,206</u>
	<u>-</u>	<u>1,249,206</u>

TIAA International Holdings 1 Limited is a subsidiary of Nuveen International Holdings LLC, previously known as TIAA CREF International Holdings LLC, the immediate parent company of TIAA International Holdings 2 Limited.

The amounts outstanding are unsecured, carry no interest and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

TIAA International Holdings 3 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

14 Parent and ultimate parent undertaking

The company's immediate parent is TIAA International Holdings 2 Limited, a limited company incorporated in the United Kingdom.

The ultimate undertaking and controlling party and largest group to consolidate these financial statements is Teachers Insurance and Annuity Association. These financial statements are available upon request from 730 Third Avenue, New York, NY 10017. TIAA International Holdings 2 Limited is the parent undertaking of the smallest group to consolidate these financial statements in the United Kingdom. The consolidated financial statements of TIAA International Holdings 2 Limited can be obtained from 150 Aldersgate Street, London, EC1A 4AB.

15 Post balance sheet events

There have been no significant events between the balance sheet date and the date of signing these financial statements.