

NBIM Elizabeth GP Limited

Annual Report and Financial Statements

For the year ended 31 December 2018



Company Registration No. 10436062 (England and Wales)

NBIM Elizabeth GP Limited

Company Information

Directors	E Stryse J Patel R Peel
Company number	10436062
Registered office	Queensberry House 3 Old Burlington Street London W1S 3AE
Independent Auditor	Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
Bankers	Citi Bank 33 Canada Square London E14 5LB

NBIM Elizabeth GP Limited

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NBIM Elizabeth GP Limited

Directors' Report

For the year ended 31 December 2018

The Directors present their report and the audited financial statements of NBIM Elizabeth GP Limited (the "Company") for the year ended 31 December 2018.

Incorporation

The Company was incorporated in England and Wales on 19 October 2016 with registered No. 10436062 and is limited by shares.

Principal activities

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

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

Results and dividends

The profit for the year ended 31 December 2018 amounted to £1,257 (31 December 2017: £nil).

The Company's expenses and costs are borne by the Partnership under an administrative costs deed signed by all parties in 2018, and as such, no expenses have been reported in the statement of comprehensive income of these financial statements.

The Directors do not recommend a dividend for the year ended 31 December 2018.

Going concern

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

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E Stryse
J Patel
R Peel

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the reporting date.

Financial risk management

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

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

NBIM Elizabeth GP Limited

Directors' Report (Continued)

For the year ended 31 December 2018

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

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

Market risk

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

Liquidity risk

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

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

Capital management

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

Future developments

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

Auditor

Deloitte LLP has expressed its willingness to continue in office.

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

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

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

NBIM Elizabeth GP Limited

Directors' Report (Continued)

For the year ended 31 December 2018

Statement of directors' responsibilities

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

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

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

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

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

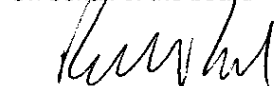
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

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

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

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

On behalf of the board



R Peel

Director

Date: 9 Jan 2019



J Patel

Director

Date: 9/7/19

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NBIM Elizabeth GP Limited (the 'company'):

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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.

Philip Doherty

Philip Doherty FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

Date: 9 July 2019

NBIM Elizabeth GP Limited

Statement of Comprehensive Income For the year ended 31 December 2018

	Year ended 31 Dec 2018 £	Period ended 31 Dec 2017 £
INCOME		
Investment income	1,257	-
	<hr/>	<hr/>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,257	-
	<hr/>	<hr/>

Continuing operations

All items dealt with in arriving at the results for the year ended 31 December 2018 and period ended 31 December 2017 relate to continuing operations.

Other comprehensive income

No other comprehensive income was derived during the year ended 31 December 2018 and period ended 31 December 2017.

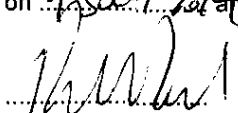
NBIM Elizabeth GP Limited

Statement of Financial Position

As at 31 December 2018

	Notes	31 Dec 2018 £	31 Dec 2017 £
ASSETS			
NON-CURRENT ASSETS			
Investment in Partnership	5	500	500
Investments in Subsidiaries	6	2	2
		<u>502</u>	<u>502</u>
CURRENT ASSETS			
Trade and other receivables	7	500	500
Cash and cash equivalents		1,257	-
		<u>1,757</u>	<u>500</u>
TOTAL ASSETS		<u>2,259</u>	<u>1,002</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	502	502
TOTAL LIABILITIES		<u>502</u>	<u>502</u>
EQUITY			
Called up share capital	10	500	500
Retained earnings		1,257	-
TOTAL EQUITY		<u>1,757</u>	<u>500</u>
TOTAL LIABILITIES AND EQUITY		<u>2,259</u>	<u>1,002</u>

The audited financial statements were approved by the board of directors and authorised for issue on 9 January 2019 and are signed on its behalf by:


R Peel
Director


J Patel
Director

Company Registration No. 10436062

NBIM Elizabeth GP Limited

Statement of Changes in Equity

For the year ended 31 December 2018

	Share capital £	Retained earnings £	Total £
Balance at 19 October 2016	-	-	-
	<hr/>	<hr/>	<hr/>
Period ended 31 December 2017:			
Profit and total comprehensive income for the period	-	-	-
Issue of share capital	500	-	500
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	500	-	500
	<hr/>	<hr/>	<hr/>
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	1,257	1,257
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	500	1,257	1,757
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NBIM Elizabeth GP Limited

Statement of Cash Flows

For the year ended 31 December 2018

	31 Dec 2018 £	31 Dec 2017 £
Cash flows from operating activities		
Profit for the year	1,257	-
Adjustments for:		
Investment income	(1,257)	-
Increase in trade and other receivables	-	(500)
Decrease in trade and other payables	-	502
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from operating activities	-	2
Investing activities		
Acquisition of investments in Subsidiaries	-	(2)
Acquisition of investment in Partnership	-	(500)
Interest received	4	-
Dividends received	1,253	-
	<u> </u>	<u> </u>
Net cash generated from/(used in) investing activities	1,257	(502)
Financing activities		
Proceeds from issue of shares	-	500
	<u> </u>	<u> </u>
Net cash (used in)/generated from financing activities	-	500
	<u> </u>	<u> </u>
Net increase in cash and cash equivalents	1,257	-
Cash and cash equivalents at beginning of year	-	-
	<u> </u>	<u> </u>
Cash and cash equivalents at end of year	<u>1,257</u>	<u>-</u>

NBIM Elizabeth GP Limited

Notes to the Financial Statements

For the year ended 31 December 2018

1 Accounting policies

Company information

The Company was incorporated in England and Wales on 19 October 2016 with registered No. 10436062 and is limited by shares.

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

Basis of preparation

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

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

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

Consolidation

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

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

Going concern

The Company has a net asset position of £1,757 as at 31 December 2018 (31 December 2017: £500) and all expenses and costs are borne by the Partnership under an administrative costs deed. Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Financial assets

Financial assets are classified as financial assets measured at amortised cost, fair value through profit and loss, or fair value through OCI, as appropriate. The Directors determine the classification of the Company's financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

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

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

Investment in Partnership

The investment in the Partnership is accounted for at fair value through profit or loss. Gains or losses arising from the fair value are recognised in the statement of comprehensive income. Where a Partnership's losses equal or exceed the Company's investment in the Partnership, the Company does not recognise further losses unless it has legal or constructive obligations to make payments on behalf of the Partnership.

Investments in Subsidiaries

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

Fair value measurement

The investments in the Partnership and the Subsidiaries are classified as financial assets at fair value through profit or loss in accordance with the provisions set out in IFRS 9. This classification more fully explains the nature of the investments. The Directors designate the classification of the investments at the time of purchase.

IFRS 9 requires financial assets to be held at fair value, except only in rare circumstances where the fair value cannot be reliably measured in which case it allows the financial asset to be carried at cost less provision for impairment. IFRS 13 'Fair Value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

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

The fair value hierarchy has been disclosed in Note 3.

The fair value of the investments as at 31 December 2018 amounted to £502 (31 December 2017: £502).

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Financial liabilities

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

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

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

Trade and other receivables

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

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

Trade and other payables

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

Revenue recognition

Investment income represents income from the Company's investment in Partnership. The investment income is recognised in the statement of comprehensive income on receipt of the distributions from the Partnership.

Expenses

The company's expenses and costs are borne by the Partnership under an amended and restated administrative costs deed signed by all parties in 2018.

New standards, amendments and interpretations issued and effective for the financial period beginning 1 January 2018 onwards and not early adopted by the Company:

- IFRS 9 Financial Instruments took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018 using the full retrospective method. The company has reassessed the classification and measurement of financial instruments and this has not given rise to any changes.
- IFRS 15 Revenue from Contracts with Customers also took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018 using the full retrospective method. The revenue recognition accounting policy applied prior to adoption of IFRS 15 by the company is consistent with the requirements of IFRS 15, and therefore adoption of the standard has not affected amounts recognised in the current or comparative periods.

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2019 and not early adopted by the Company

- IFRS 16 'Leases' was issued in January 2016 and will become effective for periods beginning on or after 1 January 2019.

These new standards are not expected to have a material effect on the Company's future financial statements.

Functional and presentation currency

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

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

Statement of comprehensive income and statement of cash flows

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

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

2 Critical accounting estimates and judgements

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

Valuation of investment

The Company's investment in the Partnership is equal to its capital contributed and 0.5% of the retained earnings of the Partnership, which is considered by the Directors to be the best reflection of the fair value available to the Company.

Segmental information

In accordance with IFRS 8, the Company is organised into one main operating segment, being investment in investment property, in the UK. The Company considers investment in investment property represents the only reportable operating segment.

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

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

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

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

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

As at 31 December 2018

	Assets at fair value through profit or loss	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	£	£	£	£
Financial assets				
Investment in Partnership	500	-	-	500
Investments in Subsidiaries	2	-	-	2
Trade and other receivables	-	500	-	500
Cash and cash equivalents	-	1,257	-	1,257
Financial liabilities				
Trade and other payables	-	-	(502)	(502)
	<u>502</u>	<u>1,757</u>	<u>(502)</u>	<u>1,757</u>

As at 31 December 2017

	Assets at fair value through profit or loss	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	£	£	£	£
Financial assets				
Investment in Partnership	500	-	-	500
Investments in Subsidiaries	2	-	-	2
Trade and other receivables	-	500	-	500
Cash and cash equivalents	-	-	-	-
Financial liabilities				
Trade and other payables	-	-	(502)	(502)
	<u>502</u>	<u>500</u>	<u>(502)</u>	<u>500</u>

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

(Continued)

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

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

a) Liquidity risk

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

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

	On demand £	More than 3 Months £	Total £
31 December 2018			
Trade and other receivables	500	-	500
Cash and cash equivalents	1,257	-	1,257
	<u>1,757</u>	<u>-</u>	<u>1,757</u>
Trade and other payables	<u>(502)</u>	<u>-</u>	<u>(502)</u>
31 December 2017			
Trade and other receivables	<u>500</u>	<u>-</u>	<u>500</u>
Trade and other payables	<u>(502)</u>	<u>-</u>	<u>(502)</u>

b) Market risk

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

i) Foreign exchange risk

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

ii) Price risk

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

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

(Continued)

iii) Cash flow risk and interest rate risk

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

iv) Fair value

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

	31 Dec 2018		31 Dec 2017	
	Cost £	Fair Value £	Cost £	Fair Value £
Investment in Partnership	500	500	500	500
Investments in Subsidiaries	2	2	2	2
Trade and other receivables	500	500	500	500
Cash and cash equivalents	1,257	1,257	-	-
Trade and other payables	(502)	(502)	(502)	(502)

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

Fair value hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

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

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

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

(Continued)

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

31 December 2018	Level 1	Level 2	Level 3
	£	£	£
Investment in Partnership	-	-	500
Investments in Subsidiaries	-	-	2
Trade and other receivables	-	500	-
Cash and cash equivalents	1,257	-	-
Trade and other payables	-	(502)	-

31 December 2017	Level 1	Level 2	Level 3
	£	£	£
Investment in Partnership	-	-	500
Investments in Subsidiaries	-	-	2
Trade and other receivables	-	500	-
Trade and other payables	-	(502)	-

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

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

c) Capital management

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

4 Key management personnel

The Company has no employees. The key management personnel have been identified as the Directors of the Company. During the year, the Directors received no remuneration (period ended 31 December 2017: £nil).

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

5 Investment in Partnership

	31 Dec 2018	31 Dec 2017
	£	£
Cost at the start of the year	500	-
Capital contributed during the period	-	500
	<u>500</u>	<u>500</u>
Cost at the end of the year	500	500
	<u>500</u>	<u>500</u>
Fair value gain at the start of the year	-	-
Fair value gain/(loss) for the year	-	-
	<u>-</u>	<u>-</u>
Fair value gain at the end of the year	-	-
	<u>-</u>	<u>-</u>
Fair value	<u>500</u>	<u>500</u>

The investment is accounted for at fair value through profit or loss. There have been no gains or losses arising from the fair value.

On 15 November 2016, the Company made an investment in the capital of the Partnership representing 0.50% of the total capital of the Partnership. As at 31 December 2018, the Partnership has a net asset value of £274,570,163 (31 December 2017: £281,724,216).

The Company acts as the General Partner of the Partnership whose registered address is Queensberry House, 3 Old Burlington Street, London, W1S 3AE. The Partnership qualifies as a qualifying partnership under the Partnership (Accounts) Regulation 2008 and accordingly, the Partnership's financial statements are appended to the Company's financial statements.

The fair value of the financial instrument, which comprises the Company's investment in the Partnership, is estimated to be equal to its capital contributed and 0.50% of the retained earnings of the Partnership as determined by the Directors as at the statement of financial position date. As the Partnership has an accumulated loss at 31 December 2018, no adjustment has been made to the fair value of the investment.

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

6 Investments in Subsidiaries

	31 Dec 2018	31 Dec 2017
	£	£
Cost at the start of the year	2	-
Acquired during the period	-	2
	<u>2</u>	<u>2</u>
Cost at the end of the year	2	2
	<u>2</u>	<u>2</u>
Fair Value	2	2
	<u>2</u>	<u>2</u>

The Company has investments in ordinary shares of £1 in each of the Subsidiaries' share capital which represents 100% interest in these Subsidiaries. The Subsidiaries are NBIM Elizabeth Nominee 1 Limited and NBIM Elizabeth Nominee 2 Limited whose registered office addresses are Queensberry House, 3 Old Burlington Street, London, W1S 3AE. These Subsidiaries have remained dormant during the period.

7 Trade and other receivables

	31 Dec 2018	31 Dec 2017
	£	£
Amounts due from related parties	500	500
	<u>500</u>	<u>500</u>

Trade and other receivables are neither past due nor impaired.

8 Trade and other payables

	31 Dec 2018	31 Dec 2017
	£	£
Amounts due to related parties	502	502
	<u>502</u>	<u>502</u>

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

There are no non-cash movements in the year relating to financing activities.

9 Taxation

The Company did not generate any taxable income during the year. Its expenses and costs are borne by the Partnership under an administrative costs deed. Accordingly, no taxation has been recognised in the financial statements during the year ended 31 December 2018 (period ended 31 December 2017: £nil).

NBIM Elizabeth GP Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

10	Share capital	31 Dec 2018 £	31 Dec 2017 £
	Ordinary share capital		
	Authorised		
	500 ordinary shares of £1 each	500	500
		<u> </u>	<u> </u>
	Issued and fully paid		
	500 ordinary shares of £1 each	500	500
		<u> </u>	<u> </u>

11 Related party transactions

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

At 31 December 2018, an amount of £500 was receivable by the Company from NBIM Burlington Holdings Limited at £1 each for 500 ordinary shares.

At 31 December 2018, a total amount of £2 was payable by the Company to the Subsidiaries at £1 each.

At 31 December 2018, a total amount of £500 was payable by the Company to the Partnership, for the initial capital contribution.

During the year, expenses of £21,578 (2017: £7,967) were borne by the Partnership on behalf of the Company under an administrative costs deed signed in 2018. This amount included £13,508 (31 December 2017: £215), which represented the company's tax charge for the year.

12 Controlling party

The immediate controlling party and sole shareholder is NBIM Burlington Holdings Limited, a subsidiary of Norges Bank.

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

13 Auditor's remuneration

Audit fees of £2,991 (period ended 31 December 2017: £3,000) were borne by another group company in the accounting year.

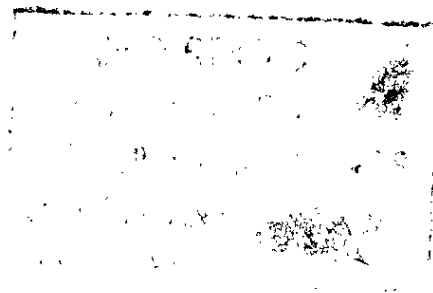
14 Events after the reporting date

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

NBIM Elizabeth Partners LP

Annual Report and Financial Statements

For the year ended 31 December 2018



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COMPANIES HOUSE

#76

Registration No. LP017654 (England and Wales)

NBIM Elizabeth Partners LP

Partners, Advisors and Other Information

General Partner	NBIM Elizabeth GP Limited
Limited Partner	NBIM BTLP Limited
Directors of the General Partner	E Stryse J Patel R Peel
Registration number	LP017654
Registered office	Queensberry House 3 Old Burlington Street London W1S 3AE
Independent Auditor	Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
Bankers	Citi Bank 33 Canada Square London E14 5LB

NBIM Elizabeth Partners LP

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Statement of changes in Partners' interest	11
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NBIM Elizabeth Partners LP

Strategic Report

For the year ended 31 December 2018

NBIM Elizabeth GP Limited (the "General Partner") presents its strategic report of NBIM Elizabeth Partners LP (the "Partnership") for the year ended 31 December 2018.

Principal activities

The principal activity of the Partnership is to invest directly in property on Oxford Street, London, W1 (the "Investment Property").

Review of the business

The Partnership's loss for the year amounted to £2,714,057 (21 October 2016 - 31 December 2017: £6,692,850).

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

	2018	2017
	£	£
Net asset value (NAV)	274,570,163	281,724,216
Market value of Investment Property	274,800,000	278,000,000

Financial risk management

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

The Partnership's financial instruments consist of the Investment Property, trade and other receivables, cash and cash equivalents, head lease obligation, trade and other payables and borrowings (loans from Partners).

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

a) Credit risk

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

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

b) Liquidity risk

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

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

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

NBIM Elizabeth Partners LP

Strategic Report (Continued)

For the year ended 31 December 2018

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Partnership's market risks arise from its investment in the Investment Property, to the extent that this is exposed to general and specific market movements due to the volatility of the property market. The General Partner reviews these risks on a quarterly basis.

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

d) Capital management

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

Employees

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

Future developments

The Partnership will continue to hold the Investment Property to earn property income and for capital appreciation.

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

Robert Peel
ROBERT PEEL

9 JULY 2019

SAMEER
PATEL

NBIM Elizabeth Partners LP

Report of the General Partner

For the year ended 31 December 2018

The General Partner presents its report and the audited financial statements of the Partnership for the year ended 31 December 2018.

Partnership Establishment

The Partnership was established in England and Wales on 21 October 2016 with registered No. LP017654.

Partners and Partners' Interest

The Partnership's loss for the period amounted to £2,714,057 (21 October 2016 – 31 December 2017: £6,692,850) with a net asset value of £274,570,163 (31 December 2017: £281,724,216). During the year, the General Partner proposed the payment of a distribution totalling £250,527 (31 December 2017: £nil).

The Partners as at 31 December 2018 and their interests in the capital and current accounts were as follows:

	Capital account £	Loan advances £	Current account £
NBIM Elizabeth GP Limited	500	-	(48,287)
NBIM BTLP Limited	99,500	284,127,597	(9,609,147)
	<u>100,000</u>	<u>284,127,597</u>	<u>(9,657,434)</u>

Financial risk management

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

Going Concern

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

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

Subsequent Events

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

NBIM Elizabeth Partners LP

Report of the General Partner (Continued)

For the year ended 31 December 2018

Auditor

Deloitte LLP has expressed its willingness to continue in office.

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

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

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

NBIM Elizabeth Partners LP

Report of the General Partner (Continued)

For the year ended 31 December 2018

Statement of General Partner's responsibilities

Company law as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008 (the "Regulations") and the terms of the Limited Partnership Agreement (the "LPA") require the General Partner to prepare financial statements which shall be in accordance with generally accepted accounting principles. In accordance with the LPA the General Partner has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and part VII of the Companies Act 2006, as required by the Regulations. Under company law as applied to qualifying partnerships the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year.

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

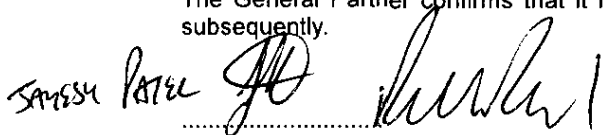
In preparing these financial statements, the General Partner is required to:

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

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

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

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


For and on behalf of
NBIM Elizabeth GP Limited
as General Partner of
NBIM Elizabeth Partners LP

Louise Peel

9 July 2019

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NBIM Elizabeth Partners LP (the 'qualifying partnership'):

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

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in partners' interests;
- the statement of cash flows; and;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Basis for opinion

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

We are independent of the 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

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of the General Partner

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Matters on which we are required to report by exception

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

Philip Doherty

Philip Doherty FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

Date: 9 July 2019

NBIM Elizabeth Partners LP

Statement of Comprehensive Income

For the year ended 31 December 2018

		Year ended 31 December 2018 £	Period ended 31 December 2017 £
	Notes		
INCOME			
Property income	12	9,695,794	7,904,362
TOTAL INCOME		9,695,794	7,904,362
 EXPENSES			
Property expenses	13	(971,586)	(457,872)
Administrative expenses	8	(88,002)	(117,326)
OPERATING PROFIT	4	8,636,206	7,329,164
Finance income	6	2,059	545
Loss on revaluation of Investment Property	7	(11,352,322)	(14,022,559)
 LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS		 (2,714,057)	 (6,692,850)

Continuing operations

All items dealt with in arriving at the results for the year to 31 December 2018 and period ended 31 December 2017 relate to continuing operations.

Other comprehensive income

No other comprehensive income was derived during the year to 31 December 2018 and the period ended 31 December 2017.

NBIM Elizabeth Partners LP

Statement of Financial Position

As at 31 December 2018

	Notes	2018 £	£	2017 £	£
ASSETS					
NON-CURRENT ASSETS					
Investment Property	7	274,800,000		278,000,000	
CURRENT ASSETS					
Trade and other receivables	9	6,337,503		7,712,755	
Cash and cash equivalents		1,182,066		1,041,007	
		<u>7,519,569</u>		<u>8,753,762</u>	
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	(7,749,406)		(5,029,546)	
NET CURRENT (LIABILITIES)/ASSETS			(229,837)		3,724,216
NET ASSETS		<u>274,570,163</u>		<u>281,724,216</u>	
Represented by:					
AMOUNTS ATTRIBUTABLE TO THE PARTNERS					
Partners' capital	17	100,000		100,000	
Partners' loans	17	284,127,597		288,317,066	
Partners' current account	17	(9,657,434)		(6,692,850)	
		<u>274,570,163</u>		<u>281,724,216</u>	

The audited financial statements were approved by the Board of Directors of the General Partner and authorised for issue on 9 July 2019 and are signed on their behalf by:

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

Registration No. LP017654

JAMES PATEL

9 July 2019

NBIM Elizabeth Partners LP

Statement of Changes in Partners' Interest

For the year ended 31 December 2018

	General Partner £	Limited Partner £	Total £
Balance at 21 October 2016	-	-	-
Capital contribution from Partners	500	99,500	100,000
Loans advanced by the Limited Partner	-	288,846,534	288,846,534
Loans repaid to the Limited Partner	-	(529,468)	(529,468)
Loss and total comprehensive loss for the period	(33,464)	(6,659,386)	(6,692,850)
Balance at 31 December 2017	(32,964)	281,757,180	281,724,216
Loans repaid to the Limited Partner	-	(4,189,469)	(4,189,469)
Loss and total comprehensive loss for the year	(13,570)	(2,700,487)	(2,714,057)
Distributions	(1,253)	(249,274)	(250,527)
Balance at 31 December 2018	(47,787)	274,617,950	274,570,163

NBIM Elizabeth Partners LP

Statement of Cash Flows

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
Cash flows from operating activities				
Loss for the year		(2,714,057)		(6,692,850)
Adjustments for:				
Finance income		(2,059)		(545)
Straight line rent adjustment		(8,018,446)		(680,888)
Amortisation of letting costs		17,665		-
Transaction costs		-		(12,825,461)
Loss on revaluation of Investment Property		11,352,322		14,022,559
Decrease/(increase) in trade and other receivables		1,375,252		(7,712,755)
Increase in trade and other payables		2,719,860		5,029,546
Net cash inflow/(outflow) from operating activities		4,730,537		(8,860,394)
Investing activities				
Acquisition of Investment Property	-	(278,516,210)		
Capitalised lease renewal fees	(125,941)	-		
Capital expenditure	(25,600)	-		
Finance income received	2,059	545		
Net cash used in investing activities		(149,482)		(278,515,665)
Financing activities				
Proceeds from the Limited Partner's loan advances	-	288,846,534		
Repayment of the Limited Partner's loan	(4,189,469)	(529,468)		
Distributions paid to Partners	(250,527)	-		
Capital contributions received from Partners	-	100,000		
Net cash (used in)/generated from financing activities		(4,439,996)		288,417,066
Net increase in cash and cash equivalents		141,059		1,041,007
Cash and cash equivalents at beginning of year		1,041,007		-
Cash and cash equivalents at end of year		1,182,066		1,041,007

NBIM Elizabeth Partners LP

Notes to the Financial Statements

For the year ended 31 December 2018

1 Accounting policies

Nature of the Partnership

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

Summary of significant accounting policies

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

Basis of preparation

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

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The General Partner believes that the underlying assumptions are appropriate and that the Partnership's financial statements therefore fairly present the financial position and results.

Going concern

The Partnership has a net asset position of £274,570,163 and a net current liabilities position of £229,837 as at 31 December 2018. The loss for the period has largely arisen due to the revaluation of the Investment Property owned by the Partnership. The amount of the loss for the year is not material to the Partnership and, as the Partnership is entitled to receive rental income from tenants, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Partners' loans of £284,127,597 were outstanding as at 31 December 2018. The loans are repayable to the Lender after a twelve month written notice period given by the Lender. No such demand was received by the Partnership to the date of the signing of the financial statements.

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

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

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Revenue recognition

Revenue comprises rental income, service charge income and other operating income.

Rental income represents income from the Partnership's Investment Property leased out under operating lease agreements. Rental income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the lease term. When the Partnership provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as reduction in rental income.

Service charge income and other operating income are recognised as revenue in the period to which it relates.

Finance income

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

Financial assets

Financial assets are classified as financial assets measured at amortised cost, fair value through profit and loss, or fair value through OCI, as appropriate. The General Partner determines the classification of the Partnership's financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

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

The Partnership's financial assets consist of the Investment Property, trade and other receivables and cash and cash equivalents.

Investment Property

Investment Property is property which is held to either earn rental income or for capital appreciation or for both.

Investment Property is initially recognised on acquisition at cost and is revalued annually to reflect fair value. Fair value is determined by external professional independent valuation specialist.

Gains or losses arising on the revaluation of the Investment Property are included in the statement of comprehensive income in the accounting period in which they arise. Depreciation is not provided in respect of the Investment Property.

The Investment Property will be derecognised either when it has been disposed of or when the Investment Property is permanently withdrawn from use and no future benefit is expected.

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Fair value measurement

The Investment Property is measured at fair value at the statement of financial position date in accordance with the provisions set out in IAS 40.

IFRS 13 'Fair Value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Fair valuation of the Investment Property is the key source of estimation uncertainty at the date of the statement of financial position that has a significant risk of causing a material adjustment in the financial statements. For further information on the valuation technique and estimation uncertainty, please refer to Note 3.

The fair value hierarchy has been disclosed in Note 3.

The fair value of the Investment Property as at 31 December 2018 amounted to £274,800,000. (31 December 2017: £278,000,000)

Trade receivables

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

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and amounts held by property managers on behalf of the Partnership which are available on demand. Due to the short-term nature of these instruments, the carrying value equals fair value.

Financial liabilities

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

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

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

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

Trade and other payables

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

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Expenses

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

Transaction costs

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

Taxation

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

Deferred taxation

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

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2018:

- IFRS 9 Financial Instruments took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018 using the full retrospective method. The partnership has reassessed the classification and measurement of financial instruments and this has not given rise to any changes.
- IFRS 15 Revenue from Contracts with Customers also took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018 using the full retrospective method. The revenue recognition accounting policy applied prior to adoption of IFRS 15 by the partnership is consistent with the requirements of IFRS 15, and therefore adoption of the standard has not affected amounts recognised in the current or comparative periods.

New standards, amendments and interpretations issued for the financial year beginning 1 January 2019 and not early adopted by the Partnership:

- IFRS 16 'Leases' was issued in January 2016 and will become effective for periods beginning on or after 1 January 2019.

These new standards are not expected to have a material effect on the Company's future financial statements.

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Functional and presentational currency

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

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

Statement of comprehensive income and statement of cash flows

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

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

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

2 Judgements and key sources of estimation uncertainty

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

Investment property valuation

In relation to the valuation of the Investment Property, an independent valuation specialist in the United Kingdom was appointed to provide independent comprehensive annual and quarterly valuation services.

The valuation was prepared in accordance with the IFRS together with the RICS Valuation — Global Standards, which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). The valuation was prepared in accordance with IFRS, whereby the fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At each reporting date the Investment Property's carrying amount is adjusted to reflect its fair value as estimated by an external independent valuation specialist by reference to market evidence of transactions for similar properties.

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

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

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

- a. assessment of current and future income, and liabilities deriving from the ownership of the Investment Property;
- b. an equivalent yield of 3.36% (31 December 2017: 3.30%); and
- c. in addition, various assumptions have been made in consideration of non-recoverable running costs and likely future capital expenditure.

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

Segmental information

In accordance with IFRS 8, the Partnership is organised into one main operating segment, being investment in investment property, in the UK.

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

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

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

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

As at 31 December 2018

	Assets at fair value through profit or loss	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	£	£	£	£
Financial assets				
Investment property	274,800,000	-	-	274,800,000
Trade and other receivables	-	6,337,503	-	6,337,503
Cash and other cash equivalents	-	1,182,066	-	1,182,066
Financial liabilities				
Trade and other payables	-	-	(7,749,406)	(7,749,406)
Partners' loans	-	-	(284,127,597)	(284,127,597)
	<u>274,800,000</u>	<u>7,519,569</u>	<u>(291,877,003)</u>	<u>(9,557,434)</u>

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

(Continued)

As at 31 December 2017

	Assets at fair value through profit or loss	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	£	£	£	£
Financial assets				
Investment property	278,000,000	-	-	278,000,000
Trade and other receivables	-	7,712,755	-	7,712,755
Cash and other cash equivalents	-	1,041,007	-	1,041,007
Financial liabilities				
Trade and other payables	-	-	(5,029,546)	(5,029,546)
Partners' loans	-	-	(288,317,066)	(288,317,066)
	<u>278,000,000</u>	<u>8,753,762</u>	<u>(293,346,612)</u>	<u>(6,592,850)</u>

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

a) Credit risk

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

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

b) Liquidity risk

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

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

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

(Continued)

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

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31 December 2018	£	£	£	£
Trade and other receivables	6,337,503	-	-	6,337,503
Cash and other cash equivalents	1,182,066	-	-	1,182,066
Total financial assets	7,519,569	-	-	7,519,569
Trade and other payables	(7,749,406)	-	-	(7,749,406)
Partners' loans	-	-	(284,127,597)	(284,127,597)
Total financial liabilities	(7,749,406)	-	(284,127,597)	(291,877,003)

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31 December 2017	£	£	£	£
Trade and other receivables	7,712,755	-	-	7,712,755
Cash and other cash equivalents	1,041,007	-	-	1,041,007
Total financial assets	8,753,762	-	-	8,753,762
Trade and other payables	(5,029,546)	-	-	(5,029,546)
Partners' loans	-	-	(288,317,066)	(288,317,066)
Total financial liabilities	(5,029,546)	-	(288,317,066)	(293,346,612)

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

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Partnership's market risks arise from its investment in the investment property, to the extent that this is exposed to general and specific market movements due to the volatility of the property market. The General Partner reviews these risks on a quarterly basis.

i) Foreign exchange risk

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

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

(Continued)

ii) Price risk

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

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

Further details regarding the uncertainty involved in valuing the investment property are provided in Notes 2 and 7.

iii) Cash flow and interest rate risk

Interest rate risk is the risk that future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Partnership has no significant exposure to interest rate risk.

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

iv) Fair value

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

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
	£	£	£	£
Investment property	292,022,559	274,800,000	292,022,559	278,000,000
Trade and other receivables	6,337,503	6,337,503	7,712,755	7,712,755
Cash and cash equivalents	1,182,066	1,182,066	1,041,007	1,041,007
Trade and other payables	(7,749,406)	(7,749,406)	(5,029,546)	(5,029,546)
Partners' loans	(284,127,597)	(284,127,597)	(288,317,066)	(288,317,066)

The Partnership's Investment Property has been valued by a professionally qualified independent valuation specialist. The valuation is based on an analysis of recent market transactions, market knowledge from the independent valuation specialist's agency experience and the use of a discounted cash flow technique. The fair value of all other financial assets and financial liabilities approximates their carrying value.

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

(Continued)

Fair value hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

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

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

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

31 December 2018	Level 1	Level 2	Level 3
	£	£	£
Investment property	-	-	274,800,000
Trade and other receivables	-	6,337,503	-
Cash and cash equivalents	1,182,066	-	-
Trade and other payables	-	(7,749,406)	-
Partners' loans	-	(284,127,597)	-

31 December 2017	Level 1	Level 2	Level 3
	£	£	£
Investment property	-	-	278,000,000
Trade and other receivables	-	7,712,755	-
Cash and cash equivalents	1,041,007	-	-
Trade and other payables	-	(5,029,546)	-
Partners' loans	-	(288,317,066)	-

For further information on the fair value technique of the Investment Property, please refer to Note 7.

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Financial risk management

(Continued)

d) Capital management

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

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the Partnership's auditor for the audit of the financial statements	11,081	21,000
Tax fees	13,508	196

5 Auditor's remuneration

	2018	2017
	£	£
The analysis of the auditor's remuneration is as follows:		
For audit services		
Audit of the financial statements of the Partnership	8,090	12,000
Audit of the financial statements of related parties	2,991	9,000
	11,081	21,000

6 Finance income

	2018	2017
	£	£
Interest income		
Other interest income	2,059	545

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

7 Investment Property

	2018	2017
	£	£
1 Dean Street and 73-89 Oxford Street, London, W1D 2EP		
Fair value brought forward	278,000,000	-
Land payments	-	253,416,210
Development costs	-	25,100,000
Capital expenditure	29,019	-
Transaction costs capitalised	(3,419)	12,825,461
Capitalised lease renewal fees	125,941	-
Amortisation of letting costs	(17,665)	-
Straight line rent adjustment	8,018,446	680,888
Loss on revaluation	(11,352,322)	(14,022,559)
Fair value at the end of the year	<u>274,800,000</u>	<u>278,000,000</u>

The Partnership's Investment Property was valued at 31 December 2018 at £274,800,000 (31 December 2017: £278,000,000) by a professional qualified independent valuation specialist. The valuation of the Investment Property was prepared using the Royal Institution of Chartered Surveyors' ("RICS") valuation standards in the United Kingdom.

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

Sensitivity analysis

The sensitivity analysis for the investment was prepared in consideration of expected market return and level of income and is based on historical experience of management. Considering the +/- movement in the yield of up to 20 basis points and a +/- movement in income/ERV of up to 10%, the maximum change in value of the investment is approximately +17.1% / -12.8% or a range in value of investment of £239.75 million to £321.88 million.

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

8 Administrative expenses

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

	2018 £	2017 £
Partnership loss for the year	(2,714,057)	(6,692,850)
Add tax fees for the year	13,508	196
Partnership loss for the year before taxation	(2,700,549)	(6,692,654)
Add/(deduct) adjusting items:		
Loss on revaluation of Investment Property	11,352,322	14,022,559
Non-deductible expenses	7,973	12,146
Non-taxable income	-	(7,138,408)
Taxable income for the year	8,659,746	203,643
Share of General Partner in %	0.50%	0.50%
	43,299	1,018
Corporation tax	19.00%	19.25%
Tax fees	8,227	196
Prior period adjustment	5,281	-
Tax fees for the year	13,508	196

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

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

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

9 Trade and other receivables

	2018 £	2017 £
Rent and service charge receivable	1,583,871	265,788
Deposits of tenant guarantees receivable	4,381,501	3,064,035
Amounts due from related parties	100,000	100,000
Other receivables	238,685	4,247,820
Prepayments and accrued income	33,446	35,112
	<u>6,337,503</u>	<u>7,712,755</u>

Trade and other receivables are neither past due nor impaired.

10 Current liabilities

	2018 £	2017 £
Deposits of tenant guarantees payable	4,381,501	3,064,035
Trade payables	72,580	91,545
Service charge payable	91,510	25,649
Acquisition costs payable	1,413,950	1,450,000
Other taxation and social security	262,232	196
Deferred income	1,436,862	132,998
Amounts due to related parties	-	47,172
Accrued expenses	90,771	217,951
	<u>7,749,406</u>	<u>5,029,546</u>

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

There are no non-cash movements in the year relating to financing activities.

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

11 Operating lease commitments

The Partnership leases out its Investment Property under operating leases with average lease terms of 17 years to expiry. The future aggregate minimum rental income, excluding contingent rents receivable, under the non-cancellable leases is as follows:

	2018 £	2017 £
Within one year	9,095,890	2,550,000
Between two and five years	35,796,286	35,680,088
In over five years	90,486,922	105,733,532
	<u>135,379,098</u>	<u>143,963,620</u>

12 Property income

	2018 £	2017 £
Rental income	1,023,285	-
Service charge income	606,309	75,400
Insurance recharge income	43,759	-
Straight line adjustment	8,018,446	680,888
Other operating income	3,995	7,148,074
	<u>9,695,794</u>	<u>7,904,362</u>

13 Property expenses

	2018 £	2017 £
Service charge expenses	606,309	75,400
Asset management fees	161,700	177,088
Void service charge	26,999	48,342
Business rates	375	-
Insurance costs	47,608	8,899
Other property expenses	128,595	148,143
	<u>971,586</u>	<u>457,872</u>

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

14 Related party transactions

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

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

The Partnership bears expenses and costs on behalf of other related parties under an administrative costs deed signed by all parties in 2018. Under this deed the following costs have been included in the Partnership's expenses for the period.

- Burlington Eight Limited £nil (2017: £6,397)
- NBIM Elizabeth BTLP Limited £nil (2017: £17,872)
- NBIM Elizabeth GP Limited £21,578 (2017: £7,948)
- NBIM Elizabeth 1 Nominee Limited £2,541 (2017: £2,909)
- NBIM Elizabeth 2 Nominee Limited £2,541 (2017: £2,909)
- NBIM Burlington Holdings Limited £1,204 (2017: £nil)
- NBIM BTLP Limited £5,779 (2017: £nil)

Included in the amount above for NBIM Elizabeth GP Limited is an amount of £13,508 (31 December 2017: £196), which represented the company's tax charge for the year.

Included in the amount above for NBIM BTLP Limited is an amount of £4,575 (31 December 2017: £nil), which represented the NBIM BTLP Limited's directors emoluments charge.

At 31 December 2018, a total amount of £500 (31 December 2017: £500) was receivable from the General Partner for an initial capital contribution and £99,500 (31 December 2017: £99,500) from NBIM BTLP Limited in its capacity as nominee of Norges Bank.

During the period, NBRE Management Europe Limited, a subsidiary of Norges Bank, provided Asset Management services to the Partnership and these services were invoiced on an arms length basis. The expense excluding VAT for the period is £161,700 (2017: £177,088) which a total amount of £nil including VAT (31 December 2017: £47,172 including VAT) was payable at the statement of financial position date.

During the period a total loan of £nil (31 December 2017: £288,846,534) was advanced to the Partnership by the Limited Partner in a nominee capacity. Repayments to the Limited Partner in its nominee capacity totalled £4,189,469 (31 December 2017: 529,468). As at 31 December 2018 an amount of £284,127,597 (31 December 2017: £288,317,066) remains outstanding and payable to the Limited Partner.

15 Controlling party

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

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

NBIM Elizabeth Partners LP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

16 Events after the reporting date

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

NBIM Elizabeth Partners LP

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

17 Amounts attributable to the Partners

a) Movements in Partners' Accounts

31 December 2018

General Partner
Limited Partner

	Balance brought forward	Loans advanced during the year	Loans repaid during the year	Distributions	Loss for the year	Balance carried forward
	£	£	£	£	£	£
	(32,964)	-	-	(1,253)	(13,570)	(47,787)
	281,757,180	-	(4,189,469)	(249,274)	(2,700,487)	274,617,950
	<u>281,724,216</u>	<u>-</u>	<u>(4,189,469)</u>	<u>(250,527)</u>	<u>(2,714,057)</u>	<u>274,570,163</u>

31 December 2017

General Partner
Limited Partner

	Capital contributions	Loans advanced during the year	Loans repaid during the year	Distributions	Loss for the year	Balance carried forward
	£	£	£	£	£	£
	500	-	-	-	(33,464)	(32,964)
	99,500	288,846,534	(529,468)	-	(6,659,386)	281,757,180
	<u>100,000</u>	<u>288,846,534</u>	<u>(529,468)</u>	<u>-</u>	<u>(6,692,850)</u>	<u>281,724,216</u>

NBIM Elizabeth Partners LP

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

17 Amounts attributable to the Partners					(Continued)
b) Cumulative Partners' Accounts					
31 December 2018	Capital account £	Loan advances £	Current account £	Total £	
General Partner	500	-	(48,287)	(47,787)	
Limited Partner	99,500	284,127,597	(9,609,147)	274,617,950	
	<u>100,000</u>	<u>284,127,597</u>	<u>(9,657,434)</u>	<u>274,570,163</u>	
31 December 2017	Capital account £	Loan advances £	Current account £	Total £	
General Partner	500	-	(33,464)	(32,964)	
Limited Partner	99,500	288,317,066	(6,659,386)	281,757,180	
	<u>100,000</u>	<u>288,317,066</u>	<u>(6,692,850)</u>	<u>281,724,216</u>	

NBIM Elizabeth Partners LP

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

17 Amounts attributable to the Partners

(Continued)

c) Loan advances

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

	31 Dec 2018 £	31 Dec 2017 £
Balance brought forward	288,317,066	-
Drawdowns during the year	-	288,846,534
Repayments during the year	(4,189,469)	(529,468)
	<u>284,127,597</u>	<u>288,317,066</u>

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