

# NBIM Elizabeth GP Limited

Annual Report and Financial Statements  
For the year ended 31 December 2020

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Company Registration No. 10436062 (England and Wales)



**NBIM Elizabeth GP Limited**

**Company Information**

For the year ended 31 December 2020

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  
1 New Street Square  
London  
EC4A 3HQ

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 2020

The Directors present their report and the audited financial statements of NBIM Elizabeth GP Limited (the "Company") for the year ended 31 December 2020.

### 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 2020 amounted to £11 (31 December 2019: £8,596). The Company's expenses and costs are borne by the Partnership under an administrative costs deed signed by all parties in 2016, 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 2020 (31 December 2019: £nil).

### Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a minimum of 12 months from the date of signing the financial statements. In the unlikely event that the Company has insufficient resources to meet their obligations and commitments as they fall due the Company's ultimate parent, Norges Bank, has undertaken to commit and procure the necessary financial support to the Company. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the impact of Coronavirus disease Covid-19 Pandemic (hereafter Pandemic) on the entity and adoption of the going concern basis can be found in Note 2 to the financial statements.

### Subsequent Events

Details of significant events since the balance sheet date, if any, are contained in note 16.

### 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
- R Peel
- J Patel

### Qualifying third party indemnity provisions

The Company has not made qualifying third-party indemnity provisions for the benefit of its Directors during the year. Such provisions and cost are borne by the Company's ultimate parent, Norges Bank.

The Company has not made qualifying third-party indemnity provisions for the benefit of its directors during the year as the Company does not borne any costs associated. These are borne at by the Company's ultimate parent, Norges Bank.



## Directors' Report (continued)

For the year ended 31 December 2020

### Principal Risks and Uncertainty

The Directors carry out the risk management function in respect of risks within the Company. The primary objectives of the risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

### Financial Risk Management

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

The main risks arising from the Company's financial instruments are liquidity risk and market risk. The Directors review and agree policies for managing the Company's risk exposure. These policies are described in more detail in Note 4 and have remained unchanged for the year under review.

### Brexit

The Brexit transition period ended on 31 December 2020 and the UK has now left the European Union. Whilst there are still some broader economic uncertainties the Directors has considered the potential impact on the Company and continue to monitor this closely, however no negative impact on the operations or the strategy of the Company has been identified.

### 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.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the applicable legal requirements of the Companies Act 2006, 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 of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and



## NBIM Elizabeth GP Limited

### Directors' Report (continued)

For the year ended 31 December 2020

- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

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

Approved by the Board on Tuesday 15 June 2021 and signed on its behalf by:



R Peel  
Director



J Patel  
Director

## NBIM Elizabeth GP Limited

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

For the year ended 31 December 2020

### 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements 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 1-15.

The financial reporting framework that has been applied in their preparation is applicable law, international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

#### Basis for opinion

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

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

#### Conclusions relating to going concern

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

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

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



## NBIM Elizabeth GP Limited

### Independent auditor's report (Continued) To the members of NBIM Elizabeth GP Limited

For the year ended 31 December 2020

#### Other information

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

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

We have nothing to report in this regard.

#### Responsibilities of directors

As explained more fully in the 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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





## NBIM Elizabeth GP Limited

# Independent auditor's report (Continued) To the members of NBIM Elizabeth GP Limited

For the year ended 31 December 2020

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

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

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

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

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

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

### Report on other legal and regulatory requirements

#### 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.



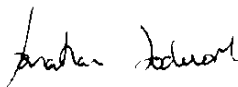
NBIM Elizabeth GP Limited

**Independent auditor's report (Continued)**  
**To the members of NBIM Elizabeth GP Limited**

For the year ended 31 December 2020

**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.



Jonathan Dodworth (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
Date: 15 June 2021



NBIM Elizabeth GP Limited

## Statement of Comprehensive Income

For the year ended 31 December 2020

		2020	2019
	Notes	£	£
<b>INCOME</b>			
Investment income	6	-	8,545
Finance income		11	51
<b>PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>11</b>	<b>8,596</b>

**Continuing operations**

All items dealt with in arriving at the results for the year ended 31 December 2020 and period ended 31 December 2019 relate to continuing operations.

**Other comprehensive income**

No other comprehensive income was derived during the year ended 31 December 2020 and period ended 31 December 2019.

NBIM Elizabeth GP Limited

# Statement of Financial Position

For the year ended 31 December 2020

		2020	2019
	Notes	£	£
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments in Subsidiaries	7	2	2
		<u>2</u>	<u>2</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	500	500
Cash and cash equivalents	9	9,864	9,853
		<u>10,364</u>	<u>10,353</u>
<b>TOTAL ASSETS</b>		<b>10,366</b>	<b>10,355</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	502	502
<b>TOTAL LIABILITIES</b>		<b>502</b>	<b>502</b>
<b>EQUITY</b>			
Called up share capital	12	500	500
Retained earnings		9,364	9,353
<b>TOTAL EQUITY</b>		<b>9,864</b>	<b>9,853</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,366</b>	<b>10,355</b>

The audited financial statements were approved by the board of directors and authorised for issue on Tuesday 15 June 2021 and are signed on its behalf by:



R Peel  
Director



J Patel  
Director

NBIM Elizabeth GP Limited

## Statement of Changes in Equity

For the year ended 31 December 2020

		Share capital	Retained earnings	Total
	Notes	£	£	£
Balance at 1 January 2019		500	757	1,257
Profit/(loss) and total comprehensive income/(loss) for the year		-	8,596	8,596
Balance at 31 December 2019	12	<u>500</u>	<u>9,353</u>	<u>9,853</u>
Year ended 31 December 2020:				
Profit/(loss) and total comprehensive income/(loss) for the year		-	11	11
Balance at 31 December 2020	12	<u>500</u>	<u>9,364</u>	<u>9,864</u>



NBIM Elizabeth GP Limited

# Statement of Cash Flows

For the year ended 31 December 2020

	2020	2019
	£	£
<b>Cash flows from operating activities</b>		
Profit/(loss) for the year	11	8,596
Adjustments for:		
Fair value gain/(loss) in the year	-	-
Finance income	(11)	(51)
<b>Net cash inflow/(outflow) from operating activities</b>	-	8,545
<b>Investing activities</b>		
Interest received	11	51
<b>Net cash generated from/(used in) investing activities</b>	11	51
<b>Net cash generated from/(used in) financing activities</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	11	8,596
Cash and cash equivalents at beginning of year	9,853	1,257
<b>Cash and cash equivalents at end of year</b>	<b>9,864</b>	<b>9,853</b>



# NBIM Elizabeth GP Limited

## Notes to the Financial Statements

For the year ended 31 December 2020

### 1 Company information

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

The financial statements of the Company for the year ended 31 December 2020 comprise a statement of comprehensive income, a statement of financial position, a statement of change in equity and a cash flow statement of the Company. The financial year of the Company starts on the first of January and ends on the thirty-first of December of each year.

### 2 Accounting policies

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

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006. 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 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.

#### 2.2 Consolidation exemption

The Company acts as a holding company, which holds investments in partnership and in subsidiaries. These investments either hold investment properties directly or makes indirect real estate investments.

An entity that meets the definition of an investment entity is required not to consolidate its subsidiaries, but instead to measure its interests in those subsidiaries at fair value through profit or loss in accordance with IFRS 9 in its financial statements. IFRS 10 defines an investment entity as an entity that has all of the following three attributes:

- It obtains funds from one or more investors to provide those investor(s) with investment management services;
  - It commits to its investor(s) that its business purpose is solely to earn returns from capital appreciation, investment income, or both. To satisfy this requirement, the entity needs to have a documented potential exit strategy for investments that can be held indefinitely; and
  - It measures and evaluates the performance of substantially all of its investments on a fair value basis.
- The Company meets the definition of an investment entity as defined by IFRS 10 on the basis that:
- it obtains funds for investment from its Parent Company and it manages those investments on behalf of its Parent Company;
  - its objective is to deliver long term sustainable financial returns from its investments. These financial returns comprise both capital appreciation and investment income. The Company does not plan to hold its individual investments indefinitely and determines exit strategies as part of the investment process; and
  - it measures and evaluates returns for all its investments on a fair value basis.

Accordingly, the Company applies the exception to consolidation and account for its investments in subsidiaries at fair value through profit or loss.

As such the only financial statements that the Company prepares are the separate statutory financial statements.

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

### 2 Accounting policies (Continued)

#### 2.3 Going concern

The Directors' have carefully assessed the impact on the entity financially and operationally and concluded that the events have no material bearing on the ability to continue as a going concern. The Company has a net asset position of £9,864 as at 31 December 2020 (31 December 2019: £9,853) and all expenses and costs are borne by the Partnership under an administrative costs deed. The cash and cash equivalents balance amounts to £9,864 as at 31 December 2020 (31 December 2019: £9,853).

The Company is satisfied that the Partnership will continue to fund the General Partner going forward following an assessment of the going concern and the cashflows from the Partnership. In the event that the Partnership and the Company don't have sufficient resources to meet obligations and commitments as they fall due, the Partnership's ultimate parent, Norges Bank, will procure the necessary financial support to the Partnership through a loan facility agreement during this 12-month period.

The outbreak of the Pandemic and the measures adopted by the UK government to mitigate its spread have not significantly impacted our business and results and based on our experience to date the Directors expect this to remain the case.

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.

#### 2.4 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.

#### 2.5 Adoption of new and revised standards

(i) New and amended standards adopted by the Company

The Company has early adopted the following standard for the financial year beginning 1 January 2020:

- Covid-19-Related Rent Concessions – amendments to IFRS 16 and Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7.

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### 2.6 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.





## NBIM Elizabeth GP Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

#### 2 Accounting policies (Continued)

##### 2.13 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.

##### 2.14 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value. Subsequently they are measured at amortised cost with a recognised loss allowance for expected credit losses which is measured at an amount equal to the lifetime expected credit loss. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

##### 2.15 Trade and other payables

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

##### 2.16 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.

#### 3 Critical accounting 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 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.

##### 3.1 Critical accounting judgements

###### 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.

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 6 and 7 for further details.

##### 3.2 Key Sources of Estimation Uncertainty

Estimates 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.

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

### 4 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 2020	Assets at fair value through profit or loss	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	£	£	£	£
<b>Financial assets</b>				
Investment in Partnership	-	-	-	-
Investments in Subsidiaries	2	-	-	2
Trade and other receivables	-	500	-	500
Cash and cash equivalents	-	9,864	-	9,864
<b>Financial liabilities</b>				
Trade and other payables	-	-	(502)	(502)
	<b>2</b>	<b>10,364</b>	<b>(502)</b>	<b>9,864</b>

As at 31 December 2019	Assets at fair value through profit or loss	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	£	£	£	£
<b>Financial assets</b>				
Investment in Partnership	-	-	-	-
Investments in Subsidiaries	2	-	-	2
Trade and other receivables	-	500	-	500
Cash and cash equivalents	-	9,853	-	9,853
<b>Financial liabilities</b>				
Trade and other payables	-	-	(502)	(502)
	<b>2</b>	<b>10,353</b>	<b>(502)</b>	<b>9,853</b>

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.

## NBIM Elizabeth GP Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

#### 4 Financial risk management (Continued)

##### a) Credit risk

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

Credit risk also arises from cash and cash equivalents. Amounts with credit institutions are limited to the cash account for £9,864 deposited in Citi Bank, London, (A+, S&P) (31 December 2019: £9,853).

##### b) 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:

As at 31 December 2020	On demand	More than 3 months	Total
	£	£	£
Trade and other receivables	500	-	500
Cash and cash equivalents	9,864	-	9,864
	10,364	-	10,364
Trade and other payables	(502)	-	(502)

As at 31 December 2019	On demand	More than 3 months	Total
	£	£	£
Trade and other receivables	500	-	500
Cash and cash equivalents	9,853	-	9,853
	10,353	-	10,353
Trade and other payables	(502)	-	(502)

##### 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 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.

##### 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.

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

### 4 Financial risk management (Continued)

#### iv) Fair value

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

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
	£	£	£	£
Investment in Partnership	500	-	500	-
Investments in Subsidiaries	2	2	2	2
Trade and other receivables	500	500	500	500
Cash and cash equivalents	9,864	9,864	9,853	9,853
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.

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 2020	Level 1	Level 2	Level 3
	£	£	£
Investment in Partnership	-	-	-
Investments in Subsidiaries	-	-	2
Trade and other receivables	-	500	-
Cash and cash equivalents	9,864	-	-
Trade and other payables	-	(502)	-
31 December 2019	Level 1	Level 2	Level 3
	£	£	£
Investment in Partnership	-	-	-
Investments in Subsidiaries	-	-	2
Trade and other receivables	-	500	-
Cash and cash equivalents	9,853	-	-
Trade and other payables	-	(502)	-



## NBIM Elizabeth GP Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

#### 4 Financial risk management (Continued)

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 6 and 7 respectively.

#### d) 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 aims to deliver this objective through maintaining the underlying investment of its Partnership to a high standard that will provide the Company with the right to receive cash flows from the Partnership. The Company is not subject to externally imposed capital requirements. The Company is meeting its objectives for managing capital.

#### 5 Employees

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 (31 December 2019: £nil).

#### 6 Investment in Partnership

	2020	2019
	£	£
Cost at the start of the year	500	500
Capital contributed during the period	-	-
Cost at the end of the year	500	500
Fair value gain/(loss) at the start of the year	(500)	(500)
Fair value gain/(loss) for the year	-	-
Fair value gain/(loss) at the end of the year	(500)	(500)

#### Fair value

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 Company made an investment in the capital of the Partnership representing 0.50% of the total capital of the Partnership.

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

As at 31 December 2020, the Partnership has a negative retained earnings position of £59,963,128 (31 December 2019: negative retained earnings of £2,050,364), the current year loss amounts to £57,912,764 (31 December 2019: profit of £9,316,070). The investment in the Partnership has a negative fair value of £299,316 at the end of the year (31 December 2019: negative fair value £9,752).

As detailed in note 2, the investment in the Partnership is held at fair value. There are no stipulations in the Partnership Agreement that the fair value is restricted to cost, however the General Partner is not responsible for the share of the Partnerships losses and is therefore shown as nil in the current and prior year.



## NBIM Elizabeth GP Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

#### 7 Investments in Subsidiaries

	2020	2019
	£	£
Cost at the start of the year	2	2
Capital contributed during the year	-	-
<b>Cost at the end of the year</b>	<b>2</b>	<b>2</b>
Fair value gain/(loss) at the start of the year	-	-
Fair value gain/(loss) for the year	-	-
<b>Fair value gain/(loss) at the end of the year</b>	<b>-</b>	<b>-</b>
Fair value at the end of the year	2	2

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 year.

#### 8 Trade and other receivables

	2020	2019
	£	£
Amount due from related parties	500	500

Trade and other receivables are neither past due nor impaired.

#### 9 Cash and cash equivalent

	2020	2019
	£	£
Cash	9,864	9,853

#### 10 Trade and other payables

	2020	2019
	£	£
Amount due from related parties	502	502

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.

#### 11 Taxation

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporate tax to 17% from 1 April 2020. However, in the March 2021 Budget, it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19% and should be increased to 25% from April 2023. Accordingly, the effective rate of tax for the years ending 2019 and 2020 is 19%.

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 2020 (31 December 2019: £nil).



## For the year ended 31 December 2020

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



# Verification

Transaction 09222115557448662433

## Document

**NBIM Elizabeth GP Limited - FS 2020 - Final**

Main document

24 pages

*Initiated on 2021-06-15 14:17:43 BST (+0100) by Melinee Ashworth (MA)*

*Finalised on 2021-06-15 15:42:51 BST (+0100)*

## Initiator

**Melinee Ashworth (MA)**

Norges Bank Investment Management

## Signing parties

**Jayesh Patel (JP)**

Director, NBIM Elizabeth GP Limited



*Signed 2021-06-15 15:42:51 BST (+0100)*

**Robert Peel (RP)**

Director, NBIM Elizabeth GP Limited



*Signed 2021-06-15 14:28:22 BST (+0100)*

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# NBIM Elizabeth Partners LP

Annual Report and Financial Statements for the year  
ended 31 December 2020

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No. 10436062.

Registration No. LP017654 (England and Wales)



## NBIM Elizabeth Partners LP

### Partners, Advisors and Other Information

For the year ended 31 December 2020

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 1 New Street Square London EC4A 3HQ
Bankers	Citi Bank 33 Canada Square London E14 5LB



## NBIM Elizabeth Partners LP

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## NBIM Elizabeth Partners LP

### Strategic Report

For the year ended 31 December 2020

NBIM Elizabeth GP Limited (the "General Partner") presents its strategic report of NBIM Elizabeth Partners LP (the "Partnership") for the year ended 31 December 2020.

#### Principal activities

The principal activity of the Partnership is to invest directly in property on Oxford Street, London, W1 (the "Investment Property"). The property is a mixed-use office and retail building.

#### Review of the business

The Partnership's loss for the year amounted to £57,912,764 (31 December 2019: profit £9,316,070).

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:

	2020	2019
	£	£
Property Income	9,836,964	9,911,440
Net asset value (NAV)	213,680,058	277,226,233
Market value of Investment Property	212,700,000	277,500,000

One of the main retail leases has been terminated in November 2020 following the tenant entering a CVA. Rent concessions and/or deferrals have been provided to tenants in the year. The main driver for the loss this year is the fall in the value of Investment Property (see note 8). This reflects weaker market conditions and the impact of Covid-19 on the property value.

#### Principal risks and uncertainty

The General Partner carries out the Risk Management function within the Partnership. The primary objectives of the risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

#### Financial risk management

Financial risks are risks arising from financial instruments to which the Partnership is exposed during or at the end of the reporting year.

The most significant risk following the Covid-19 Pandemic (hereafter "the Pandemic") is the change to the value of the property. The risk has high attention from the General Partner and is considered and monitored on a continuous basis. The General Partner uses its knowledge and experience to knowingly accept a measured degree of market 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. In order to manage the risk, the General Partner regularly monitors all amounts that are owed to ensure that the amounts are paid in full and on time.

Liquidity risk is the risk that the Partnership will encounter difficulty in raising funds to meet commitments associated with financial liabilities. This risk is managed through the day-to-day monitoring of future cash flow requirements to ensure that the Partnership has enough resources to repay all future amounts outstanding.

The General Partner has taken steps in response to the Pandemic. The business is also working closely with tenants to navigate through this period.

## NBIM Elizabeth Partners LP

### Strategic Report (continued)

For the year ended 31 December 2020

These policies are described in more detail in note 4 of the financial statements.

#### Brexit

The Brexit transition period ended on 31 December 2020 and the UK has now left the European Union. Whilst there are still some broader economic uncertainties the General Partner has considered the direct challenges for the Partnership and will continue to monitor closely. As of today no negative impact on the operations or the strategy of the Partnership has been identified.

#### Sustainability

The Partnership's objective is to manage the Investment Property in a responsible and environmentally sustainable manner. The Partnership aims to achieve this objective by implementing measures that focus on improving energy, water and waste performance. The Partnership measure the progress against the objective by way of third-party certification (such as BREEAM) and the Global Real Estate Sustainability Benchmark (GRESB) assessment.

The Partnership achieved BREEAM New Construction 'Excellent' certification following the Investment Property construction. In 2021 the Partnership will undertake an energy, water and waste audit to identify additional opportunities to improve the performance of the Investment Property. The Partnership will also add air quality monitoring into the 2nd floor. Air quality monitoring is already in place for the other office floors in the Investment Property.

#### Employees

The Partnership has no employees (31 December 2019: nil).

Approved by the Board on 15 June 2021 and signed on its behalf by:



J Patel  
Director



R Peel  
Director



## NBIM Elizabeth Partners LP

### Report of the General Partner

For the year ended 31 December 2020

The General Partner presents its report and the audited financial statements of the Partnership for the year ended 31 December 2020.

#### 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 £57,912,764 (31 December 2019: profit of £9,316,070) with a net asset value of £213,680,058 (31 December 2019: £277,226,233). During the year, the General Partner proposed the payment of a distribution totaling £nil (31 December 2019: £1,709,000).

The Partners as at 31 December 2020 and their interests in the capital and current accounts were as follows:

	Capital account	Loan advances	Current account
	£	£	£
NBIM Elizabeth GP Limited	500	-	(299,816)
NBIM BTLP Limited	99,500	273,543,186	(59,663,313)
	<b>100,000</b>	<b>273,543,186</b>	<b>(59,963,129)</b>

#### 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 Note 4 to the financial statements.

#### Going Concern

The Balance Sheet shows that £273m of shareholder loans were outstanding as at 31 December 2020. The General Partner is satisfied that the shareholders will not call for a repayment within twelve months of the signing of these financial statements unless the Partnership has sufficient resources to do so.

The General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future, and for a minimum of 12 months from the date of signing the financial statements. In the event that the Partnership doesn't have sufficient resources to meet obligations and commitments as they fall due, the Partnership's ultimate parent, Norges Bank, will procure the necessary financial support to the Partnership through a loan facility agreement during this 12-month period. Thus, the Partnership continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the impact of the Pandemic on the entity and adoption of the going concern basis can be found in Note 2 to the financial statements.

#### Future developments

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



## NBIM Elizabeth Partners LP

### Report of the General Partner (Continued)

For the year ended 31 December 2020

#### Subsequent Events

Details of significant events since the balance sheet date, if any, are contained in note 18.

#### Auditor

The General Partner appointed Deloitte LLP as auditors, they have expressed their 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.

#### 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.



## NBIM Elizabeth Partners LP

### Report of the General Partner (Continued)

For the year ended 31 December 2020

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


- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, *comparable and understandable information*;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Limited Partnership's ability to continue as a going concern.

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.

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

Approved by the Board on 15 June 2021 and signed on its behalf by:

  
.....  
J Patel

  
.....  
R Peel



# **Independent auditor's report to the members of NBIM Elizabeth Partners LP (continued)**

For the year ended 31 December 2020

## **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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

We have audited the financial statements 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 1-19.

The financial reporting framework that has been applied in their preparation is applicable law, international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

### **Basis for opinion**

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

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

### **Conclusions relating to going concern**

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

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

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



## For the year ended 31 December 2020

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.

We have nothing to report in this regard.

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.

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.

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

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

# **Independent auditor's report to the members of NBIM Elizabeth Partners LP (continued)**

For the year ended 31 December 2020

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the judgements and assumptions made by the external valuers in their estimation of the fair value of the investment property. Our specific procedures performed to address this are described below:

- We obtained and documented an understanding of relevant controls in the valuation process and in particular the information provided to the valuers;
- We obtained the external valuation reports and met with the external valuer to discuss the results of their work on a sample of properties. We challenged the valuation process, performance of the property and significant judgements and assumptions applied in their valuation model, including yields, estimated rental values, occupancy rates, lease incentives and break clauses. Our challenge included benchmarking the key assumptions to external market data and comparable property transactions, in particular the yield;
- We tested the integrity of a sample of the data provided to the external valuer;
- We tested the completeness of the data provided to the external valuer. This included obtaining an independent source of the tenants at the property and verifying that they were appropriately included in the data relied upon in the valuation; and
- We assessed the appropriateness of the disclosures included in the Financial Statements and considered if the specific disclosures in relation to the estimate are considered reasonable.

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

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

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

## **Report on other legal and regulatory requirements**

### **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.

# Independent auditor's report to the members of NBIM Elizabeth Partners LP (continued)

For the year ended 31 December 2020

## Matters on which we are required to report by exception

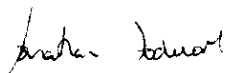
Under the Companies Act 2006 as applied to qualifying partnerships we are required to report in respect of the following matters if, in our opinion:

- 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.



Jonathan Dodworth (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
Date: 15 June 2021

NBIM Elizabeth Partners LP

# Statement of Comprehensive Income

For the year ended 31 December 2020

		2020	2019
	Notes	£	£
<b>INCOME</b>			
Property income	14	9,836,964	9,911,440
<b>TOTAL INCOME</b>		<b>9,836,964</b>	<b>9,911,440</b>
<b>EXPENSES</b>			
Property expenses	15	(7,294,905)	(1,219,969)
Administrative expenses	9	(50,157)	(72,500)
<b>TOTAL EXPENSES</b>		<b>(7,345,063)</b>	<b>(1,292,469)</b>
<b>OPERATING PROFIT/(LOSS)</b>	5	<b>2,491,901</b>	<b>8,618,971</b>
Finance income	7	2,909	5,167
Gain/(loss) on revaluation of Investment Property	8	(60,407,574)	691,932
<b>PROFIT/(LOSS) FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>(57,912,764)</b>	<b>9,316,070</b>

**Continuing operations**

All items dealt with in arriving at the results for the year to 31 December 2020 and year ended 31 December 2019 relate to continuing operations.

**Other comprehensive income**

No other comprehensive income was derived during the year to 31 December 2020 and the year ended 31 December 2019.

NBIM Elizabeth Partners LP

# Statement of Financial Position

For the year ended 31 December 2020

		2020	2019
	Notes	£	£
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment Property	8	212,700,000	277,500,000
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	3,155,692	5,563,674
Cash and cash equivalents	11	1,476,024	2,990,418
		<u>4,631,716</u>	<u>8,554,092</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	(3,651,659)	(8,827,859)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>980,058</b>	<b>(273,767)</b>
<b>NET ASSETS</b>		<u><b>213,680,058</b></u>	<u><b>277,226,233</b></u>

Represented by:

## AMOUNTS ATTRIBUTABLE TO THE PARTNERS

Partners' capital	19	100,000	100,000
Partner's loans	19	273,543,186	279,176,597
Partners' current account	19	(59,963,128)	(2,050,364)
		<u>213,680,058</u>	<u>277,226,233</u>

The audited financial statements were approved by the Board of Directors of the General Partner and authorised for issue on 15 June 2021 and are signed on their behalf by:



J Patel  
Director



R Peel  
Director

# NBIM Elizabeth Partners LP

## Statement of Changes in Partners' Interest

For the year ended 31 December 2020

		General Partner	Limited Partner	Total
	Notes	£	£	£
<b>Balance at 1 January 2019</b>		(47,787)	274,617,950	274,570,163
Loans repaid to the Limited Partner	19	-	(4,951,000)	(4,951,000)
Gain/(Loss) and total comprehensive income/(loss) for the year	19	46,580	9,269,490	9,316,070
Distributions	19	(8,545)	(1,700,455)	(1,709,000)
<b>Balance at 31 December 2019</b>		<b>(9,752)</b>	<b>277,235,985</b>	<b>277,226,233</b>
 Loans repaid to the Limited Partner	 19	 -	 (5,633,411)	 (5,633,411)
Gain/(Loss) and total comprehensive income/(loss) for the year	19	(289,564)	(57,623,200)	(57,912,764)
Distributions		-	-	-
<b>Balance at 31 December 2020</b>		<b>(299,316)</b>	<b>213,979,374</b>	<b>213,680,058</b>





NBIM Elizabeth Partners LP

# Statement of Cash Flows

For the year ended 31 December 2020

		2020	2019
	Notes	£	£
<b>Cash flows from operating activities</b>			
Profit/(Loss) for the year		(57,912,764)	9,316,070
Adjustments for:			
Finance income	7	(2,909)	(5,167)
Straight line rent adjustment	14	317,356	(2,082,407)
Straight line rent adjustment (vacant unit)	15	4,171,256	-
Amortisation of letting costs	8	25,241	25,172
Amortisation of tenant improvements	8	(43,124)	3,756
Loss/(gain) on revaluation of Investment Property	8	60,407,574	(691,932)
Decrease/(increase) in trade and other receivables		2,384,686	773,829
Increase/(decrease) in trade and other payables		(5,152,904)	1,078,453
<b>Net cash inflow from operating activities</b>		<b>4,194,411</b>	<b>8,417,774</b>
<b>Investing activities</b>			
Development cost reduction		-	45,411
Capitalised lease renewal fees	8	(3,515)	-
Capital expenditure	8	(74,788)	-
Finance income received	7	2,909	5,167
<b>Net cash generated from/(used in) investing activities</b>		<b>(75,394)</b>	<b>50,578</b>
<b>Financing activities</b>			
Repayment of the Limited Partner's loan	19	(6,843,000)	(4,951,000)
Loan advances during the year	19	1,209,589	-
Distributions paid to Partners	19	-	(1,709,000)
<b>Net cash generated from/(used in) financing activities</b>		<b>(5,633,411)</b>	<b>(6,660,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,514,394)</b>	<b>1,808,352</b>
Cash and cash equivalents at beginning of year		2,990,418	1,182,066
<b>Cash and cash equivalents at end of year</b>	11	<b>1,476,024</b>	<b>2,990,418</b>

## NBIM Elizabeth Partners LP

### Notes to the Financial Statements

For the year ended 31 December 2020

#### 1 Partnership Information

##### 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.

The financial statements of the Partnership for the year ended 31 December 2020 comprise a statement of comprehensive income, a statement of financial position, a statement of change in equity and a statement of cash flow of the Partnership. The financial year of the Partnership starts on the first of January and ends on the thirty-first of December of each year.

#### 2 Accounting policies

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

##### 2.1 Basis of preparation

The financial statements of the Partnership have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis, applying the historical cost convention as modified by the revaluation of the Investment Property.

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.

##### 2.2 Going concern

The Partnership has a net asset position of £213,680,058 (31 December 2019: £277,226,233) and a net current assets position of £980,058 as at 31 December 2020 (31 December 2019: net current liabilities position of £273,767). Partners' loans of £273,543,186 were outstanding as at 31 December 2020 (31 December 2019: £279,176,597). 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. The cash and cash equivalents balance amounts to £1,476,024 as at 31 December 2020 (31 December 2019: £2,990,418).

## NBIM Elizabeth Partners LP

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

### 2 Accounting policies (Continued)

The Partnership is in constant dialogue with the tenants that are facing difficulties and are considering concessions and/or deferrals of rent payments. The Partnership has access to funding for operating expenses by calling down on the loan from the Lender. The Partnership has reviewed expected cash flow for the coming 12 months and are satisfied that ongoing commitments can be met as they fall due.

The General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future, and for a minimum of 12 months from the date of signing the financial statements. In the event that the Partnership doesn't have sufficient resources to meet obligations and commitments as they fall due, the Partnership's ultimate parent, Norges Bank, will procure the necessary financial support to the Partnership through a loan facility agreement during this 12-month period. Thus, the Partnership continues to adopt the going concern basis in preparing the financial statements.

#### 2.3 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.

#### 2.4 Adoption of new and revised standards

i) New and amended standards adopted by the Partnership

The Partnership has early adopted the following standard for the financial year beginning 1 January 2020:

- Covid-19-Related Rent Concessions – amendments to IFRS 16 and Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7.

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Partnership. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### 2.5 Segmental information

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

#### 2.6 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 2020

#### 2 Accounting policies (Continued)

##### 2.7 Revenue recognition

Revenue comprises rental income, service charge income, insurance recharge 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.

As a result of the impact of the Pandemic, the Partnership provides rental assistance to some of its tenants. This assistance may take over the form of rental waivers, payment deferrals or other changes to existing lease payment structures or lease terms.

Once any rental assistance is agreed with a tenant, the Partnership treats them as a lease modification with the following effects on the financial statements:

- Partial extinguishment of the lease receivables will be written off through a loss in the income statement with a corresponding reduction of the lease receivable.
- Lease rental income due over the remaining lease term, which will incorporate any future reductions, will be recognised on a straight-line basis

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

##### 2.8 Finance income

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

##### 2.9 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.

##### 2.10 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 2020

#### 2 Accounting policies (Continued)

##### 2.15 Trade and other payables

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

##### 2.16 Expenses

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

##### 2.17 Transactions 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.

##### 2.18 Partners' loans

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

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

##### 2.19 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.

##### 2.20 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.

#### 3 Critical accounting 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.

##### 3.1 Critical accounting judgements

###### 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.



## Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

### 3 Critical accounting judgements and key sources of estimation uncertainty (Continued)

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.

Due to the economic disruption caused by the Pandemic, the Partnership has granted rent assistance to tenants that have been significantly hit by the Pandemic. The uncertain economic outlook for the period may have a material adverse effect on the tenants' operations, the viability of their business and their ability to meet their rental obligations. This uncertainty is factored into the valuation of investment property, specifically in estimating rent payments from existing tenants, the void periods, occupancy rates, expected market rental growth rates and the discount rate, all of which are significant inputs into the fair value determination.

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. a higher equivalent yield of 3.89% (31 December 2019: 3.36%) to reflect greater uncertainty over long-term cash flows and long-term growth prospects and increased risk of defaults and non-payment of rent, which lead to a decrease in the valuation; and
- c. in addition, various assumptions have been made in consideration of non-recoverable running costs and likely future capital expenditure.

#### 3.2 Key Sources of Estimation Uncertainty

The Pandemic and the measures taken to tackle Covid-19 continue to affect economies and real estate market globally. Nevertheless, as at 31 December 2020, some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the external valuer is of the opinion that the valuation as at 31 December 2020 is not subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

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

## NBIM Elizabeth Partners LP

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

#### 4 Financial risk management

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

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 2020	Assets at fair value through profit or loss	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	£	£	£	£
<b>Financial assets</b>				
Investment Property	212,700,000	-	-	212,700,000
Trade and other receivables	-	3,155,692	-	3,155,692
Cash and other cash equivalents	-	1,476,024	-	1,476,024
<b>Financial liabilities</b>				
Trade and other payables	-	-	(3,651,659)	(3,651,659)
Partners' loans	-	-	(273,543,186)	(273,543,186)
	<b>212,700,000</b>	<b>4,631,716</b>	<b>(277,194,845)</b>	<b>(59,863,129)</b>

As at 31 December 2019	Assets at fair value through profit or loss	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	£	£	£	£
<b>Financial assets</b>				
Investment Property	277,500,000	-	-	277,500,000
Trade and other receivables	-	5,563,674	-	5,563,674
Cash and other cash equivalents	-	2,990,418	-	2,990,418
<b>Financial liabilities</b>				
Trade and other payables	-	-	(8,827,859)	(8,827,859)
Partners' loans	-	-	(279,176,597)	(279,176,597)
	<b>277,500,000</b>	<b>8,554,092</b>	<b>(288,004,456)</b>	<b>(1,950,364)</b>

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.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

## 4 Financial risk management (Continued)

### 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 considers that a default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. The General Partner monitors the performance on a regular basis through review of the quarterly property and financial reports. There are no expected credit losses within the Partnership while rent was written off during the year following one tenant entering a CVA. All other tenants continue paying up.

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. Amounts with credit institutions are limited to the cash account for £49,511 deposited in Citi Bank, London, (A+, S&P) (31 December 2019: £21,231) and for £1,426,513 deposited in Barclays, London (A+, S&P), as at 31 December 2019 the amount of £2,969,187 was deposited in NatWest Group, London (A, S&P).

### b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Partnership's liquidity position is monitored regularly by the General Partner.

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

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

As at 31 December 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
	£	£	£	£
Trade and other receivables	3,155,692	-	-	3,155,692
Cash and other cash equivalents	1,476,024	-	-	1,476,024
<b>Total financial assets</b>	<b>4,631,716</b>	<b>-</b>	<b>-</b>	<b>4,631,716</b>

Trade and other payables	(3,651,659)	-	-	(3,651,659)
Partners' loans	-	(273,543,186)	-	(273,543,186)
<b>Total financial liabilities</b>	<b>(3,651,659)</b>	<b>(273,543,186)</b>	<b>-</b>	<b>(277,194,845)</b>

As at 31 December 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
	£	£	£	£
Trade and other receivables	5,563,674	-	-	5,563,674
Cash and other cash equivalents	2,990,418	-	-	2,990,418
<b>Total financial assets</b>	<b>8,554,092</b>	<b>-</b>	<b>-</b>	<b>8,554,092</b>

Trade and other payables	(8,827,859)	-	-	(8,827,859)
Partners' loans	-	(279,176,597)	-	(279,176,597)
<b>Total financial liabilities</b>	<b>(8,827,859)</b>	<b>(279,176,597)</b>	<b>-</b>	<b>(288,004,456)</b>



## NBIM Elizabeth Partners LP

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

#### 4 Financial risk management (Continued)

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.

##### 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.

The Brexit transition period ended on 31 December 2020 and the UK has now left the European Union. Whilst there are still some broader economic uncertainties the General Partner has considered the direct challenges for the Partnership and will continue to monitor closely. As of today there is no negative impact on the investment property value.

Further details regarding the uncertainty involved in valuing the investment property are provided in Notes 3 and 8.

##### 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:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
	£	£	£	£
Investment property	292,100,862	212,700,000	292,022,559	277,500,000
Trade and other receivables	3,155,692	3,155,692	5,563,674	5,563,674
Cash and cash equivalents	1,476,024	1,476,024	2,990,418	2,990,418
Trade and other payables	(3,651,659)	(3,651,659)	(8,827,859)	(8,827,859)
Partners' loans	(273,543,186)	(273,543,186)	(279,176,597)	(279,176,597)

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. As mentioned in Note 3, the uncertain economic outlook due to the Pandemic has been factored into the valuation of investment property, specifically in estimating rental values, void periods, occupancy rates, expected market rental growth rates and the discount rate, all of which are significant inputs into the fair value determination.

The fair value of all other financial assets and financial liabilities approximates their carrying value.

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

### 4 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 2020	Level 1	Level 2	Level 3
	£	£	£
Investment Property	-	-	212,700,000
Trade and other receivables	-	3,155,692	-
Cash and cash equivalents	1,476,024	-	-
Trade and other payables	-	3,651,659	-
Partners' loans	-	273,543,186	-

31 December 2019	Level 1	Level 2	Level 3
	£	£	£
Investment Property	-	-	277,500,000
Trade and other receivables	-	5,563,674	-
Cash and cash equivalents	2,990,418	-	-
Trade and other payables	-	8,827,859	-
Partners' loans	-	279,176,597	-

For further information on the fair value technique of the Investment Property and how the impact of the Pandemic has been factored into the valuation, please refer to Note 3 and Note 8.

#### v) 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 maintaining the Investment Property to a high standard 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. The Partnership is meeting its objectives for managing capital.

## NBIM Elizabeth Partners LP

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

#### 5 Operating profit

Operating profit for the year is stated after charging:

	2020	2019
	£	£
Fees payable to auditors	20,800	17,389
Tax fees	690	11,777
Amortisation of letting costs	25,241	25,172
	<b>46,731</b>	<b>54,338</b>

#### 6 Auditor's remuneration

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

	2020	2019
	£	£
Audit of the financial statements of the Partnership	15,282	12,356
Audit of the financial statements of related parties	5,518	5,033
	<b>20,800</b>	<b>17,389</b>

No non-audit fees were payable to the auditor in the current or preceding year.

#### 7 Finance income

	2020	2019
	£	£
Interest Income		
Other Interest Income	<b>2,909</b>	<b>5,167</b>

#### 8 Investment Property

	2020	2019
	£	£
<b>1 Dean Street and 73-89 Oxford Street, London, W1D 2EP</b>		
Fair value brought forward	277,500,000	274,800,000
Development costs reduction	-	(45,411)
Capital expenditure	74,788	-
Amortisation of tenant improvements	43,124	(3,756)
Capitalised letting costs	3,515	-
Amortisation of letting costs	(25,241)	(25,172)
Straight line rent adjustment	(4,488,611)	2,082,407
Gain/(loss) on revaluation	(60,407,574)	691,932
Fair value at the end of the year	<b>212,700,000</b>	<b>277,500,000</b>

The Partnership's Freehold Investment Property was valued at 31 December 2020 at £212,700,000 (31 December 2019: £277,500,000) 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.

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

### 8 Investment Property (Continued)

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 when evaluating the freehold property. 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. Freehold property values can change substantially over short periods of time.

There is no restriction on the realisability of the Investment Property.

For further information on the fair value technique of the Investment Property and how the impact of the Pandemic has been factored into the valuation, please refer to Note 3.

#### *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 -13.24% / +15.30% or a range in value of investment of £184,5 million to £245,2 million.

### 9 Administrative expenses

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

	2020	2019
	£	£
Partnership profit/(loss) for the year	(57,912,764)	9,316,070
Add tax charges for the year	690	11,777
<b>Partnership profit/(loss) for the year before taxation</b>	<b>(57,912,074)</b>	<b>9,327,847</b>
Add/(deduct) adjusting items:		
(Gain)/loss on revaluation of Investment Property	60,407,574	(691,932)
Non-deductible expenses	-	6,780
<b>Taxable income for the year</b>	<b>2,495,500</b>	<b>8,642,695</b>
Share of General Partner in %	0.50%	0.50%
	<b>12,478</b>	<b>43,213</b>
Corporation tax	19.00%	19.00%
Tax charges	2,371	8,211
Prior period adjustment	(1,681)	3,566
<b>Tax charges for the year</b>	<b>690</b>	<b>11,777</b>

The tax charges 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.

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporate tax to 17% from 1 April 2020. However, in the March 2021 Budget, it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19% and should be increased to 25% from April 2023. Accordingly, the effective rate of tax for the years ending 2019 and 2020 is 19%.

NBIM Elizabeth Partners LP

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

## 10 Trade and other receivables

	2020	2019
	£	£
Rent and service charge receivable	649,045	743,909
Deposits of tenant guarantees receivable	2,098,736	4,392,827
Amounts due from related parties	271,697	100,000
Other receivables	100,000	290,723
Prepayments and accrued income	36,214	36,215
	<b>3,155,692</b>	<b>5,563,674</b>

Trade and other receivables are neither past due nor impaired. Please refer to note 2.12 for impact of Covid-19 on the Rents receivable.

## 11 Cash and cash equivalents

	2020	2019
	£	£
Cash	49,511	21,231
Cash equivalents	1,426,513	2,969,187
	<b>1,476,024</b>	<b>2,990,418</b>

Cash equivalents is received rental payment from tenants and the balance of the property manager account. The cash is deposited in a bank account under the control of the property manager. The cash is owned by the Partnership and available upon notification.

## 12 Trade and other payables

	2020	2019
	£	£
Deposits of tenant guarantees payable	2,098,736	4,392,827
Trade payables	30,943	19,366
Service charge payable	(17,831)	-
Acquisition costs payable	50,000	1,368,539
Other taxation and value added tax	(257,680)	438,146
Deferred income	1,574,257	2,577,881
Accrued expenses	173,234	31,100
	<b>3,651,659</b>	<b>8,827,859</b>

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.

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

### 13 Operating lease commitments

The Partnership has entered into commercial leases with tenants, on standard terms (FRI, rental payments, breaks, default etc.) within the UK real estate industry. When a tenant vacates specific clauses in the agreement regulates the state in which the premises should be returned to the Partnership. There are no residual value guarantees in place.

The Partnership leases out its Investment Property under operating leases with average lease terms of 13 years to expiry. The future aggregate minimum rental income, excluding contingent rents receivable, under the non-cancellable leases is as follows:

	2020	2019
	£	£
Within 1 year	5,509,992	9,797,492
Within 2 years	6,147,492	9,797,492
Within 3 years	6,147,492	9,797,492
Within 4 years	6,147,492	9,797,492
Within 5 years	6,147,492	9,797,492
More than 5 years	37,488,411	92,269,946
	<b>67,588,371</b>	<b>141,257,406</b>

The decrease of the future aggregate minimum rental income is mainly due to the main retail lease being terminated in November 2020 following the tenant entering a CVA.

### 14 Property income

	2020	2019
	£	£
Rental income	9,164,685	6,953,497
Service charge income	910,369	831,534
Insurance recharge income	54,658	47,758
Straight line adjustment	(322,152)	2,078,651
Dilapidation income	9,830	-
Other operating income	19,574	-
	<b>9,836,964</b>	<b>9,911,440</b>

### 15 Property expenses

	2020	2019
	£	£
Service charge expenses	910,369	831,535
Asset management fees	277,500	273,400
Void service charge	30,541	5,955
Business rates	25,375	375
Insurance costs	83,204	49,493
Rental Income write-off	1,639,841	-
Straight line rent adjustment (vacant unit)	4,171,256	-
Other property expenses	156,820	59,211
	<b>7,294,905</b>	<b>1,219,969</b>

## NBIM Elizabeth Partners LP

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

#### 16 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 year:

- NBIM Elizabeth GP Limited £5,860 (2019: £25,798)
- NBIM Elizabeth 1 Nominee Limited £nil (2019: £202)
- NBIM Elizabeth 2 Nominee Limited £ nil (2019: £202)
- NBIM Burlington Holdings Limited £1,480 (2019: £1,535)
- NBIM BTLP Limited £1,914 (2019: £4,651)

Included in the amount above for NBIM Elizabeth GP Limited is an amount of £690 (31 December 2019: £11,777), which represented the company's tax charge for the year.

Included in the amount above for NBIM BTLP Limited is an amount of £ nil (31 December 2019: £ 2,731), which represented the NBIM BTLP Limited's directors' emoluments charge.

At 31 December 2020, a total amount of £500 (31 December 2019: £500) was receivable from the General Partner for an initial capital contribution and £99,500 (31 December 2019: £99,500) from NBIM BTLP Limited in its capacity as nominee of Norges Bank.

During the year, NBRE Management Europe Limited, a subsidiary of Norges Bank, provided Asset Management services to the Partnership and these services were invoiced on an arm's length basis. The expense excluding VAT for the year is £277,500 (31 December 2019: £273,400) which a total amount of £nil (31 December 2019: £nil) was payable at the statement of financial position date.

During the year a total loan of £1,209,589 (31 December 2019: £nil) was advanced to the Partnership by the Limited Partner in a nominee capacity. Repayments to the Limited Partner in its nominee capacity totaled £6,843,000 (31 December 2019: £4,951,000). As at 31 December 2020 an amount of £273,543,186 (31 December 2019: £279,176,597) remains outstanding and payable to the Limited Partner.

#### 17 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.

#### 18 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 audited financial statements. The assessment of the impact of the continued Pandemic on the going concern assumption has been disclosed as appropriate in note 2 Accounting policies.



NBIM Elizabeth Partners LP  
**Notes to the Financial Statements (Continued)**  
For the year ended 31 December 2020

19 Amounts attributable to the Partners

a) Movements in Partners' Accounts

31 December 2020	Balance brought forward	Loans advanced during the year	Loans repaid during the year	Distributions	Loss for the year	Balance carried forward
	£	£	£	£	£	£
General Partner	(9,752)	-	-	-	(289,564)	(299,316)
Limited Partner	277,235,985	1,209,589	(6,843,000)	-	(57,623,200)	213,979,374
	<b>277,226,233</b>	<b>1,209,589</b>	<b>(6,843,000)</b>	<b>-</b>	<b>(57,912,764)</b>	<b>213,680,058</b>

31 December 2019	Balance brought forward	Loans advanced during the year	Loans repaid during the year	Distributions	Profit for the year	Balance carried forward
	£	£			£	£
General Partner	(47,787)	-	-	(8,545)	46,580	(9,752)
Limited Partner	274,617,950	-	(4,951,000)	(1,700,455)	9,269,490	277,235,985
	<b>274,570,163</b>	<b>-</b>	<b>(4,951,000)</b>	<b>(1,709,000)</b>	<b>9,316,070</b>	<b>277,226,233</b>

b) Cumulative Partners' Accounts

31 December 2020	Capital account	Loan advances	Current account	Total
	£	£	£	£
General Partner	500	-	(299,816)	(299,316)
Limited Partner	99,500	273,543,186	(59,663,313)	213,979,373
	<b>100,000</b>	<b>273,543,186</b>	<b>(59,963,129)</b>	<b>213,680,057</b>

31 December 2019	Capital account	Loan advances	Current account	Total
	£	£	£	£
General Partner	500	-	(10,252)	(9,752)
Limited Partner	99,500	279,176,597	(2,040,112)	277,235,985
	<b>100,000</b>	<b>279,176,597</b>	<b>(2,050,364)</b>	<b>277,226,233</b>

NBIM Elizabeth Partners LP  
**Notes to the Financial Statements (Continued)**  
For the year ended 31 December 2020

19 Amounts attributable to the Partners (Continued)

c) Loan advances

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

	2020	2019
	£	£
Balance brought forward	279,176,597	284,127,597
Drawdowns during the year	1,209,589	-
Repayments during the year	(6,843,000)	(4,951,000)
	<b>273,543,186</b>	<b>279,176,597</b>

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.



# Verification

Transaction 09222115557448662589

## Document

### **NBIM Elizabeth Partners LP FS 2020 - Final**

Main document

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## Initiator

### **Melinee Ashworth (MA)**

Koroges Bank Investment Management

## Signing parties

### **Jayesh Patel (JP)**

Director, NBIM Elizabeth GP Limited



*Signed 2021-06-15 15:41:59 BST, +0100*

### **Robert Peel (RP)**

Director, NBIM Elizabeth GP Limited



*Signed 2021-06-15 14:29:04 BST (+0100)*

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