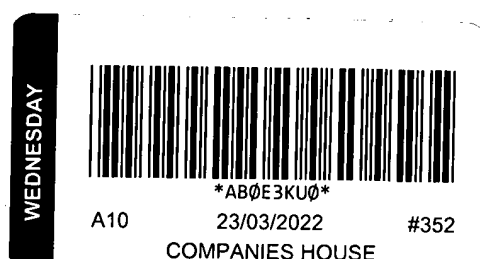


Registered number
11257851

HERMES WELLINGTON PLACE SITE 3 GP LIMITED
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



HERMES WELLINGTON PLACE SITE 3 GP LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

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HERMES WELLINGTON PLACE SITE 3 GP LIMITED

DIRECTORS' REPORT

The Directors present the annual report and the audited financial statements of Hermes Wellington Place Site 3 GP Limited (the "Company") for the year ended 30 June 2021. The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under Section 382 of the Companies Act 2006.

INCORPORATION

The Company was incorporated in England and Wales on 15 March 2018, registration number 11257851.

PRINCIPAL ACTIVITIES

The Company's principal activity is to manage the operations and safeguard the assets of Hermes Wellington Place Site 3 Limited Partnership (the "Limited Partnership"). The Directors foresee no material change in the scope or nature of the Company's activity.

GOING CONCERN

As explained in the significant accounting policies note 2, the financial statements have been prepared on a going concern basis.

The Directors have assessed the going concern assumption including the impact of COVID-19 ("COVID") on the operations of the Company and Partnership. As the Company is dependent on the Limited Partnership, the Directors have prepared cash flow forecasts for the Company and Partnership for at least 12 months from the date of approval of the financial statements. In this forecast, the Directors have taken account of the implications of COVID which impacted the cash flows from rental income. The Directors have modelled a severe but plausible downside scenario in respect of the Company and Partnership's cash flows and incorporating mitigating actions. The result of this forecast indicates that, in this scenario, cash needs are still within the available financial resources. In preparing this forecast, the Directors have taken into account the following key business risks and uncertainties:

- Market risks on demand and supply;
- Yield shift movements;
- Possible failure of tenants on account of COVID and reductions in net rental income; and
- Increased capital expenditure required to maintain the assets.

Having taken into account the risks and uncertainties, including the impact of COVID that exist within the business, the Directors have concluded that the Company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

EMPLOYEES

The Company had no employees during the year (2020: none).

DIVIDENDS

The Directors do not recommend the payment of a dividend for the year (2020: £nil).

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

DIRECTORS' REPORT - (CONTINUED)

DIRECTORS

The Directors who held office during the year and subsequently were:

CRA Darroch
CM Taylor
R Carnan
TO Jackson
S Koukidou (resigned 23 July 2021)
I Panova (appointed 23 July 2021)

COMPANY SECRETARY

The Company Secretary during the year and subsequently is Hermes Secretariat Limited.

INDEPENDENT AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

DISCLOSURE OF INFORMATION TO AUDITOR

Each person who was a Director at the time this report was approved 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 the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Approved on 7 March 2022

DocuSigned by:

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Christopher Darroch
Director
Sixth Floor, 150 Cheapside
London, England
EC2V 6ET

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

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


Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Approved on 7 March 2022

DocuSigned by:

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Christopher Darroch
Director
Sixth Floor, 150 Cheapside
London, England
EC2V 6ET

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES WELLINGTON PLACE SITE 3 GP LIMITED

Opinion

We have audited the financial statements of Hermes Wellington Place Site 3 GP Limited (the "Company") for the year ended 30 June 2021, which comprise the Statement of Financial Position and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES WELLINGTON PLACE SITE 3 GP LIMITED - (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company has no revenue.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post-closing entries.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and other management and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies’ legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection and certain aspects of company legislation recognising the nature of the Company’s activities and its legal form.

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES WELLINGTON PLACE SITE 3 GP LIMITED - (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect - (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations - (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws or regulation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES WELLINGTON PLACE SITE 3 GP LIMITED - (CONTINUED)

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Craig Steven-Jennings (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
11 March 2022

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
Current assets			
Debtors: amounts falling due within one year	4	100	100
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	5	100	100
Total shareholders' funds		<u>100</u>	<u>100</u>

These audited financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Company has not traded in the year and has generated neither a profit or loss. There are no items of other comprehensive income.

The financial statements of Hermes Wellington Place Site 3 GP Limited (registered number 11257851) were approved by the Board of Directors and authorised for issue on 7 March 2022. They were signed on its behalf by:

DocuSigned by:

Chris Darroch

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Christopher Darroch
Director
Sixth Floor, 150 Cheapside
London, England
EC2V 6ET

(The notes on pages 10 to 13 form part of these audited financial statements)

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. GENERAL INFORMATION

The Company's principal activity is to manage the operations and safeguard the assets of Hermes Wellington Place Site 3 Limited Partnership (the "Limited Partnership"). The Company was incorporated in England and Wales, with registration number 11257851. The address of its registered office is Sixth Floor, 150 Cheapside, London, England, EC2V 6ET.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding years.

Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council and section 1A as applicable to small entities and with Companies Act 2006.

Going concern

The Company manages the operations and safeguards the assets of Hermes Wellington Place Site 3 Limited Partnership. It does not trade and it is entitled to an allocation of profits from the Limited Partnership sufficient to cover any administrative expenses it incurs.

The Directors have assessed the going concern assumption including the impact of COVID-19 ("COVID") on the operations of the Company and Partnership. As the Company is dependent on the Limited Partnership, the Directors have prepared cash flow forecasts for the Company and Partnership for at least 12 months from the date of approval of the financial statements. In this forecast, the Directors have taken account of the implications of COVID which impacted the cash flows from rental income. The Directors have modelled a severe but plausible downside scenario in respect of the Company and Partnership's cash flows and incorporating mitigating actions. The result of this forecast indicates that, in this scenario, cash needs are still within the available financial resources. In preparing this forecast, the Directors have taken into account the following key business risks and uncertainties:

- Market risks on demand and supply;
- Yield shift movements;
- Possible failure of tenants on account of COVID and reductions in net rental income; and
- Increased capital expenditure required to maintain the assets.

Having taken into account the risks and uncertainties, including the impact of COVID that exist within the business, the Directors have concluded that the Company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the year. Actual results could differ from those estimates.

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Judgements and key sources of estimation uncertainty - (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. There were no material estimates or assumptions made at the end of the year.

Functional and presentation currency

These financial statements are presented in Pound Sterling ("£"), which is the Company's functional and presentation currency.

Financial assets

All financial assets are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, it is measured at the present value of the future payments discounted at a market rate of interest for a similar instrument.

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

The Company's financial assets consist only of debtors.

Debtors are recognised initially at transaction price less attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Directors assess, at each Statement of Financial Position date, whether there is an objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the Statement of Comprehensive Income.

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

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

Share capital

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

HERMES WELLINGTON PLACE SITE 3 GP LIMITED**NOTES TO THE AUDITED FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****Statement of Comprehensive Income**

The Company did not have any income or expense during the year and therefore no Statement of Comprehensive Income has been presented in these audited financial statements.

Statement of Cash Flows

A Statement of Cash Flows has not been included in these financial statements as the Company qualifies for exemption as a small company under the terms of FRS 102 Section 7.1B.

Statement of Change in Equity

The Company avails of the exemption granted for small entities under Section 6.1A of FRS 102. Consequently, no Statement of Changes in Equity has been presented in these financial statements.

3. ADMINISTRATIVE EXPENSES

The Directors received no remuneration from the Company. The Directors were remunerated through related undertakings and the proportion allocated for this Company is £nil (2020: £nil). The Company did not employ any other persons as it is administered by the employees of MEPC Limited. Audit fees of £5,750 (2020: £3,910) are paid by the Limited Partnership. There are no non-audit fees payable to the auditor (2020: £nil).

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2021</u>	<u>2020</u>
	£	£
Unpaid share capital	100	100
	<u>100</u>	<u>100</u>

5. CALLED UP SHARE CAPITAL

	<u>2021</u>	<u>2020</u>
	£	£
Allotted and 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

	<u>2021</u>	<u>2020</u>
	£	£

The Company issued the following classes of ordinary shares at £1 each:

50 "A" shares	50	50
50 "B" shares	50	50
	<u>100</u>	<u>100</u>

The holders of the Ordinary shares have equal rights except for certain voting rights at any general meeting of the Company.

"A" shares and Full Voting "B" shares have full voting rights whilst Director Non-Voting "B" shares have all the same rights as "A" shares and Full Voting "B" shares except the holder of Director Non-Voting "B" shares may not vote on the appointment or removal of Directors of the Company.

HERMES WELLINGTON PLACE SITE 3 GP LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6. CONTROLLING PARTIES

The Directors of the Company regard the BT Pension Scheme (a UK pension scheme with scheme registration number 100850030) and Canada Pension Plan Investment Board (a Canadian crown corporation) as the immediate and ultimate joint controlling entities.

The ultimate parent company and the smallest and largest group in which the results of the Company are consolidated are equally headed by the BT Pension Scheme and CPP Investment Board Real Estate Holdings, Inc. (CPPIB). The consolidated financial statements from BT Pension Scheme are available from One America Square, 17 Crosswall, London, EC3N 2LB, and CPPIB from One Queen Street East, Suite 800, Toronto, Ontario, Canada, M5C 2W5.

7. SUBSEQUENT EVENTS

In the opinion of the Directors, there are no significant events subsequent to the year end that are deemed necessary to be adjusted or disclosed in the audited financial statements.

Registered Number
LP019386

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP
GENERAL PARTNER'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

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HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT

Hermes Wellington Place Site 3 GP Limited (the "General Partner") presents the annual report and audited financial statements of Hermes Wellington Place Site 3 Limited Partnership (the "Partnership") for the year ended 30 June 2021.

The Partnership is regulated by a Partnership Deed dated 29 March 2018.

PRINCIPAL ACTIVITIES

The Partnership's principal activity during the year is property investment. The General Partner does not foresee any material changes in the scope or nature of the Partnership's activity for the forthcoming year.

The Partnership's properties were valued by chartered surveyors, CBRE, as independent external valuers on the basis of open market value as defined in the RICS Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors.

GOING CONCERN

The General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the 12 months ending from the date of the General Partner's report. Accordingly, the financial statements have been prepared on a going concern basis. Further details regarding the adoption of the going concern basis can be found in note 2 of the notes to the financial statements.

The General Partner has prepared cash flow forecasts for the Partnership for at least 12 months from the date of approval of the financial statements. In this forecast, the General Partner has taken account of the implications of COVID-19 which impacted the cash flows from rental income. The General Partner has modelled a severe but plausible downside scenario in respect of the Partnership's cash flows and incorporating mitigating actions. The result of this forecast indicates that, in this scenario, the Partnership's cash needs are still within the available financial resources. In preparing this forecast, the General Partner has taken into account the following key business risks and uncertainties:

- Market risks on demand and supply;
- Yield shift movements;
- Possible failure of tenants on account of COVID and reductions in net rental income; and
- Increased capital expenditure required to maintain the assets.

Having taken into account the risks and uncertainties, including the impact of COVID that exist within the business, the General Partner has concluded that the Partnership has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, the General Partner has concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

BREXIT

The General Partner has considered the risk of Brexit with respect to the valuation of investment properties and discount rate assumptions. Given the uncertainty in the future considerations, the General Partner has evaluated the risk of Brexit to be minimal as at the date of the report. However, the General Partner will continuously monitor and evaluate any risks which arise out of Brexit. See note 11 for further details.

RESULTS

The results for the year are set out in the Statement of Comprehensive Income. The Partnership's turnover amounted to £5,852,078 (2020: £6,008,719). Total comprehensive income for the year was £1,273,630 (2020: £1,282,118). This includes an unrealised decrease in fair value of investment properties of £1,745,127 (2020: £2,128,536).

EMPLOYEES

The Partnership had no employees during the year (2020: none).

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT - (CONTINUED)

DISTRIBUTIONS

Distributions of £2,720,670 (2020: £3,065,798) have been declared and approved during the year.

INDEPENDENT AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditor is unaware, and the General Partner has taken all the steps that it ought to have taken as a general partner in order to make itself 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 provision of Section 418 of the Companies Act 2006.

This General Partner's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption as applicable to Limited Partnerships.

Approved by the General Partner on 7 March 2022 and signed on its behalf by:

DocuSigned by:

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Christopher Darroch

Director
Hermes Wellington Place Site 3 GP Limited
Sixth Floor, 150 Cheapside
London, England
EC2V 6ET

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE GENERAL PARTNER'S REPORT AND THE FINANCIAL STATEMENTS

The general partner is responsible for preparing the General Partner's Report and the qualifying partnership financial statements in accordance with applicable law and regulations.

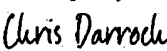
The Partnerships (Accounts) Regulations 2008 require the general partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the general partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing these financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the qualifying partnership and to prevent and detect fraud and other irregularities.

Approved by the General Partner on 7 March 2022 and signed on its behalf by:

DocuSigned by:

21B4837152D24C5...

Christopher Darroch

Director
Hermes Wellington Place Site 3 GP Limited
Sixth Floor, 150 Cheapside
London, England
EC2V 6ET

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

Opinion

We have audited the financial statements of Hermes Wellington Place Site 3 Limited Partnership ("the qualifying partnership") for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Partnership Funds and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the qualifying partnership in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The general partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the qualifying partnership or to cease its operations, and as they have concluded that the qualifying partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the general partner's conclusions, we considered the inherent risks to the qualifying partnership's business model and analysed how those risks might affect the qualifying partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the general partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the general partner's assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the partnership will continue in operation.

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP - (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the director of the general partner and inspection of policy documentation as to the qualifying partnership's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post-closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors of the general partner and other management (as required by auditing standards), and from inspection of the qualifying partnership's regulatory and legal correspondence and discussed with the directors of the general partner and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the qualifying partnership is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related partnership legislation), distributable profits legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP - (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect - (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Secondly, the qualifying partnership is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the qualifying partnership's authority to operate. We identified the following areas as those most likely to have such an effect: property laws and building legislation recognising the nature of the qualifying partnership's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors of the general partner and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

General Partner's report

The general partner is responsible for the general partner's report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the general partner's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the report;
- in our opinion the information given in the general partner's report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you 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 members' remuneration specified by law are not made; or

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP - (CONTINUED)

Matters on which we are required to report by exception (continued)

- we have not received all the information and explanations we require for our audit; or
- the general partner were not entitled to take advantage of the small companies exemption, as applied to qualifying partnerships, from the requirement to prepare a strategic report.

We have nothing to report in these respects.

General Partner's responsibilities

As explained more fully in the their statement set out on page 4 , the general partner is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Steven-Jennings (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
11 March 2022

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 £	2020 £
Turnover	3	5,852,078	6,008,719
Cost of sales		(2,639,837)	(2,406,726)
Gross profit		3,212,241	3,601,993
Administrative expenses	4	(193,255)	(191,429)
Unrealised decrease in fair value of investment properties	6	(1,745,127)	(2,128,536)
Operating profit		1,273,859	1,282,028
Finance (cost)/income	5	(229)	90
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,273,630	1,282,118

(The notes on pages 12 to 17 form part of these audited financial statements)

Registered number:

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

LP019386

STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2021**

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
Non-current assets			
Investment properties	6	37,482,401	39,227,528
Current assets			
Debtors - amounts falling due within one year	7	2,022,745	2,068,900
Cash at bank		1,545,113	1,976,592
		3,567,858	4,045,492
Current liabilities			
Creditors - amounts falling due within one year	8	(2,553,725)	(3,329,446)
Net current assets		1,014,133	716,046
Net assets attributable to partners		38,496,534	39,943,574
Partners' accounts			
Partners' capital		4,578	4,578
Partnership advances		45,775,422	45,775,422
Profit and loss account		(7,283,466)	(5,836,426)
Total Partnership funds		38,496,534	39,943,574

The financial statements of Hermes Wellington Place Site 3 Limited Partnership (registered number LP019386) were approved by the General Partner and authorised for issue on 7 March 2022. They were signed on its behalf by:

DocuSigned by:

 21B4837152D24C5...

Mr Christopher Darroch
 Director
 Hermes Wellington Place Site 3 GP Limited
 Sixth Floor, 150 Cheapside
 London, England
 ECV2 6ET

(The notes on pages 12 to 17 form part of these audited financial statements)

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP**STATEMENT OF CHANGES IN PARTNERSHIP FUNDS****FOR THE YEAR ENDED 30 JUNE 2021**

	Wellington Place Unit Trust	CPPIB*	Total
	£	£	£
Partners' capital			
Balance at 30 June 2020 and 2021	2,289	2,289	4,578
Partnership advances			
Balance at 30 June 2020 and 2021	22,887,711	22,887,711	45,775,422
Total Partners' contribution	22,890,000	22,890,000	45,780,000
Profit and loss account			
Balance at 30 June 2019	(2,026,373)	(2,026,373)	(4,052,746)
Total comprehensive income for the year	641,059	641,059	1,282,118
Distributions to Partners	(1,532,899)	(1,532,899)	(3,065,798)
Balance at 30 June 2020	(2,918,213)	(2,918,213)	(5,836,426)
Total comprehensive income for the year	636,815	636,815	1,273,630
Distributions to Partners	(1,360,335)	(1,360,335)	(2,720,670)
Balance at 30 June 2021	(3,641,733)	(3,641,733)	(7,283,466)
Total Partnership funds	19,248,267	19,248,267	38,496,534

*Canada Pension Plan Investment Board Real Estate Holdings, Inc.

(The notes on pages 12 to 17 form part of these audited financial statements)

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

NOTES TO THE AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. GENERAL INFORMATION

Hermes Wellington Place Site 3 Limited Partnership (the "Partnership") is a qualifying partnership and was established on 29 March 2018 in the United Kingdom under the 1907 Limited Partnerships Act. The address of the registered office is sixth Floor, 150 Cheapside, London, United Kingdom, EC2V 6ET. The Partnership's principal activity during the year continued to be property investment.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding years.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include investment property at fair value, and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") issued by the Financial Reporting Council and section 1A as applicable to small entities and with Companies Act 2006. The financial statements have been prepared under Regulation 4 of the Partnerships (Accounts) Regulations 2008.

Going concern

The Partnership was in a net assets position as at 30 June 2021 of £38,496,534 (2020: £39,943,574), which includes distributions payable of £375,570 (2020: £1,356,364).

The General Partner has prepared cash flow forecasts for the Partnership for at least 12 months from the date of approval of the financial statements. In this forecast, the General Partner has taken account of the implications of COVID-19 which impacted the cash flows from rental income. The General Partner has modelled a severe but plausible downside scenario in respect of the Partnership's cash flows and incorporating mitigating actions. The result of this forecast indicates that, in this scenario, the Partnership's cash needs are still within the available financial resources.

In preparing this forecast, the General Partner has taken into account the following key business risks and uncertainties:

- Market risks on demand and supply;
- Yield shift movements;
- Possible failure of tenants on account of COVID and reductions in net rental income; and
- Increased capital expenditure required to maintain the assets.

Having taken into account the risks and uncertainties, including the impact of COVID that exist within the business, the General Partner has concluded that the Partnership has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, the General Partner has concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Functional and presentation currency

These financial statements are presented in Pound Sterling ("£"), which is the Partnership's functional and presentation currency.

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

NOTES TO THE AUDITED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Statement of Cash Flows

A Statement of Cash Flows has not been included in these financial statements as the Company qualifies for exemption as a small company under the terms of FRS 102 section 7.1B.

Strategic report

The Partnership has taken advantage of exemptions available under FRS 102 not to present a strategic report as it meets the definition of a small entity as set out in section 1A of FRS 102.

Judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. There were no material estimates or assumptions made at the end of the year.

The key assumptions concerning the future and other key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements, relate to property valuations.

Investment properties are carried at fair value determined by market value in accordance with valuations carried out by the independent valuers. Valuations are based on a number of key assumptions including an estimate of future rental income and appropriate discount rate. For investment properties under development key judgements also include estimates of future development costs.

Investment and development properties

Investment and development properties comprise leasehold land and buildings and is initially stated at cost being the value of the consideration given including directly attributable costs, including any related transaction cost, and subsequently measured at fair value. Fair value changes are recognised in the Statement of Comprehensive Income in the year in which they arise.

The assessed fair value is suitably adjusted by the carrying amount of any accrued income resulting from the spreading of lease incentives.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP

NOTES TO THE AUDITED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial assets and liabilities - (continued)

Financial assets are derecognised only when the contractual to the cashflow from the financial assets expires or the Partnership transfers all risks and rewards of ownership.

The Partnership's financial assets consist only of debtors and cash at bank.

Debtors are derecognised initially at transaction priceless attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The General Partner assesses, at each Statement of Financial Position date, whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of allowance account. The amount of the loss is recognised in the Statement of Comprehensive Income.

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

Cash at Bank

Cash at bank includes cash deposits held with banks.

Turnover

Rental income is recognised on a straight line basis over the lease term, net of discounts and VAT. All incentives given for lessees to enter into leases (such as contributions to fitting out costs or rent free periods) are amortised and released to the profit or loss over the entire term of the lease.

Service charge income is recognised in the accounting period in which the services and the associated expenses are rendered. Service costs billed to tenants are presented gross in the Statement of Comprehensive Income unless the tenant is acting as principal whereby it controls a promised service and bears the rewards and risks of the services.

Income and expenses

Income and expenses are recognised on an accrual basis.

Taxation

The Partnership is not a taxable entity. Any liabilities arising from the results of the Partnership are taxed in the financial statements of the Partners.

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP**NOTES TO THE AUDITED FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****3. TURNOVER**

The Partnership's turnover consists solely of property-related income generated in the United Kingdom.

	<u>2021</u>	<u>2020</u>
	£	£
Rental income	3,999,802	3,720,332
Service charge income	1,852,276	2,288,387
	<u>5,852,078</u>	<u>6,008,719</u>

4. ADMINISTRATIVE EXPENSES

The Partnership does employ any persons as it is administered under an Asset Management Agreement with MEPC Limited. Included within administrative expenses are audit fees of £11,036 (2020: £6,860), including £5,750 (2020: £3,910) for audit of Hermes Wellington Place Site 3 GP Limited. There are no non-audit fees paid to the auditor for the year (2020: £nil).

5. FINANCE (COST)/INCOME

	<u>2021</u>	<u>2020</u>
	£	£
Bank interest income	1	253
Bank charges	(230)	(163)
	<u>(229)</u>	<u>90</u>

6. INVESTMENT PROPERTIES

	<u>2021</u>	<u>2020</u>
	£	£
As at 1 July	39,227,528	41,356,064
Unrealised decrease in fair value of properties during the year	(1,745,127)	(2,128,536)
As at 30 June	<u>37,482,401</u>	<u>39,227,528</u>

Investment properties were valued at 30 June 2021 and 30 June 2020 on the basis of open market value as defined in the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual, by chartered surveyors CBRE as external valuers. The valuation was £37,482,401 (2020: £39,227,528).

The historical cost of properties at 30 June 2021 was £45,787,094 (2020: £45,787,094).

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP**NOTES TO THE AUDITED FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****6. INVESTMENT PROPERTIES - (CONTINUED)**

As noted in the significant judgements, assumptions and key estimates section on page 13, the valuation of the property is inherently subjective. As a result, the valuations the Partnership places on its property are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market. With the heightened degree of uncertainty resulting from the COVID-19 pandemic, there is increased difficulty in exercising professional judgements to determine asset values when there are few, if any, comparable transactions in the new environment. Consequently, the external valuation contains the following material uncertainty statement, which is in line with RICS guidance.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied – in varying degrees – to reflect further 'waves' of COVID-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the Valuation Date (30 June 2021), property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our Valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

All of the investment properties have been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The following table shows the significant unobservable inputs used in measuring the fair value of investment property:

Significant unobservable inputs	Impact on the valuation
Yields	Fair value would decrease if the yield was increased and increase if the yield was reduced.
Occupancy	Fair value would increase if the occupancy was increased and decrease if the occupancy was reduced.
ERVs	Fair value would increase if the ERVs were increased and decrease if the ERVs were reduced.

At the Statement of Financial Position date, the Partnership had contracted with tenants for the following future minimum lease payments:

	<u>2021</u>	<u>2020</u>
	£	£
Within one year	1,847,208	2,711,590
In the second to fifth years inclusive	2,461,313	4,875,978
After 5 years	197,780	673,680
	<u>4,506,301</u>	<u>8,261,248</u>

HERMES WELLINGTON PLACE SITE 3 LIMITED PARTNERSHIP**NOTES TO THE AUDITED FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021**

7. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2021</u>	<u>2020</u>
	£	£
Other debtors	1,276,979	1,564,097
Rent and sundry receivables	723,396	504,803
Amounts due from group undertakings	22,370	-
	<u>2,022,745</u>	<u>2,068,900</u>
8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2021</u>	<u>2020</u>
	£	£
Accruals and deferred income	2,078,065	1,700,855
Trade creditors	287,825	965,329
Amounts due to group undertakings	187,835	663,262
	<u>2,553,725</u>	<u>3,329,446</u>

The amounts due to group undertakings are repayable on demand and are interest-free.

9. RELATED PARTY TRANSACTIONS

During the year, the Partnership was charged fees of £113,385 (2020: £121,586) by MEPC Limited. Outstanding amounts in respect of these fees of £28,132 (2020: £35,406) are included in note 8 under Trade creditors.

As at 30 June 2021, the Partnership had intercompany balance with group undertakings Wellington Place Unit Trust Limited £187,785 payable (2020: £678,182), Hermes Wellington Place Site 3 GP Limited £50 payable (2020: £50), Hermes Wellington Place Limited Partnership £11,185 receivable (2020: £7,485 receivable) and Hermes Wellington Place Site 2 Limited Partnership £11,185 receivable (2020: £7,485 receivable). The intercompany balance is unsecured, interest-free and are repayable on demand. These balances are included within note 8, amounts owed to group undertakings.

10. CONTROLLING PARTIES

The Directors of the General Partner regard the BT Pension Scheme (a UK pension scheme with scheme registration number 100850030) and Canada Pension Plan Investment Board (a Canadian crown corporation) as the immediate and ultimate joint controlling entities.

The consolidated financial statements from BT Pension Scheme are available from One America Square, 17 Crosswall, London, EC3N 2LB, and CPPIB from One Queen Street East, Suite 800, Toronto, Ontario, Canada, M5C 2W5.

11. SUBSEQUENT EVENTS

In the opinion of the General Partner, there are no significant events subsequent to the year end up to the date of issue of the audited financial statements that are deemed necessary to be adjusted or disclosed in the audited financial statements.