

WILMSLOW (NO.3) GENERAL PARTNER LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Company number 3974021



08/05/2017 FES 28

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors submit their Strategic Report of Wilmslow (No.3) General Partner Limited ("the company") for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The company's principal activity is to act as General Partner to The Wilmslow (No.3) Limited Partnership ("the Partnership") and has a 1.0% interest in the Partnership's profits and net assets.

BUSINESS REVIEW

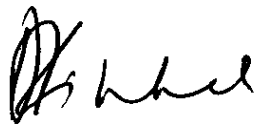
The company's results and financial position for the year ended 31 December 2016 are set out in full in the income statement, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The result before tax was £nil (2015 profit of £296). Total equity at 31 December 2016 was £166,403 (2015 £166,403).

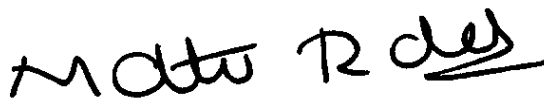
Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

As the company is a wholly owned subsidiary of the intu properties plc group, there are no principal risks and uncertainties facing the company which are not faced by the group. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the group financial statements.

On behalf of the Board



David Fischel
Director
27 April 2017



Matthew Roberts
Director
27 April 2017

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors submit their report and the audited financial statements of Wilmslow (No.3) General Partner Limited ("the company") for the year ended 31 December 2016.

The company is incorporated and registered in England and Wales (company number 3974021). The company's registered office is 40 Broadway, London, England and Wales, United Kingdom, SW1H 0BT.

DIVIDENDS

During the year the company paid a dividend of £nil (2015 £nil).

FINANCIAL RISK MANAGEMENT

The company's approach to financial risk management is explained in note 13 to the financial statements.

CAPITAL MANAGEMENT

The directors consider the capital of the company to be the ordinary share capital of £1,000. Management of this capital is performed at a group level.

GOING CONCERN

The directors have assessed the risk that the company is not a going concern and concluded that the going concern assumption is appropriate and prepared the annual report and financial statements on that basis. Further information regarding the adoption of the going concern can be found in note 1 to the financial statements.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Martin Breeden
David Fischel
Trevor Pereira
Matthew Roberts
Nick Round
Julian Wilkinson

DIRECTORS' INDEMNITY PROVISION

A qualifying third party indemnity provision (as defined in S234 of the Companies Act 2006) was in force for the benefit of the directors of the company during the financial year and at the date of the approval of the financial statements. The company's ultimate parent, intu properties plc, maintains directors' and officers' insurance which is reviewed annually.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

The directors 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.

DISCLOSURE OF INFORMATION TO AUDITORS

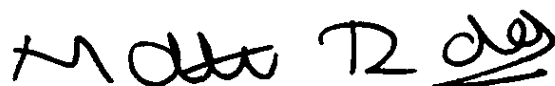
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, were appointed during the year and have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the company is not required to hold an annual general meeting. Elective Resolutions are in force to dispense with the appointment of auditors annually. The auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial year.

On behalf of the Board



Matthew Roberts
Director
27 April 2017

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILMSLOW (NO.3) GENERAL PARTNER LIMITED

Report on the financial statements

Our opinion

In our opinion, Wilmslow (No.3) General Partner Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Income Statement for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILMSLOW (NO.3) GENERAL PARTNER LIMITED

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILMSLOW (NO.3) GENERAL PARTNER LIMITED

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Ranjan Sriskandan (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 April 2017

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Operating result	2	-	-
Finance income	3	-	640
Finance costs	4	-	(344)
Result/profit before tax		-	296
Taxation	5	-	2,149
Result/profit for the year		-	2,445

Other than the items in the income statement above, there are no other items of comprehensive income (2015: £nil) and accordingly a separate statement of comprehensive income has not been prepared.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Non-current assets			
Investments	6	<u>1,022</u>	<u>1,022</u>
Current assets			
Trade and other receivables	7	<u>165,386</u>	<u>227,088</u>
Total assets		<u>166,408</u>	<u>228,110</u>
Current liabilities			
Trade and other payables	8	<u>(5)</u>	<u>(61,707)</u>
Total liabilities		<u>(5)</u>	<u>(61,707)</u>
Net assets		<u>166,403</u>	<u>166,403</u>
Equity			
Share capital	9	<u>1,000</u>	<u>1,000</u>
Retained earnings		<u>165,403</u>	<u>165,403</u>
Total equity		<u>166,403</u>	<u>166,403</u>

The notes on pages 11 to 20 form part of these financial statements.

The financial statements on pages 7 to 20 were approved by the Board of Directors on 27 April 2017 and signed on its behalf by



David Fischel
Director



Matthew Roberts
Director

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	1,000	162,958	163,958
Profit for the year	<u>-</u>	<u>2,445</u>	<u>2,445</u>
Total comprehensive income for the year	<u>-</u>	<u>2,445</u>	<u>2,445</u>
At 31 December 2015	<u>1,000</u>	<u>165,403</u>	<u>166,403</u>
At 1 January 2016	1,000	165,403	166,403
Result for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>1,000</u>	<u>165,403</u>	<u>166,403</u>

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Cash used in operations	10	-	(215,643)
Interest paid		-	(344)
Interest received		-	640
Tax paid		-	(10,549)
Cash flows used in operating activities		-	(225,896)
Cash flows generated from investing activities		-	-
Cash flows generated from financing activities		-	-
Net decrease in cash and cash equivalents		-	(225,896)
Cash and cash equivalents at 1 January		-	225,896
Cash and cash equivalents at 31 December		-	-

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), interpretations issued by the International Financial Reporting Standards Interpretations Committee and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These are the company's first financial statements to be prepared under IFRS and IFRS 1 (First-time adoption of International Financial Reporting Standards) has been applied.

The company takes advantage of the exemption available under IFRS 10 not to prepare consolidated financial statements. The financial statements of Wilmslow (No.3) General Partner Limited and its subsidiary undertaking are included in the consolidated financial statements of the ultimate parent company, intu properties plc.

A number of standards have been issued but are not yet adopted by the EU and so are not available for early adoption. The most significant of these are IFRS 9 Financial Instruments along with related amendments to other IFRSs, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases. Based on the company's current circumstances, with the exception of IFRS 16 Leases for which the impact is still being assessed, these standards are not expected to have a material impact on the financial statements.

In assessing whether the going concern basis of preparation is appropriate to adopt, the directors considered a number of factors including financial projections of the company. Based on this review the directors have concluded that there is a reasonable expectation that the company will have sufficient resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

The financial statements have been prepared under the historical cost convention. The principal accounting policies which have been adopted in the preparation of the financial statements have been applied consistently and are set out below.

Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Where such judgements are made they are included within the accounting policies given below.

Investments

Investments are carried in the balance sheet at cost less any provision for impairment.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost.

The directors exercise judgement as to the collectability of the trade receivables and determine if it is appropriate to impair these assets.

Factors such as days past due, credit status of the counterparty and historical evidence of collection are considered.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Income from investments

Income from investments is recognised when the right to receive payment has been established.

Share capital

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

Current tax

Current tax is the amount payable on the taxable income for the year and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases.

Temporary differences are not provided on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that management believe it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset only when they relate to taxes levied by the same authority and the Group intends to settle them on a net basis.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Impairment of assets

The company's assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Current/non-current classification

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption in, or intended for sale or consumption within one year of the reporting date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled within one year of the reporting date. All other liabilities are classified as non-current liabilities.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Operating result

The operating result of £nil (2015 £nil) did not include fees in respect of auditors' remuneration of £1,645 (2015 £1,597) in respect of the audit of the financial statements, which was settled on behalf of the company by the ultimate parent company, intu properties plc, and has not been recharged. No non-audit services were provided during the current or prior year.

The directors did not receive or waive any emoluments (2015 £nil) in respect of their services to the company.

The company has no employees (2015 none).

3. Finance income

	2016 £	2015 £
Bank interest receivable	<u>-</u>	<u>640</u>

4. Finance costs

	2016 £	2015 £
Bank interest payable	<u>-</u>	<u>344</u>

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

5. Taxation

The tax expense for the year is the same as (2015 lower than) the standard rate of corporation tax in the UK. The differences are explained below.

	2016 £	2015 £
Result/profit before tax	-	296
Result/profit before tax multiplied by the standard UK rate of corporation tax of 20% (2015 20.25%)	-	60
Effect of:		
Non-taxable income	-	3,822
Partnership profits taxed in company	39,058	89,150
REIT exemption – corporation tax	(44,928)	(48,775)
REIT exemption – deferred tax	2,091	(49,338)
UK transfer pricing adjustment	3,774	5,282
Group relief	5	(201)
Adjustment in respect of prior years	-	(2,149)
Tax expense/(credit)	-	(2,149)

Factors that may affect future tax charges

The Finance (No. 2) Act 2015, which was substantively enacted on 26 October 2015, provides for a reduction in the main rate of corporation tax to 19% from 1 April 2017. The Finance Act 2016, which was substantively enacted on 6 September 2016, provides for a further reduction in the main rate of corporation tax to 17% from 1 April 2020.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. Investments

	Subsidiary undertakings £	Total £
Cost and net book value:		
At 31 December 2015 and		
at 31 December 2016	1,022	1,022

The investment in The Wilmslow (No.3) Limited Partnership¹ represents a 1% holding in the Partnership, which was established under a Limited Partnership Agreement dated 28 July 2000.

Details of investments where the company holds 20% or more of the nominal value of any class of share capital are as follows:

	Place of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Wilmslow (No.3) (Nominee A) Limited ²	United Kingdom	Ordinary shares	100%	Trustee company
Wilmslow (No.3) (Nominee B) Limited ²	United Kingdom	Ordinary shares	100%	Trustee company
W (No.3) GP (Nominee A) Limited ³	Jersey	Ordinary shares	100%	Trustee company
W (No.3) GP (Nominee B) Limited ³	Jersey	Ordinary shares	100%	Trustee company

¹ The Partnership's registered office is 40 Broadway, London, England and Wales, United Kingdom, SW1H 0BT.

² The company's registered office is 40 Broadway, London, England and Wales, United Kingdom, SW1H 0BT.

³ The company's registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands.

7. Trade and other receivables

	2016 £	2015 £
Amounts due from related parties	165,386	226,485
Corporation tax	-	603
	<u>165,386</u>	<u>227,088</u>

Amounts due from related parties are unsecured, non-interest bearing and repayable on demand.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. Trade and other payables

	2016 £	2015 £
Other payables	5	-
Amounts due to related parties	-	61,707
	<u>5</u>	<u>61,707</u>

Amounts due to related parties are unsecured, non-interest bearing and payable on demand.

9. Share capital

	2016 £	2015 £
Issued, called up and fully paid		
500 ordinary 'A' shares of £1 each (2015 500)	500	500
500 ordinary 'B' shares of £1 each (2015 500)	500	500
	<u>1,000</u>	<u>1,000</u>

10. Cash used in operations

	2016 £	2015 £
Result/profit before tax	-	296
Remove:		
Finance costs	-	344
Finance income	-	(640)
Changes in working capital:		
Change in trade and other receivables	61,702	(50,155)
Change in trade and other payables	<u>(61,702)</u>	<u>(165,488)</u>
Cash used in operations	<u>-</u>	<u>(215,643)</u>

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. Related party transactions

	2016 £	2015 £
Amounts due from related parties		
The Wilmslow (No.3) Limited Partnership	-	226,485
Liberty International Group Treasury Limited ³	165,386	-
	<u>165,386</u>	<u>226,485</u>
Amounts due to related parties		
Liberty International Group Treasury Limited	-	61,707
	<u>-</u>	<u>61,707</u>

¹ The company's registered office is 40 Broadway, London, England and Wales, United Kingdom, SW1H 0BT.

12. Ultimate parent company

The immediate parent undertaking of the company is Intu Derby 2 Limited incorporated and registered in Jersey, Channel Islands, copies of whose financial statements may be obtained from 44 Esplanade, St Helier, Jersey, JE4 9WG. The ultimate parent company is intu properties plc, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the Company Secretary, 40 Broadway, London, SW1H 0BT.

13. Financial risk management

The company is exposed to a variety of financial risks arising from the company's operations being principally liquidity risk.

The majority of the company's financial risk management is carried out by intu properties plc's treasury department and the policies for managing each of these risks and the principal effects of these policies on the results for the year are summarised below. Further details of the intu properties plc's financial risk management are disclosed in the group's publicly available financial statements.

Liquidity risk

Liquidity risk is managed to ensure that the company is able to meet future payment obligations when financial liabilities fall due. Liquidity analysis is conducted to ensure that sufficient headroom is available to meet the operational requirements and committed investments. The Board aims to meet this objective through maintaining adequate cash to meet these requirements.

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Financial risk management (continued)

The tables below set out the maturity analysis of the company's financial liabilities based on undiscounted contractual obligations.

	2016				
	Within 1 year or on demand £	1-2 years £	3-5 years £	over 5 years £	Total £
Other financial liabilities	(5)	-	-	-	(5)
	(5)	-	-	-	(5)
	2015				
	Within 1 year or on demand £	1-2 years £	3-5 years £	over 5 years £	Total £
Amounts due to related parties	(61,707)	-	-	-	(61,707)
	(61,707)	-	-	-	(61,707)

Classification of financial assets and liabilities

The table below sets out the company's accounting classification of each class of financial assets and liabilities, and their fair values at 31 December 2016 and 31 December 2015.

	Carrying value £	2016 Fair value £
Trade and other receivables	165,386	165,386
Total cash and receivables	165,386	165,386
Trade and other payables	(5)	(5)
Total loans and payables	(5)	(5)

WILMSLOW (NO.3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Financial risk management (continued)

	Carrying value £	2015 Fair value £
Trade and other receivables	<u>226,485</u>	<u>226,485</u>
Total cash and receivables	<u>226,485</u>	<u>226,485</u>
Trade and other payables	<u>(61,707)</u>	<u>(61,707)</u>
Total loans and payables	<u>(61,707)</u>	<u>(61,707)</u>

There were no gains or losses arising on financial assets recognised in either the income statement or direct to equity (2015 £nil).

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Registration number LP7037



COMPANIES HOUSE

RECEIVED
COMPANIES HOUSE
LONDON
12 OCT 2017
NO 3974021

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Wilmslow (No.3) General Partner Limited (the "General Partner") submits the Strategic Report of the Wilmslow (No.3) Limited Partnership ("the Partnership") for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Partnership's principal activity is the ownership and management of the intu Derby shopping centre, Derby. The General Partner believes the Partnership will continue these activities for the foreseeable future.

BUSINESS REVIEW

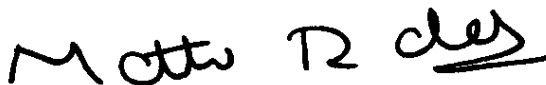
The Partnership's results and financial position for the year ended 31 December 2016 are set out in full in the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the notes to the financial statements.

The Partnership's performance during the year is considered satisfactory given the prevailing property market conditions. Net rental income was £27.8 million (2015 £26.8 million). An investment and development property revaluation deficit of £1.0 million was recorded during the year (2015 gain of £24.4 million). The profit for the financial year was £19.5 million (2015 £44.1 million). Net assets at 31 December 2016 were £247.3 million, an increase of £19.5 million from the 31 December 2015 figure of £227.8 million.

As the General Partner is a wholly owned subsidiary of the intu properties plc group, the Partnership faces largely those risks and uncertainties faced by the group. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the group financial statements.



David Fischel
Director
For and on behalf of the General Partner,
Wilmslow (No.3) General Partner Limited
27 April 2017



Matthew Roberts
Director
For and on behalf of the General Partner,
Wilmslow (No.3) General Partner Limited
27 April 2017

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

FORMATION AND PURPOSE

The Wilmslow (No.3) Limited Partnership ("the Partnership") was formed on 28 July 2000 and was registered as a Limited Partnership on that date under the Limited Partnerships Act 1907. The Partnership was formed to carry out property investment.

The Wilmslow (No.3) Limited Partnership is incorporated and registered in England and Wales (registration number LP7037). The partnership's registered office is 40 Broadway, London, England and Wales, United Kingdom, SW1H 0BT.

DISTRIBUTION

During the year the Partnership paid distributions of £nil (2015 £nil).

CAPITAL MANAGEMENT

The General Partner considers the capital of the Partnership to be the Partners' capital account of £0.1 million and the Partners' subordinated debt of £41.7 million (2015 £41.7 million). Management of this capital is performed by the General Partner.

GOING CONCERN

The General Partner has assessed the risk that the Partnership is not a going concern and concluded that the going concern assumption is appropriate and prepared the annual report and financial statements on that basis. Further information regarding the adoption of the going concern can be found in note 1 to the financial statements.

PARTNERS

Limited partners:

Derby Investments Trustee Limited as trustee for the Derby Investments Limited Partnership	49.5%
Derby Trustee No.1 Limited and Derby Trustee No.2 Limited as trustees for Midlands Shopping Centre Jersey Unit Trust (No.1)	24.5%
Derby Trustee No.1 Limited and Derby Trustee No.2 Limited as trustees for Intu Derby Jersey Unit Trust	25.0%

General partner:

Wilmslow (No.3) General Partner Limited	1.0%
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Each director of the General Partner shall be indemnified by the General Partner against all liabilities, costs and expenses incurred in the execution and discharge of their duties.

REVIEW OF INVESTMENT PROPERTY

Details of the valuation of the investment property are set out in note 5 to the financial statements.

FINANCIAL RISK MANAGEMENT

The company's approach to financial risk management is explained in note 13 to the financial statements.

CONSTITUTION AND GOVERNANCE

The partnership is bound by the Limited Partnership Agreement dated 28 July 2000, the First Amended and Restated Limited Partnership Agreement dated 27 September 2002 and the Second Amended and Restated Limited Partnership Agreement dated 1 May 2014

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

RIGHTS AND ENTITLEMENTS – GENERAL PARTNER

The General Partner is responsible for the management and control of the business of the partnership and can bind the partnership in contract. The General Partner is the only general partner of the partnership. No further partner may be admitted to the partnership except in accordance with the Limited Partnership Agreement. No partner may dispose of its interest in the partnership without the consent of the General Partner.

RIGHTS AND ENTITLEMENTS – LIMITED PARTNERS

The Limited Partners fund the partnership and are entitled to be allocated the profits and losses of the Partnership. The Limited Partners take no part in the management of the Partnership and are not able to bind the Partnership in contract.

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

The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law, as applied to qualifying partnerships, 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 the financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the qualifying partnership will continue in business.

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 Regulations.

The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director of the designated partners for the Partnership at the date of approval of this report have confirmed that:

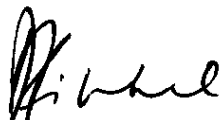
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

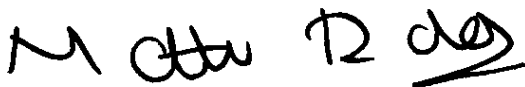
GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

INDEPENDENT AUDITORS

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors to the Partnership.



David Fischel
Director
For and on behalf of the General Partner,
Wilmslow (No.3) General Partner Limited
27 April 2017



Matthew Roberts
Director
For and on behalf of the General Partner,
Wilmslow (No.3) General Partner Limited
27 April 2017

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE GENERAL PARTNER OF THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

Report on the financial statements

Our opinion

In our opinion, The Wilmslow (No. 3) Limited Partnership's financial statements (the "financial statements"):

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Income Statement for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Partners' Funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the general partner has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, it has made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

General Partner's remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of general partner's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE GENERAL PARTNER OF THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

Responsibilities for the financial statements and the audit

Our responsibilities and those of the general partner

As explained more fully in the Statement of General Partner's Responsibilities in Respect of the Financial Statements set out on page 3, the general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the general partner; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the general partner's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Ranjan Sriskandan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 April 2017

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Revenue	2	<u>38.6</u>	<u>38.3</u>
Net rental income	2	27.8	26.8
Revaluation of investment and development property	5	(1.0)	24.4
Administration expenses		<u>(1.0)</u>	<u>(0.9)</u>
Operating profit	3	25.8	50.3
Finance costs	4	<u>(6.3)</u>	<u>(6.2)</u>
Profit transferred to partners' current account		<u>19.5</u>	<u>44.1</u>

Other than the items in the income statement above, there are no other items of comprehensive income (2015: £nil) and accordingly, a separate statement of comprehensive income has not been prepared.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

BALANCE SHEET AS AT 31 DECEMBER 2016

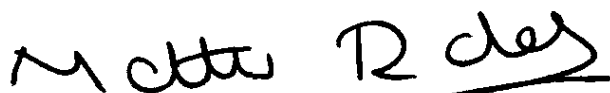
	Notes	2016 £m	2015 £m
Non-current assets			
Investment and development property	5	438.8	435.2
Trade and other receivables	6	10.0	11.0
		<u>448.8</u>	<u>446.2</u>
Current assets			
Trade and other receivables	6	17.6	30.5
Cash and cash equivalents		7.6	6.3
		<u>25.2</u>	<u>36.8</u>
Total assets		<u>474.0</u>	<u>483.0</u>
Current liabilities			
Trade and other payables	7	(226.7)	(255.2)
		<u>(226.7)</u>	<u>(255.2)</u>
Total liabilities		<u>(226.7)</u>	<u>(255.2)</u>
Net assets		<u>247.3</u>	<u>227.8</u>
Partners' funds			
Partners' capital account		0.1	0.1
Partners' subordinated debt		41.7	41.7
Partners' current account		205.5	186.0
Total Partners' funds		<u>247.3</u>	<u>227.8</u>

The notes on pages 11 to 24 form part of these financial statements.

The financial statements on pages 7 to 24 were approved by the General Partner, Wilmslow (No.3) General Partner Limited, on 27 April 2017 and are signed on its behalf by:



David Fischel
Director
Wilmslow (No.3) General Partner Limited
27 April 2017



Matthew Roberts
Director
Wilmslow (No.3) General Partner Limited
27 April 2017

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN PARTNERS FUNDS FOR THE YEAR ENDED 31 DECEMBER 2016

	Partners' capital account £m	Partners' subordinated debt £m	Partners' current account £m	Total Partners' funds £m
At 1 January 2015	<u>0.1</u>	<u>41.7</u>	<u>141.9</u>	<u>183.7</u>
Profit transferred to Partners' current account	<u>-</u>	<u>-</u>	<u>44.1</u>	<u>44.1</u>
Total comprehensive income for the financial year	<u>-</u>	<u>-</u>	<u>44.1</u>	<u>44.1</u>
At 31 December 2015	<u>0.1</u>	<u>41.7</u>	<u>186.0</u>	<u>227.8</u>
At 1 January 2016	<u>0.1</u>	<u>41.7</u>	<u>186.0</u>	<u>227.8</u>
Profit transferred to Partners' current account	<u>-</u>	<u>-</u>	<u>19.5</u>	<u>19.5</u>
Total comprehensive income for the financial year	<u>-</u>	<u>-</u>	<u>19.5</u>	<u>19.5</u>
At 31 December 2016	<u>0.1</u>	<u>41.7</u>	<u>205.5</u>	<u>247.3</u>

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Cash generated from operations	9	12.2	2.1
Interest paid		<u>(6.3)</u>	<u>(6.2)</u>
Cash flows generated from/(used in) operating activities		<u>5.9</u>	<u>(4.1)</u>
Purchase and development of property		<u>(4.6)</u>	<u>(2.9)</u>
Cash flows used in investing activities		<u>(4.6)</u>	<u>(2.9)</u>
Cash flows generated from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		1.3	(7.0)
Cash and cash equivalents at 1 January		<u>6.3</u>	<u>13.3</u>
Cash and cash equivalents at 31 December		<u>7.6</u>	<u>6.3</u>

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the Limited Partnership Agreement and International Financial Reporting Standards, as adopted by the European Union ("IFRS"), and interpretations issued by the International Financial Reporting Standards Interpretations Committee.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of properties and certain other financial assets and liabilities in accordance with the Partnership (Accounts) Regulations 2008. The principal provisions of the Limited Partnership Agreement are set out in the General Partner's report on pages 2 to 4 of the financial statements.

In assessing whether the going concern basis of preparation is appropriate to adopt, the General Partner considered a number of factors including financial projections of the Partnership and the level of financial support that may be made available to the Partnership by its ultimate parent company, intu properties Plc. Based on this review the General Partner has concluded that there is a reasonable expectation that the Partnership will have sufficient resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

The accounting policies used are consistent with those applied in the last financial statements, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year. These amendments have not had a material impact on the financial statements.

A number of standards have been issued but are not yet adopted by the EU and so are not available for early adoption. The most significant of these are IFRS 9 Financial Instruments along with related amendments to other IFRSs, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases. Based on the Partnership's current circumstances, these standards are not expected to have a material impact on the financial statements.

Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Where such judgements are made they are included within the accounting policies given below.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Revenue recognition

The partnership recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the partnership.

Rental income receivable is recognised on a straight line basis over the term of the lease. Directly attributable lease incentives are recognised within rental income on the same basis.

Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example increases arising on rent reviews or rents linked to tenant revenues, are recorded as income in the periods in which they are earned. Rent reviews are recognised as income from the date of the rent review, based on management's estimates. Estimates are derived from knowledge of market rents for comparable properties determined on an individual property basis and updated for progress of negotiations.

Service charge income is recognised on an accruals basis in line with the service being provided.

Taxation

No provision for tax is made in these financial statements as a limited partnership is not a taxable entity. Partners are instead taxed on their share of the profits of a limited partnership, according to their own circumstances.

Investment and development property

Investment and development property is owned or leased by the partnership and held for long-term rental income and capital appreciation.

The partnership has elected to use the fair value model. Property is initially recognised at cost and subsequently revalued at the balance sheet date to fair value as determined by professionally qualified external valuers on the basis of market value. Valuations conform with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards 2014.

The main estimates and judgements underlying the valuations are described in note 5.

The cost of investment and development property includes capitalised interest and other directly attributable outgoings incurred during development. Interest is capitalised on the basis of the average rate of interest paid on the relevant debt outstanding. Interest ceases to be capitalised on the date of practical completion.

Gains or losses arising from changes in the fair value of investment and development property are recognised in the income statement. Depreciation is not provided in respect of investment and development property.

Gains or losses arising on the sale of investment and development property are recognised when the significant risks and rewards of ownership have been transferred to the buyer. This will normally take place on exchange of contracts. The gain or loss recognised is the proceeds received less the carrying value of the property and costs directly associated with the sale.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Leases

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are normally classified as operating leases.

Investment properties are leased out under operating leases, with rental income being recognised on a straight-line basis over the lease term. For more detail see the revenue recognition policy.

Impairment of assets

The partnership's assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost.

The General Partner exercises judgement as to the collectability of the trade receivables and determines if it is appropriate to impair these assets. Factors such as days past due, credit status of the counterparty and historical evidence of collection are considered.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits with banks, whether restricted or unrestricted and other short-term liquid investments with original maturities of three months or less.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Current/non-current classification

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption in, the course of the partnership's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the partnership's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Revenue and net rental income

Revenue arose in the United Kingdom from continuing operations and the Partnership carries on only one class of business.

	2016 £m	2015 £m
Rent receivable	32.4	32.1
Service charge income	6.2	6.2
Revenue	<u>38.6</u>	<u>38.3</u>
Service charge costs	(7.9)	(7.9)
Other non-recoverable costs	<u>(2.9)</u>	<u>(3.6)</u>
Net rental income	<u>27.8</u>	<u>26.8</u>

3. Operating profit

Operating profit for the year ended 31 December 2016 of £25.8 million (2015 £50.3 million) did not include any amounts in respect of auditors' remuneration or directors' remuneration (2015 £nil). The directors of the General Partner did not receive or waive any emoluments (2015 £nil) in respect of their services to the Partnership. No deduction is made for the auditors' remuneration of £3,979 (2015 £3,863) in respect of the audit of the financial statements, which was settled on behalf of the Partnership by its ultimate parent company intu properties plc and has not been recharged. No non-audit services were provided during the current or prior years.

There were no employees during the year (2015 none).

4. Finance costs

	2016 £m	2015 £m
On loans due to group undertakings	<u>6.3</u>	<u>6.2</u>

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

5. Investment and development property

	2016 £m	2015 £m
Freehold		
At 1 January	435.2	407.9
Additions	4.6	2.9
(Deficit)/surplus on revaluation	(1.0)	24.4
At 31 December	438.8	435.2
Amounts shown in prepayments and accrued income in respect of lease incentives	11.2	11.8
Market value	450.0	447.0

Investment property principally represents intuu Derby.

The Partnership is an obligor under the Secured Group Structure, an intuu properties plc group debt funding platform which allows the raising of bond and bank debt secured by its assets. Under the terms of the Secured Group Structure, the partnership's investment property is secured against the borrowings of the structure.

Investment property is measured at fair value and is categorised as Level 3 in the fair value hierarchy (see note 13 for definition) as one or more inputs to the valuation are partly based on unobservable market data.

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of Level 3 for investment property during the year.

Valuation process

It is the Partnership's policy to engage independent external valuers to determine the market value of its investment and development property at both 30 June and 31 December. The Partnership provides data to the valuers, including current lease and tenant data along with asset specific business plans. The valuers use this and other inputs including market transactions for similar properties to produce valuations. These valuations and the assumptions they have made are then discussed and reviewed with the Partnership's members.

Valuation methodology

The fair value of the Partnership's investment and development property as at 31 December 2016 was determined by independent external valuers, at that date.

The valuations are in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards 2014 and were arrived at by reference to market transactions for similar properties. Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields as discussed below.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

5. Investment and development property (continued)

The key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the majority of the cash flow profile of the property for a number of years and therefore form the base of the valuation. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. This is based on evidence available at the date of valuation and does not assume future increases in market rent.

The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The nominal equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

Annual property income as disclosed in the table below reflects current annualised gross income.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties.

The valuation outputs, inputs and assumptions, are reviewed to ensure that they are in line with those of market participants.

A significant change in the nominal equivalent yield in isolation, would result in a significant change in the value of investment and development property. A decrease in nominal equivalent yield of 50 basis points would result in an increase in the total market value of £40.0 million (2015 £43.0 million), while a 50 basis point increase would result in a decrease in the total market value of £34.0 million (2015 £35.0 million).

For the partnerships significant investment and development property, the table below provides details of the 31 December 2016 assumptions used in the valuation and key unobservable inputs:

	Market value £m	Net initial yield	Nominal equivalent yield	Annual property income £m
intu Derby				
At 31 December 2016	450.0	5.8%	6.2%	29.7
At 31 December 2015	447.0	5.9%	6.0%	30.6

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. Trade and other receivables

	2016 £m	2015 £m
Current		
Trade receivables	1.4	1.2
Amounts owed by group undertakings	13.3	27.4
Prepayments and accrued income	2.9	1.8
Other receivables	-	0.1
	<u>17.6</u>	<u>30.5</u>
Non-current		
Prepayments and accrued income	<u>10.0</u>	<u>11.0</u>

Included within prepayments and accrued income are tenant lease incentives of £11.2 million (2015 £11.8 million), of which £1.2 million are classified as current (2015 £0.8 million) and £10.0 million as non-current (2015 £11.0 million).

Amounts owed from group undertakings are unsecured, non-interest bearing and repayable on demand.

7. Trade and other payables

	2016 £m	2015 £m
Current		
Trade payables	0.1	0.2
Accruals and deferred income	8.4	9.1
Amounts owed to group undertakings	216.4	243.6
Other payables	0.5	0.9
Other tax and social security	1.3	1.4
	<u>226.7</u>	<u>255.2</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

Interest on amounts due to group undertakings is charged at rates agreed between the Partnership and the group undertakings.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. Operating leases

The Partnership earns rental income by leasing its investment properties to tenants under operating leases.

In the UK the standard shopping centre lease is for a term of 10 to 15 years. Standard lease provisions include service charge payments, recovery of other direct costs and review every five years to market rent. Standard turnover based leases have a turnover percentage agreed with each lessee which is applied to a retail unit's annual sales and any excess between the resulting turnover rent and the minimum rent is receivable by the Partnership.

The future minimum lease amounts receivable under non-cancellable operating leases for continuing operations are as follows:

	2016 £m	2015 £m
Not later than one year	20.6	22.7
Later than one year and not later than five years	56.9	57.1
Later than five years	92.7	102.0
	<u>170.2</u>	<u>181.8</u>

9. Cash generated from operations

	2016 £m	2015 £m
Profit transferred to partners' current account	19.5	44.1
Remove:		
Finance costs	6.3	6.2
Lease incentives and letting costs	0.3	0.1
Revaluation of investment property	1.0	(24.4)
Changes in working capital:		
Change in trade and other receivables	13.6	(25.6)
Change in trade and other payables	(28.5)	1.7
	<u>12.2</u>	<u>2.1</u>
Cash generated from operations		

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Related party transactions

During the year the Partnership entered into the following significant transactions with other group undertakings:

		2016 £m	2015 £m
	Nature of transaction		
Intu Retail Services	Facilities management	7.7	6.7
Intu (SGS) Finco Limited	Interest payable	6.3	6.2

Significant balances outstanding between the Partnership and other group undertakings are shown below:

	Amounts owed by 2016 £m	2015 £m
Intu (SGS) Finco Limited	13.3	27.4

	Amounts owed to 2016 £m	2015 £m
Liberty International Group Treasury Limited	73.8	101.0
Intu (SGS) Finco Limited	142.3	142.2
Intu Property Management Limited	0.3	0.3
Wilmslow (No.3) General Partner Limited	-	0.2

11. Ultimate parent company

The ultimate parent company of both the General Partner (Wilmslow (No.3) General Partner Limited) and the Limited Partners (Derby Investments Limited Partnership, Midlands Shopping Centre Jersey Unit Trust (No.1) and Intu Derby Jersey Unit Trust) is intu properties plc, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the Company Secretary, 40 Broadway, London SW1H 0BT.

12. Capital commitments

At 31 December 2016, the Board had approved £5.8 million (2015 £4.9 million) of future expenditure for the purchase, construction, development and enhancement of investment property. Of this £0.9 million (2015 £nil) is contractually committed. £4.5 million of the approved amount is expected to be spent in 2017.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Financial risk management

The partnership is exposed to a variety of risks arising from the Partnership's operations being principally market risk, liquidity risk and credit risk.

The majority of the Partnership's financial risk management is carried out by the Intu properties plc's treasury department and the policies for managing each of these risks and the principal effects of these policies on the results for the year are summarised below. Further details of the Intu properties plc's financial risk management are disclosed in the group's publicly available financial statements.

Market risk: Interest rate risk

Interest rate risk comprises of both cash flow and fair value risks:

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market interest rates.

As at 31 December 2016 there are no borrowings external to either the Partners of the Partnership or non-Intu group borrowings. Interest on amounts due to group undertakings is charged at rates agreed between the partnership and the group undertakings.

Liquidity risk

Liquidity risk is managed to ensure that the partnership is able to meet future payment obligations when financial liabilities fall due. Liquidity analysis is conducted to ensure that sufficient headroom is available to meet the operational requirements and committed investments. The group treasury policy aims to meet this objective through maintaining adequate cash, marketable securities and committed facilities to meet these requirements. The group's policy is to seek to optimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinancing risk. In effect the group seeks to borrow for as long as possible at the lowest acceptable cost.

The tables below set out the maturity analysis of the partnership's financial liabilities based on the undiscounted contractual obligations to make payments of interest and to repay principal. Where interest payment obligations are based on a floating rate the rates used are those implied by the par yield curve.

	Within 1 year £m	1-2 years £m	3-5 years £m	Over 5 years £m	2016 Total £m
Amounts owed to group undertakings	(216.4)	-	-	-	(216.4)
Other financial liabilities	(0.6)	-	-	-	(0.6)
	<u>(217.0)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(217.0)</u>

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Financial risk management (continued)

	Within 1 year £m	1-2 years £m	3-5 years £m	Over 5 years £m	2015 Total £m
Amounts owed to group undertakings	(243.6)	-	-	-	(243.6)
Other financial liabilities	<u>(1.1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1.1)</u>
	<u>(244.7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(244.7)</u>

Credit risk

Credit risk is the risk of financial loss if a tenant or counterparty fails to meet an obligation under a contract. Credit risk arises primarily from trade receivables relating to tenants but also from the partnership's holdings of assets with counterparties such as cash deposits and loans.

Credit risk associated with trade receivables is actively managed; tenants are managed individually by asset managers, who continuously monitor and work with tenants, anticipating and, wherever possible, identifying and addressing risks prior to default.

Prospective tenants are assessed via a review process, including obtaining credit ratings and reviewing financial information which is conducted internally. As a result deposits or guarantors may be obtained. The amount of deposits held as collateral at 31 December 2016 is £0.5 million (2015 £0.5 million).

Due to the nature of tenants being managed individually by asset managers, it is partnership policy to calculate any impairment specifically on each contract.

The ageing analysis of these trade receivables is as follows:

	2016 £m	2015 £m
Up to three months	1.1	0.9
Three to six months	<u>0.3</u>	<u>0.3</u>
Trade receivables	<u>1.4</u>	<u>1.2</u>

At 31 December 2016 trade receivables are shown net of provision totalling £0.5 million (2015 £0.6 million).

The credit risk relating to cash is actively managed centrally by intu properties plc, the ultimate parent. Relationships are maintained with a number of tier one institutional counterparties, ensuring compliance with intu properties plc company policy relating to limits on the credit ratings of counterparties (between BBB+ and AAA).

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Financial risk management (continued)

Excessive credit risk is avoided through adhering to authorised limits for all counterparties.

Classification of financial assets and liabilities

The table below sets out the partnership's accounting classification of each class of financial assets and liabilities, and their fair values at 31 December 2016 and 31 December 2015.

	Carrying value £m	Fair value £m
2016		
Trade and other receivables	14.7	14.7
Cash and cash equivalents	7.6	7.6
Total cash and receivables	22.3	22.3
Trade and other payables	(217.0)	(217.0)
Total loans and payables	(217.0)	(217.0)
	Carrying value £m	Fair value £m
2015		
Trade and other receivables	27.5	27.5
Cash and cash equivalents	6.3	6.3
Total cash and receivables	33.8	33.8
Trade and other payables	(244.7)	(244.7)
Total loans and payables	(244.7)	(244.7)

There were no gains or losses arising on financial assets or liabilities recognised in either the income statement or direct to equity (2015 £nil).

Fair value hierarchy

- Level 1: Valuation based on quoted market prices traded in active markets.
- Level 2: Valuation techniques are used, maximising the use of observable market data, either directly from market prices or derived from market prices.
- Level 3: Where one or more significant inputs to valuation are unobservable. Valuations at this level are more subjective and therefore more closely managed, including sensitivity analysis of inputs to valuation models. Such testing has not indicated that any material difference would arise due to a change in input variables.

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 during the year.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. Partners' Accounts

	Wilmslow (No.3) General Partner Limited £m	Intu Derby Jersey Unit Trust ¹ £m	Midlands Shopping Centre Jersey Unit Trust (No.1) ² £m	Derby Investments Limited Partnership ³ £m	Total £m
Capital accounts					
At 1 January 2016 and 31 December 2016	-	-	-	0.1	0.1
Subordinated debt					
At 1 January 2016 and 31 December 2016	-	10.4	10.4	20.9	41.7
Current accounts					
At 1 January 2016	0.1	46.6	46.5	92.8	186.0
Share of profit for the year	0.2	4.9	4.8	9.6	19.5
At 31 December 2016	0.3	51.5	51.3	102.4	205.5
Total Partners' accounts					
At 31 December 2016	0.3	61.9	61.7	123.4	247.3
At 31 December 2015	0.1	57.0	56.9	113.8	227.8

1 Derby Trustee No.1 Limited & Derby Trustee No.2 Limited as trustees for Intu Derby Jersey Unit Trust.

2 Derby Trustee No.1 Limited & Derby Trustee No.2 Limited as trustees for Midlands Shopping Centre Jersey Unit Trust (No.1).

3 Derby Investments Trustee Limited as trustee for Derby Investments Limited Partnership.

No interest is charged on the partners' capital, subordinated debt or current accounts.