

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors submit their Strategic Report of Wilmslow (No. 3) General Partner Limited ('the company') for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company 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 2017 are set out in full in the income statement, the balance sheet, the statement of changes in equity and the notes to the financial statements.

The company recorded a result before taxation of £nil compared with a result before taxation of £nil for the previous year. Net assets at 31 December 2017 were £166,403 (2016 £166,403).

The directors expect the current level of activity to continue into the foreseeable future.

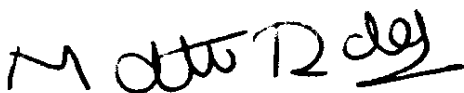
Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

As the company is a wholly owned subsidiary of the intu properties plc group, the company 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.

On behalf of the Board



David Fischel
Director
26 April 2018



Matthew Roberts
Director
26 April 2018

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

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

DIVIDENDS

The directors do not recommend a dividend for the year (2016 £nil).

FINANCIAL RISK MANAGEMENT

The company's approach to financial risk management is explained in note 8 to the financial statements.

CAPITAL MANAGEMENT

The directors consider the capital of the company to be the ordinary share capital of £1,000 (2016 £1,000). Management of this capital is performed at 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 who held office during the year and until the date of this report are given below:

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

DIRECTORS' INDEMNITY PROVISION

A qualifying 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 (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRS') 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 these 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.

STATEMENT OF DISCLOSURE TO AUDITORS

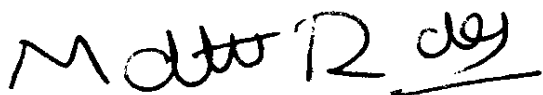
In the case of each director in office at the date the Directors' Report is approved:

- 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 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, 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
26 April 2018

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE DIRECTORS OF WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

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

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

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

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

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE DIRECTORS OF WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE DIRECTORS OF WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

R Hawkins.

Robert Hawkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 April 2018

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

INCOME STATEMENT, STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

There are no items of income or expense and accordingly an income statement and statement of comprehensive income have not been presented.

The company does not operate any bank accounts and all operations are funded through intercompany balances, therefore there are no cash balances or movements and accordingly a statement of cash flows has not been presented.

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Non-current assets			
Investment in subsidiaries	4	1,022	1,022
Current assets			
Trade and other receivables	6	165,386	165,386
Total assets		166,408	166,408
Current liabilities			
Trade and other payables	7	(5)	(5)
Total liabilities		(5)	(5)
Net assets		166,403	166,403
Equity			
Share capital	9	1,000	1,000
Retained earnings		165,403	165,403
Total equity		166,403	166,403

The notes on pages 10 to 16 form part of these financial statements

The financial statements were approved by the Board of directors and authorised for issue on 26 April 2018 and were 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 2017

	Notes	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016		1,000	165,403	166,403
Result for the year		-	-	-
Total comprehensive income for the year		-	-	-
Balance at 31 December 2016		1,000	165,403	166,403
Balance at 1 January 2017		1,000	165,403	166,403
Result for the year		-	-	-
Total comprehensive income for the year		-	-	-
Balance at 31 December 2017		1,000	165,403	166,403

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Principal accounting policies

These 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.

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.

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 company takes advantage of the exemption available under IFRS 10 not to prepare consolidated financial statements. The financial statements of the company and its subsidiary undertakings are included in the financial statements of the ultimate parent company, intu properties plc.

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 an impact on the financial statements.

A number of standards and amendments to standards have been issued but are not yet effective for the current year. The most significant of these is IFRS 9 Financial Instruments (effective from 1 January 2018). The standard applies to classification and measurement of financial assets and financial liabilities, impairment provisioning and hedge accounting. The intu properties plc group have completed their impact assessment of the standard in which the main area of impact has been identified as impairment provisioning in respect of trade receivables. The impairment provisioning approach has been refined in accordance with the new accounting standard to reflect the expected collection of trade receivables; however, no material quantitative differences have been identified from the impairment provisioning in accordance with the previous accounting standard.

Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgements and use estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Income from investments

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

Investments

Investments in subsidiaries are held on the balance sheet at cost less any provision for impairment.

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Principal 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.

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.

Taxation

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.

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 company'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 company's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

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.

2 Operating result

The operating result for the year ended 31 December 2017 of £nil (2016 operating result of £nil) did not include any fees in respect of auditors' remuneration of £1,694 (2016 £1,645) in respect of the audit of the financial statements, which was settled on behalf of the company by its 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 (2016 £nil) in respect of their services to the company.

There were no employees during the year (2016 none).

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Taxation

The tax expense for the year is equal to (2016 equal to) the standard rate of corporation tax in the UK.
The differences are explained below:

	2017 £	2016 £
Result before taxation	-	-
Result before tax multiplied by the standard rate of tax in the UK of 19.25% (2016 20.00%)	-	-
Group relief (without payment)	(89)	5
Partnership profits taxed in company	43,740	39,058
REIT exemption - corporation tax	(41,639)	(44,928)
REIT exemption - deferred tax	(7,222)	2,091
UK transfer pricing adjustment	5,210	3,774
Tax expense	-	-

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.

4 Investments in subsidiaries

	2017 £	2016 £
Cost		
At 1 January	1,022	1,022
At 31 December	1,022	1,022
Impairment		
At 1 January	-	-
At 31 December	-	-
Net book value		
At 1 January and 31 December	1,022	1,022

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Investments in subsidiaries (continued)

The investment in The Wilmslow (No.3) Limited Partnership* represents a 1% holding in the Partnership, which was established under a Limited Partnership Agreement dated 28 July 2000. This interest is accounted for as an investment in a subsidiary as the company has control and significant influence over the Partnership and the management of the Partnership is the exclusive responsibility of the General Partner.

Details of investments where the company holds 20% or more of the nominal value of any class of share capital are as follows in note 5.

* The Partnership's registered office is 40 Broadway, London, United Kingdom, SW1H 0BT.

5 Subsidiaries

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*	United Kingdom	Ordinary shares	100	Trustee company
Wilmslow (No.3) (Nominee B) Limited*	United Kingdom	Ordinary shares	100	Trustee company
W (No.3) GP (Nominee A) Limited**	Jersey	Ordinary shares	100	Trustee company
W (No.3) GP (Nominee B) Limited**	Jersey	Ordinary shares	100	Trustee company

* The company's registered office is 40 Broadway, London, United Kingdom, SW1H 0BT.

** The company's registered office is 22 Grenville Street, St Helier, Jersey, JE4 8PX, Channel Islands.

6 Trade and other receivables

	2017 £	2016 £
Amounts owed by group undertakings	165,386	165,386

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

7 Trade and other payables

	2017 £	2016 £
Other payables	5	5

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Financial risk management

The company is exposed to a variety of 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 group's policies for managing each of these risks as they apply to the company and the principal effects of these policies on the results for the year are summarised below. Further details of 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 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 company's financial liabilities based on undiscounted contractual obligations.

	Less than 1 month £	Total £
At 31 December 2017		
Other financial liabilities	(5)	(5)
At 31 December 2016		
Other financial liabilities	(5)	(5)

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 2017 and 31 December 2016.

	Carrying value £	Fair value £
2017		
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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

8 Financial risk management (continued)

2016	Carrying value £	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)

There were no gains or losses arising on financial assets recognised in either the income statement or direct to equity (2016 £nil).

9 Share capital

	2017 £	2016 £
<i>Issued, called up and fully paid</i>		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	500	500
	1,000	1,000

The A and B ordinary shares rank pari passu in all matters.

WILMSLOW (NO. 3) GENERAL PARTNER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

10 Related party transactions

The following amounts were outstanding at the reporting end date:

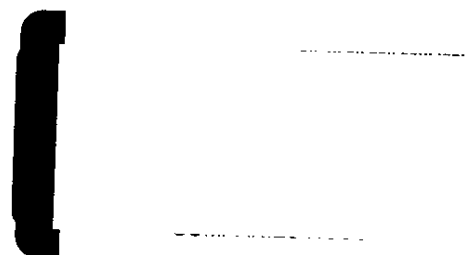
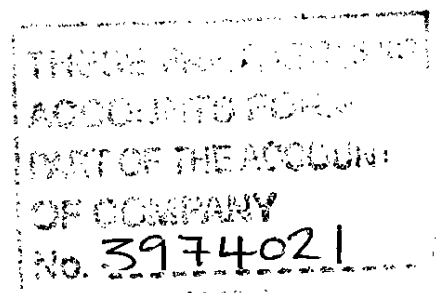
	Amounts owed by	
	2017	2016
	£	£
Liberty International Group Treasury Limited*	165,386	165,386

* The company's registered office is 40 Broadway, London, United Kingdom, SW1H 0BT.

11 Ultimate parent company

The immediate parent undertaking of the company is Intu Derby 2 Limited which is incorporated and registered in Jersey, Channel Islands, copies of whose financial statements may be obtained from 22 Grenville Street, St Helier, Jersey, JE4 8PX. 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.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017.

PRINCIPAL ACTIVITIES

The Partnership's principal activity is the ownership 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 2017 are set out in full in the income statement, the balance sheet, the statement of changes in partners funds, the statement of cash flows and the notes to the financial statements.

The Partnership's performance during the year is considered satisfactory considering the prevailing property market conditions. Net rental income was £27.6 million compared to £27.8 million for the previous year. A revaluation surplus of £3.5 million was recorded during the year (2016 £1.0 million deficit).

The Partnership recorded a profit before taxation of £22.7 million compared with a profit of £19.5 million for the previous year. Net assets at 31 December 2017 were £270.0 million, an increase of £22.7 million from the 31 December 2016 figure of £247.3 million.

Given the straightforward nature of the business, the directors of the General Partner 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 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

26 April 2018



Matthew Roberts

Director

For and on behalf of the General Partner,

Wilmslow (No.3) General Partner Limited

26 April 2018

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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, SW1H 0BT.

DISTRIBUTION

During the year the Partnership paid distributions of £nil (2016 £nil).

FINANCIAL RISK MANAGEMENT

The company's approach to financial risk management is explained in note 9 to the financial statements.

CAPITAL MANAGEMENT

The General Partner considers the capital of the Partnership to be the Partners' capital account of £0.1 million (2016 £0.1 million) and the Partners' subordinated debt of £41.7 million (2016 £41.7 million).

Management of this capital is performed by the General Partner.

INVESTMENT PROPERTY

The movements in investment property are set out in note 5.

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	49.50%
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Derby Trustee No.1 Limited and Derby Trustee No.2 Limited as trustees for Midlands Shopping Centre Jersey Unit Trust (No.1)	24.50%
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Derby Trustee No.1 Limited and Derby Trustee No.2 Limited as trustees for Intu Derby Jersey Unit Trust	25.00%
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General partner:

Wilmslow (No.3) General Partner Limited	1.00%
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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.

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 (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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 ENTITLEMENT - 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 General Partner's Report and 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 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 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.

STATEMENT OF DISCLOSURE 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 they ought to have taken as a director in order to make themselves aware of

INDEPENDENT AUDITORS

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

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017



David Fischel

Director

**For and on behalf of the General Partner,
Wilmslow (No.3) General Partner Limited
26 April 2018**



Matthew Roberts

Director

**For and on behalf of the General Partner,
Wilmslow (No.3) General Partner Limited
26 April 2018**

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with 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.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in partners' funds for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern.

Reporting on other information

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

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

With respect to the Strategic Report and General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

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

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

Strategic Report and General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and General Partner's Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and General Partner's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for 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 the general partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinion, has been prepared for and only for the partners 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.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

R.S.J.

Ranjan Sriskandan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 April 2018

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £m	2016 £m
Revenue	2	39.6	38.6
Net rental income	2	27.6	27.8
Revaluation of investment and development property		3.5	(1.0)
Administrative expenses		(1.1)	(1.0)
Operating profit	3	30.0	25.8
Finance costs	4	(7.6)	(6.3)
Finance income		0.1	-
Change in fair value of derivative financial instruments		0.2	-
Profit transferred to partners' current account		22.7	19.5

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

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £m	2016 £m
Non-current assets			
Investment and development property	5	447.3	438.8
Trade and other receivables	6	10.0	10.0
		<u>457.3</u>	<u>448.8</u>
Current assets			
Trade and other receivables	6	123.1	17.6
Derivative financial instruments	7	0.2	-
Cash and cash equivalents		2.6	7.6
		<u>125.9</u>	<u>25.2</u>
Total assets		<u>583.2</u>	<u>474.0</u>
Current liabilities			
Trade and other payables	8	(313.2)	(226.7)
Total liabilities		<u>(313.2)</u>	<u>(226.7)</u>
Net assets		<u>270.0</u>	<u>247.3</u>
Partners' funds			
Partners' capital account		0.1	0.1
Partners' subordinated debt		41.7	41.7
Partners' current account		228.2	205.5
Total partners' funds		<u>270.0</u>	<u>247.3</u>

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

The notes on pages 13 to 25 form part of these financial statements

The financial statements were approved by the General Partner, Wilmslow (No.3) General Partner Limited and authorised for issue on 26 April 2018 and were signed on its behalf by:

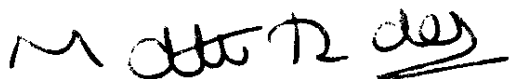


David Fischel

Director

Wilmslow (No.3) General Partner Limited

26 April 2018



Matthew Roberts

Director

Wilmslow (No.3) General Partner Limited

26 April 2018

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
STATEMENT OF CHANGES IN PARTNERS FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Partners' capital account £m	Partners' subordinated debt £m	Partners' current account £m	Total £m
Balance at 1 January 2016		0.1	41.7	186.0	227.8
Profit transferred to Partners' current account		-	-	19.5	19.5
Total comprehensive income for the year		-	-	19.5	19.5
Balance at 31 December 2016		0.1	41.7	205.5	247.3
Balance at 1 January 2017		0.1	41.7	205.5	247.3
Profit transferred to Partners' current account		-	-	22.7	22.7
Total comprehensive income for the year		-	-	22.7	22.7
Balance at 31 December 2017		0.1	41.7	228.2	270.0

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £m	2016 £m
Cash flows from operating activities			
Cash generated from operations	10	7.6	12.2
Interest paid		(7.6)	(6.3)
Net cash (outflow)/inflow from operating activities		-	5.9
Investing activities			
Purchase of investment property		(7.2)	(4.6)
Proceeds on disposal of investment property		2.1	-
Interest received		0.1	-
Net cash used in investing activities		(5.0)	(4.6)
Net cash used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(5.0)	1.3
Cash and cash equivalents at beginning of year		7.6	6.3
Cash and cash equivalents at end of year		2.6	7.6

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Principal accounting policies

The 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, 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.

A number of standards and amendments to standards have been issued but are not yet effective for the current year. The most significant of these are set out below:

- IFRS 9 Financial Instruments (effective from 1 January 2018) - The standard applies to classification and measurement of financial assets and financial liabilities, impairment provisioning and hedge accounting. The intu properties plc group have completed their impact assessment of the standard in which the main area of impact has been identified as impairment provisioning in respect of trade receivables. The impairment provisioning approach has been refined in accordance with the new accounting standard to reflect the expected collection of trade receivables; however, no material quantitative differences have been identified from the impairment provisioning in accordance with the previous accounting standard.
- IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018) – The standard is applicable to service charge income and facilities management income, but excludes lease rental income arising from contracts with the company's tenants. The intu properties plc group have completed their impact assessment of the standard, assessed all significant revenue streams from which there were no changes to existing accounting treatments. The company will continue to assess new transactions as they arise or as immaterial revenue streams become material.
- IFRS 16 Leases (effective 1 January 2019) – This standard does not affect the current accounting for rental income earned.

Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgements and use estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

In particular significant judgement is required in the use of estimates and assumptions in the valuation and accounting for investment property. See investment and development property accounting policy as well as note 5 for details on estimates and assumptions used in the valuation process and sensitivities. Significant judgement is also required in the use of estimates and assumptions in the valuation of derivative financial instruments. See derivative financial instruments accounting policy as well as note 9 for details on sensitivities of estimates and assumptions used.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

1 Principal 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 company.

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.

Investment and development properties

Investment and development property is owned or leased by the company 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 – Global Standards 2017.

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.

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.

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.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

1 Principal accounting policies (continued)

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 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.

Derivatives

The Partnership uses derivative financial instruments to manage exposure to interest rate risk. They are initially recognised on the trade date at fair value and subsequently re-measured at fair value. In assessing fair value the partnership uses its judgement to select suitable valuation techniques and make assumptions which are mainly based on market conditions existing at the balance sheet date. The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for similar instruments at the measurement date. These values are tested for reasonableness based upon broker or counterparty quotes.

Amounts paid under derivative financial instruments (currently for the Partnership this relates to interest rate swaps), both on obligations as they fall due and on early settlement are recognised in the income statement as finance costs. Fair value movements on revaluation of derivative financial instruments are shown in the income statement through changes in fair value of financial instruments.

The Partnership does not currently apply hedge accounting to its interest rate swaps.

Taxation

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

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 to tenants under operating leases, with rental income being recognised on a straight-line basis over the lease term. For more detail see the revenue recognition accounting policy.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

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 company'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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

2 Revenue

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

	2017	2016
	£m	£m
Rent receivable	32.8	32.4
Service charge income	6.8	6.2
Revenue	39.6	38.6
Service charge costs	(8.4)	(7.9)
Other non-recoverable costs	(3.6)	(2.9)
Net rental income	27.6	27.8

3 Operating profit

The operating profit of £30.0 million (2016 operating profit of £25.8 million) did not include any amounts in respect of auditors' remuneration or directors' remuneration (2016 £nil). The directors of the General Partner did not receive or waive any emoluments (2016 £nil) in respect of their services to the Partnership. No deduction is made for auditors' remuneration of £4,098 (2016 £3,979) which was settled on behalf of the Partnership by the 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 (2016 none).

4 Finance costs

	2017	2016
	£m	£m
On loans due to group undertakings	7.6	6.3

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

5 Investment and development property

	Freehold £m
At 1 January 2016	435.2
Additions	4.6
Deficit on revaluation	(1.0)
At 31 December 2016	438.8
Additions	7.2
Disposals	(2.2)
Surplus on revaluation	3.5
At 31 December 2017	447.3
Tenant incentives within trade and other receivables (see note 6)	10.7
Market value	458.0

Investment property principally represents intu Derby.

The Partnership is an obligor under the Secured Group Structure, an intu 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 9 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 methodology

The fair value of the Partnership's investment and development property as at 31 December 2017 was determined by an independent external valuer at that date. The valuations are in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Global Standards 2017 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 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 WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

5 Investment and development property (continued)

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.

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 output, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing the asset.

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 £43.0 million (2016 £40.0 million), while a 50 basis point increase would result in a decrease in the total market value of £36.8 million (2016 £34.0 million).

For the Partnership's significant investment and development property, the table below provides details of the 31 December 2017 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 2017	458.0	6.0%	6.2%	28.9
At 31 December 2016	450.0	5.8%	6.2%	29.7

6 Trade and other receivables

	Current 2017 £m	2016 £m	Non-current 2017 £m	2016 £m
Trade receivables	0.8	1.4	-	-
Other receivables	0.5	-	-	-
Amounts owed by group undertakings	118.3	13.3	-	-
Prepayments and accrued income	3.5	2.9	10.0	10.0
	<u>123.1</u>	<u>17.6</u>	<u>10.0</u>	<u>10.0</u>

Included within prepayments and accrued income are tenant incentives of £10.7 million (2016 £11.2 million) of which £0.7 million are classified as current (2016 £1.2 million) and £10.0 million are classified as non-current (2016 £10.0 million).

Interest on amounts owed 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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

7 Derivative financial instruments

Derivative financial instruments are all interest rate swaps classified as held for trading. The interest rate swaps are with another company within the intu properties plc group, and relate to external borrowings within the Secured Group Structure.

8 Trade and other payables

	2017	2016
	£m	£m
Trade payables	0.3	0.1
Rents received in advance	5.8	6.1
Amounts owed to group undertakings	302.3	216.4
Accruals	2.7	2.3
Social security and other taxation	1.2	1.3
Other payables	0.9	0.5
	<u>313.2</u>	<u>226.7</u>

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

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

9 Financial risk management

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

The majority of the Partnership's financial risk management is carried out by intu properties plc's treasury department and the group's policies for managing each of these risks as they apply to the company and the principal effects of these policies on the results for the year are summarised below.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

9 Financial risk management (continued)

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.

It is the group's policy, and often a requirement of the group's lenders, to eliminate substantially all short and medium-term exposure to interest rate fluctuations in order to establish certainty over medium-term cash flows by using floating to fixed interest rate swaps. Such swaps have the economic effect of converting borrowings from floating to fixed rates. As a consequence, the partnership is exposed to market price risk in respect of the fair value of its fixed rate interest rate swaps, as discussed in the financial review.

As at 31 December 2017 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	Total
	£m	£m
At 31 December 2017		
Amounts due to group undertakings	(302.3)	(302.3)
Other financial liabilities	(1.2)	(1.2)
Derivative payments	(0.2)	(0.2)
Derivative receipts	0.1	0.1
	<u>(303.6)</u>	<u>(303.6)</u>
At 31 December 2016		
Amounts due to group undertakings	(216.4)	(216.4)
Other financial liabilities	(0.6)	(0.6)
	<u>(217.0)</u>	<u>(217.0)</u>

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

9 Financial risk management (continued)

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 company's holdings of assets with counterparties such as cash deposits, loans and derivative instruments.

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 2017 is £0.5 million (2016 £0.5 million).

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

The ageing of these trade receivables is as follows:

	2017 £m	2016 £m
Up to three months	0.7	1.1
Three to six months	0.1	0.3
Trade receivables	0.8	1.4

At 31 December 2017 trade receivables are shown net of provisions totalling £0.3 million (2016 £0.5 million).

The credit risk relating to cash, deposits and derivative financial instruments 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).

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 2017 and 31 December 2016. The fair values of derivative financial instruments are determined from observable market prices or estimated using appropriate yield curves at 31 December each year by discounting the future contractual cash flows to the net present values.

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

9 Financial risk management (continued)

2017	Carrying value £m	Fair value £m	Gain/(loss) to income statement £m
Derivative financial instrument assets	0.2	0.2	0.2
Total held for trading assets	0.2	0.2	0.2
Trade and other receivables	119.6	119.6	-
Cash and cash equivalents	2.6	2.6	-
Total cash and receivables	122.2	122.2	-
Trade and other payables	(303.5)	(303.5)	-
Total loans and payables	(303.5)	(303.5)	-

2016	Carrying value £m	Fair value £m	Gain/(loss) to income statement £m
Derivative financial instrument assets	-	-	-
Total held for trading assets	-	-	-
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)	-

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

9 Financial risk management (continued)

The only financial assets and liabilities of the partnership recognised at fair value are derivative financial instruments. These are all held at fair value through profit or loss and are categorised as level 2 in the fair value hierarchy as explained below.

There were no transfers between levels 1, 2 and 3 during the year.

Valuation techniques for level 2 hierarchy financial assets and liabilities are presented in the accounting policies.

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 inputs to valuation are not based on observable market data. 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.

10 Cash generated from operations

	2017	2016
	£m	£m
Profit transferred to partners' current account	22.7	19.5
Adjustments for:		
Change in fair value of derivative financial instruments	(0.2)	-
Finance costs	7.6	6.3
Finance income	(0.1)	-
Loss on disposal of investment property	0.1	-
Revaluation of investment and development property	(3.5)	1.0
Lease incentive and letting costs	0.3	0.3
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(106.0)	13.6
Increase/(decrease) in trade and other payables	86.7	(28.5)
Cash generated from operations	7.6	12.2

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

11 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:

	2017 £m	2016 £m
Not later than one year	19.8	20.6
Later than one year and not later than five years	60.6	56.9
Later than five years	67.0	92.7
	<u>147.4</u>	<u>170.2</u>

12 Capital commitments

At 31 December 2017, the Board had approved £1.6 million (2016 £5.8 million) of future expenditure for the purchase, construction, development and enhancement of investment property. Of this, £1.4 million (2016 £0.9 million) is contractually committed. Of the £1.6 million, £0.5 million is expected to be spent in 2018.

13 Related party transactions

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

	2017 £m	2016 £m
	Nature of transaction	
Intu Retail Services Limited	Facilities management	7.1
Intu (SGS) Finco Limited	Interest payable	7.7
	<u>7.6</u>	<u>6.3</u>

THE WILMSLOW (NO.3) LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

13 Related party transactions (continued)

Significant balances outstanding between the company and other group companies are shown below:

	Amounts owed by	
	2017	2016
	£m	£m
Intu (SGS) Finco Limited*	118.3	13.3
	Amounts owed to	
	2017	2016
	£m	£m
Liberty International Group Treasury Limited*	80.6	73.8
Intu (SGS) Finco Limited	221.4	142.3
Intu Property Management Limited*	0.3	0.3

At 31 December 2017 the partnership held derivative financial instruments with Intu (SGS) Finco Limited being the counterparty. These financial instruments are represented on the balance sheet as an asset with a fair value of £0.2 million (2016 £nil).

* The company's registered office is 40 Broadway, London, United Kingdom, SW1H 0BT.

14 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.