

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2016



REGISTERED NUMBER

SC503913

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13/07/2017

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STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

COMPANY INFORMATION

Directors:

D G Paine
P Alonzi

Secretary:

H S Kidd (appointed on 30 May 2016)
D J Burns (resigned on 2 May 2016)

Independent Auditors:

KPMG LLP
20 Castle Terrace
Edinburgh
EH1 2EG

Registered Office:

1 George Street
Edinburgh
EH2 2LL

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

DIRECTORS' REPORT

The Directors present their report and Financial Statements of Standard Life Investments Brent Cross General Partner Limited ("the Company"), (registration number SC503913) for the year ended 31 December 2016.

Principal Activities

The principal activity of the Company during the year is to act as the general partner of Standard Life Investments Brent Cross LP ("the Partnership").

Incorporation

The Company was incorporated in the United Kingdom on 21 April 2015 and started trading on 5 June 2015.

Results and Dividend

The financial results for the year are set out in the Statement of Comprehensive Income on page 6. The profit for the year was £2,686 (2015: period £2,287). The Directors do not recommend the payment of a dividend (2015: £nil).

Strategic Report

The Company has not prepared a Strategic Report for the current financial year as the Company is entitled to an exemption under the small companies regime.

Directors and their Interests

The Directors who held office during the year are disclosed on page 1.

As at 31 December 2016 none of the Directors held any interests in the ordinary share capital of the business (2015: none).

Independent Auditors

Following a tender process by Standard Life plc, PricewaterhouseCoopers CI LLP have resigned as auditors of the Company effective from 8 December 2016 and KPMG LLP have been appointed as auditors for the year ended 31 December 2016 and subsequent years.

Going Concern

The Financial Statements have been prepared on a going concern basis as the Directors expect that the Company will continue in business for at least 12 months from the date of signing these Financial Statements.

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with applicable law and in accordance with, and to comply with, International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

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 year.

In preparing these Financial Statements, the Directors are required to:

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

The Directors of the Company confirm they have complied with all of the above requirements in preparing the Financial Statements.

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

As far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. Each Director has 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 the Company's auditors are aware of that information.

Approved by the Board of Directors and signed on their behalf by:



Director

P. ALONZI

22/6/17

Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

We have audited the financial statements of Standard Life Investments Brent Cross General Partner Limited for the year ended 31 December 2016 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of directors and auditor

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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion 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 profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- *in our opinion, that report has been prepared in accordance with the Companies Act 2006.*

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANDARD LIFE INVESTMENTS
BRENT CROSS GENERAL PARTNER LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom
23 June 2017

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	1 Jan 2016 to 31 Dec 2016 £	21 Apr 2015 to 31 Dec 2015 £
Income from partnership	2	5,000	2,877
Bank charge		(252)	(18)
Other costs		(1,390)	-
Profit before taxation		<u>3,358</u>	<u>2,859</u>
Taxation	4	(672)	(572)
Profit for the year / period		<u><u>2,686</u></u>	<u><u>2,287</u></u>

All amounts are derived from continuing operations.

There is no other comprehensive income as defined by IAS 1 and as such no statement of other comprehensive income has been presented.

The notes on pages 10 - 17 form part of the Financial Statements

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
ASSETS			
Current assets			
Trade and other receivables	6	5,001	2,878
Cash and cash equivalents	7	1,341	-
Total assets		<u>6,342</u>	<u>2,878</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	(1,368)	(572)
Bank overdraft	9	-	(18)
Net assets		<u>4,974</u>	<u>2,288</u>
Equity is analysed as:			
Share capital	10	1	1
Retained earnings		4,973	2,287
Total equity		<u>4,974</u>	<u>2,288</u>

Approved by the Board of Directors and signed on their behalf by:


.....

Director

P. ALONZI

22/6/17
.....
Date

The notes on pages 10 - 17 form part of the Financial Statements

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

	Note	Total £
Share Capital		
Opening / closing balance	10	<u>1</u>
Retained earnings		
Opening balance		2,287
Profit for the year		<u>2,686</u>
Closing balance		<u>4,973</u>
Total equity as at 31 December 2016		<u><u>4,974</u></u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	Note	Total £
Share Capital		
Opening balance		-
Subscription to the Company		<u>1</u>
Closing balance	10	<u>1</u>
Retained earnings		
Opening balance		-
Profit for the period		<u>2,287</u>
Closing balance		<u>2,287</u>
Total equity as at 31 December 2015		<u><u>2,288</u></u>

The notes on pages 10 - 17 form part of the Financial Statements

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Cash generated from / (used in) operating activities	12	1,931	(18)
Taxation paid		(572)	-
Net increase / (decrease) in cash and cash equivalents		1,359	(18)
Bank overdraft at beginning of year		(18)	-
Cash and cash equivalents / bank overdraft at end of period	7 / 9	<u>1,341</u>	<u>(18)</u>

The notes on pages 10 - 17 form part of the Financial Statements

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

1 GENERAL INFORMATION

Standard Life Investments Brent Cross General Partner Limited ("the Company") acts as the General Partner of Standard Life Investments Brent Cross LP ("the Partnership"). The Company was incorporated on 21 April 2015 and domiciled in the United Kingdom. These audited Financial Statements have been approved for issue by the Board of Directors on 22 June 2017.

1.1 ACCOUNTING POLICIES

Basis of preparation

The Directors of the Company have taken the decision to prepare the current and future years Financial Statements in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

The audited Financial Statements of the Company have been prepared in accordance with and comply with IFRS issued by the IASB as adopted by the EU. The audited Financial Statements have been prepared under the historical cost convention.

The preparation of Financial Statements in conformity with IFRS issued by the IASB as adopted by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Where any such judgements are made they are indicated within the accounting policies. There are no significant estimates in the audited Financial Statements as at 31 December 2016.

The financial information in these Financial Statements has been prepared on the basis of standards applicable as at 31 December 2016.

Changes in accounting policy and disclosures

(a) New and amended standards and interpretations adopted by the Company

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

(b) New standards, amendments and interpretations issued, but not yet effective

- IAS 12, 'Income taxes'
- IFRS 9, 'Financial instruments: classification and measurement'
- IFRS 15, 'Revenue from contract with customers'
- IFRS 16, 'Leases'

The adoption of the above accounting standards in future years is not expected to have any material impact on the Financial Statements of the Company.

(c) Early adoption of standards

The Company did not early adopt any new or amended standards in the year ended 31 December 2016.

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

1.1 ACCOUNTING POLICIES (CONTINUED)

Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The Financial Statements are presented in pound sterling, which is the Company's functional and presentation currency.

Revenue recognition

Revenue is recognised as follows:

a) Income from partnership

The Company is entitled to £5,000 per annum while acting as General Partner to the Partnership. Income is recognised on an accruals basis.

b) Bank interest

Bank interest income is recognised on an accruals basis.

Expenditure

All expenses are accounted for on an accruals basis. Expenses are charged through the Statement of Comprehensive Income as and when incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Statement of Financial Position date.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are classified as loans and receivables and recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Income.

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

1.1 ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation and the amounts are capable of being reliably estimated.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of taxation, from the proceeds.

Dividends

Dividends to the Company's shareholders are recognised as a liability in the Financial Statements in the year in which the dividends are approved.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Bank overdrafts

Bank overdrafts are classified as short term borrowings and repayable on demand.

2 PARTNERSHIP INCOME

The Company is entitled to £5,000 per annum while acting as General Partner to the Partnership. This amount is receivable from 5 June 2015 allocated pro rata in respect of accounting periods of more or less than one year.

3 AUDIT FEES

The Company's audit fee of £4,500 for the year to 31 December 2016 is borne by the Partnership (2015: period £4,186). No remuneration was payable to the Company's auditors in respect of non-audit services (2015: period £nil).

4 TAXATION

	2016	2015
	£	£
Current tax on income	<u>672</u>	<u>572</u>

No deferred taxation arose during the year (2015: period £nil).

The current taxation charge for the year is same as the standard rate of corporation taxation in the UK of 20% (2015: 20%).

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

5 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to various financial risks; credit risk and liquidity risk (including cash flow and fair value interest rate risk).

The financial risks relate to the financial instruments set out by category in the following table:

	Loans and receivables £	Financial liabilities at amortised cost £
31 December 2016		
Financial assets		
Trade and other receivables	5,001	-
Cash and cash equivalents	1,341	-
Financial liabilities		
Trade and other payables	-	1,368
31 December 2015		
Financial assets		
Trade and other receivables	2,878	-
Financial liabilities		
Trade and other payables	-	572
Bank overdraft	-	18

The Company's policy for managing the risks associated with these financial instruments is set out below.

Credit risk

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has entered into with the Company. The Company has a concentrated credit risk as the majority of trade and other receivables are due from the Partnership. The Company continually monitors this liquidity to ensure that all receivables from the Partnership are received when they fall due.

With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value of these instruments. As at 31 December 2016, £1,341 (2015: £nil) was held with Citibank.

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

Liquidity risk

A summary table with the maturities of financial assets and liabilities is presented below:

Market risk

(a) Cash flow and fair value interest rate risk

At 31 December 2016, if interest rates had been 100 basis points higher/lower with all other variables held constant, profit for the year would have been £13 higher/lower (2015: £nil), as a result of the higher/lower interest income on cash and cash equivalents.

The following table sets out the carrying amount of the Company's financial instruments to which an interest rate applies:

	Variable rate	Weighted average
As at 31 December 2016	£	interest rate
Cash and cash equivalents	1,341	0.000%

	Variable rate	Weighted average
As at 31 December 2015	£	interest rate
Bank overdraft	18	0.000%

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

5.1 FAIR VALUE RISK

(a) Determination of fair value hierarchy

To provide further information on the approach used to determine and measure the fair value of certain assets and liabilities, the following fair value hierarchy categorisation has been used:

Level 1 - Fair values measured using quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - Fair values measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair values measured using inputs that are not based on observable market data (unobservable inputs).

(b) Fair value hierarchy for financial assets and liabilities measured at amortised cost in the Statement of Financial Position

The following table analyses within the fair value hierarchy the Company's assets and liabilities (by class) not measured at fair value but for which fair value is disclosed.

31 December 2016	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Financial assets				
Trade and other receivables	-	5,001	-	5,001
Cash and cash equivalents	1,341	-	-	1,341
	<u>1,341</u>	<u>5,001</u>	<u>-</u>	<u>6,342</u>
Financial liabilities				
Trade and other payables	-	1,368	-	1,368
	<u>-</u>	<u>1,368</u>	<u>-</u>	<u>1,368</u>
31 December 2015	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Financial assets				
Trade and other receivables	-	2,878	-	2,878
	<u>-</u>	<u>2,878</u>	<u>-</u>	<u>2,878</u>
Financial liabilities				
Trade and other payables	-	572	-	572
Bank overdraft	18	-	-	18
	<u>18</u>	<u>572</u>	<u>-</u>	<u>590</u>

There were no transfers between levels during the year.

The assets and liabilities included in the table above are carried at amortised cost; their carrying amount is a reasonable approximation of fair value.

Trade and other receivables include the contractual amounts for settlement of trades and other obligations due to the Company.

Cash and cash equivalents are the same as fair value due to the short term maturities of these instruments.

Trade and other payables represent contract amounts and obligations due by the Company.

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

6 TRADE AND OTHER RECEIVABLES

	2016	2015
	£	£
Receivable from SLI Brent Cross LP	5,000	2,877
Receivable from Standard Life Investments Limited	1	1
	<u>5,001</u>	<u>2,878</u>

No trade and other receivables are past due.

7 CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash held at bank	<u>1,341</u>	<u>-</u>

8 TRADE AND OTHER PAYABLES

	2016	2015
	£	£
Sundry payables	696	-
Taxation	672	572
	<u>1,368</u>	<u>572</u>

9 BANK OVERDRAFT

	2016	2015
	£	£
Overdraft at Citibank	<u>-</u>	<u>18</u>

10 SHARE CAPITAL

	2016	2015
	£	£
Issued share capital		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

11 RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Partnership

The Limited Partner of the Partnership is JTC Fund Solutions (Jersey) Limited as Trustee of Standard Life Investments UK Shopping Centre Trust. The Limited Partner has contributed £543 to the capital of the Partnership and £580,475,874 as a loan advance to the Partnership. Standard Life Investments Brent Cross General Partner Limited is a general partner in a limited partnership agreement and is due a fixed general partner share of £5,000 for the year ended 31 December 2016 (2015: £2,877 covering the period 5 June 2015 to 31 December 2015).

Standard Life Investments Limited

The Company's sole shareholder is Standard Life Investments Limited who has invested £1 in the Company.

12 CASH FLOWS FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Profit before taxation	3,358	2,859
Movement in trade and other receivables	(2,123)	(2,877)
Movement in trade and other payables	696	-
Cash generated from / (used in) operating activities	<u>1,931</u>	<u>(18)</u>

13 CONTROLLING PARTY

The Company's immediate parent undertaking is Standard Life Investments Limited. The ultimate parent undertaking of Standard Life Investments Limited is Standard Life plc. The company is consolidated in the financial statements of Standard Life plc, which are publicly available. Standard Life plc is a company incorporated in Scotland and copies of the group's accounts can be obtained from 30 Lothian Road, Edinburgh, EH1 2DH.

14 COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2016 the Company had no outstanding commitments or contingent liabilities (2015: none).

15 EVENTS AFTER THE REPORTING DATE

No subsequent events have occurred that require an adjustment to the accounting estimates and disclosures included within these Financial Statements.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

LIMITED PARTNERSHIP NO. SL020465

STANDARD LIFE INVESTMENTS BRENT CROSS LP

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STANDARD LIFE INVESTMENTS BRENT CROSS LP

PARTNERSHIP INFORMATION

General Partner	Standard Life Investments Brent Cross General Partner Limited 1 George Street Edinburgh EH2 2LL
Directors of the General Partner	D G Paine P Alonzi
Limited Partner	JTC Fund Solutions (Jersey) Limited as Trustee of Standard Life Investments UK Shopping Centre Trust Elizabeth House 9 Castle Street St Helier Jersey JE2 3RT
Independent Auditors	KPMG LLP 20 Castle Terrace Edinburgh EH1 2EG
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP (previously CMS Cameron McKenna LLP) Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Principal Banker	Citibank Europe plc (previously Citibank International Limited) Citigroup Centre 33 Canada Square Canary Wharf London E14 5LB
Independent Valuer	Cushman & Wakefield 125 Old Broad Street London EC2N 1AR

STANDARD LIFE INVESTMENTS BRENT CROSS LP

GENERAL PARTNER REPORT

Standard Life Investments Brent Cross General Partner Limited, the General Partner, presents its report and Financial Statements of Standard Life Investments Brent Cross LP ("the Partnership") for the year ended 31 March 2017.

Structure and duration of the Partnership

The Partnership was established as a Scottish Limited Partnership under the Limited Partnership Act 1907 on 23 April 2015 and started trading on 5 June 2015. The Partnership is managed by its General Partner who has full power and authority in the operation of the Partnership.

Partners and their interests

The Partners at 31 March 2017 were as follows:

<i>Partner name</i>	<i>Category</i>	<i>Admission Date</i>
Standard Life Investments Brent Cross General Partner Limited ("General Partner")	General Partner	23 April 2015
JTC Fund Solutions (Jersey) Limited as Trustee of Standard Life Investments UK Shopping Centre Trust ("SCUT")	Limited Partner	23 April 2015

The interest of the Limited Partner is detailed in the Statement of Changes in Net Assets Attributable to Limited Partner on page 9.

Independent Auditor

PricewaterhouseCoopers CI LLP have resigned as auditors effective from 8 December 2016 and KPMG LLP have been appointed as auditors for the year ended 31 March 2017 and subsequent years.

Disclosure of information to auditors

So far as the Directors of the General Partner are aware, there is no relevant audit information of which the Partnership's auditors are unaware, and each Director of the General Partner has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Statement of General Partner Responsibilities in Respect of the Financial Statements

Company law as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the Directors of the General Partner have elected to prepare the Financial Statements in accordance with applicable law and in accordance with, and to comply with, International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

The General Partner is required to sign audited Financial Statements as prepared and approved by the General Partner for each financial year which give a true and fair view of the state of affairs of the Partnership and of the increase or decrease in assets attributable to the Limited Partner for that year.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

GENERAL PARTNER REPORT (CONTINUED)

Statement of General Partner Responsibilities in respect of the Financial Statements (continued)

In preparing the Financial Statements the General Partner is required to:

- comply with the provisions of the amended and restated Limited Partnership Agreement;
- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The amended and restated Limited Partnership Agreement requires that the General Partner prepares Financial Statements in accordance with appropriate accounting standards. The General Partner has selected the accounting policies adopted with reference to recognised published frameworks and industry practice, IFRS issued by the IASB as adopted by the EU, and considers those selected to be the most appropriate given the operations and circumstances of the Partnership.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the Financial Statements comply with the Companies Act 2006 as applied to qualifying limited partnerships by the Regulations. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud, errors and non-compliance with law and regulation.

The Directors of the General Partner confirm that they have complied with the above requirements in preparing the Financial Statements.

As approved by the Board of the General Partner, Standard Life Investments Brent Cross General Partner Limited



Director of Standard Life Investments Brent Cross General Partner Limited

P. ALONZI

22/6/17
Date

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STRATEGIC REPORT

The General Partner presents its strategic report of the Partnership for the year ended 31 March 2017.

Review of the business

Enhanced business review

The Partnership's principal activity during the year is to carry on the business of investing, developing and letting of an investment property, namely Brent Cross Shopping Centre, London of which it has a 58.8% interest.

Review of the business

The results for the year are set out in the Statement of Comprehensive Income on page 7. The decrease in net assets attributable to the Limited Partner for the year was £24,686,094 (2016: increase in net assets during the period £10,204,275) and the total distributions payable to the Partners in the year was £22,774,738 (2016: period £20,390,507).

The General Partner is of the opinion that analysis using key performance indicators is not necessary for an understanding of the performance or position of the Partnership.

Redevelopment

The key milestones achieved during the year include the signing of a Development Agreement with the London Borough of Barnet ("LBB") and the conclusion of the Compulsory Purchase Order public inquiry, on which the inspector's decision is expected in Q3 2017. A huge number of workstreams remain live, the most significant of which include (1) the proposed restructuring of the way the asset is currently held (the intention being to simplify the complicated leasehold structure and, with Hammerson (Brent Cross) Limited ("Hammerson") as our partners, take a new 999 year lease from LBB), (2) discussions with potential equity funding partners to provide funding for the development and (3) negotiations with anchor store occupiers. Through the year the viability of the opportunity has been constantly assessed and this will continue to be the case, to allow a decision to be made over the extent of the Trust's participation. A planning application was made at the end of March that addresses 'reserved matters' arising from the existing outline consent and will hope to achieve a detailed consent for the shopping centre element of the entire project.

Principal risks and uncertainties

The principal risks to which the Partnership is exposed to are credit risk, liquidity risk, capital risk, cash flow interest rate risk, fair value interest rate risk and fair value risk. Further details on the principal risks and uncertainties are detailed in note 4 of the Financial Statements.

Going concern

The Financial Statements have been prepared on a going concern basis. Under the provisions of the amended and restated Limited Partnership Agreement, the Partnership shall continue until dissolved with the agreement of the Limited Partner.

During the year there was a total of £33,200,000 injected into the Partnership (£20,000,000 on 26 July 2016 and £13,200,000 on 20 December 2016). The Limited Partner will continue to make available funds as needed by the Partnership, which should enable the Partnership to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any Partnership placing reliance on their Limited Partner for financial support, the Partnership acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this Limited Partner support the Partnership believes that it remains appropriate to prepare the financial statements on a going concern basis

On behalf of the General Partner, Standard Life Investments Brent Cross General Partner Limited



Director of Standard Life Investments Brent Cross General Partner Limited

P. ALONZI

22/6/17
Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANDARD LIFE INVESTMENTS BRENT CROSS LP

We have audited the financial statements of Standard Life Investments Brent Cross LP for the year ended 31 March 2017 set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

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

Respective responsibilities of General Partner and auditor

As explained more fully in the Statement of General Partner Responsibilities set out pages 2-3, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the General Partner Report and Strategic Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the General Partner Report and Strategic Report:

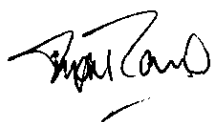
- we have not identified material misstatements in those reports; and
- in our opinion, those reports has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANDARD LIFE INVESTMENTS BRENT CROSS LP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

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



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

23 June 2017

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

		1 Apr 2016 to 31 Mar 2017 £	23 Apr 2015 to 31 Mar 2016 £
	Note		
Rental income		29,886,989	25,774,377
Unrealised (loss) / gain arising on adjustment to fair value of investment property	7	(24,686,094)	10,204,275
Management lease costs	2	(6,168,198)	(5,328,410)
Valuation fees	3	(44,450)	(40,755)
Auditor's fee		(16,060)	(14,660)
Legal fees		(935,531)	(9,908)
Bank charges		(737)	(129)
Other costs		(19,414)	(4,186)
Operating (loss) / profit		(1,983,495)	30,580,604
Interest receivable		72,139	14,178
(Loss) / profit for the year / period		(1,911,356)	30,594,782
Distributions	13	(22,774,738)	(20,390,507)
(Decrease) / increase in net assets attributable to Limited Partner		(24,686,094)	10,204,275

There is no other comprehensive income as defined by IAS 1 and as such no statement of other comprehensive income has been presented.

The notes on pages 11 to 26 form an integral part of these Financial Statements.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STATEMENT OF NET ASSETS AS AT 31 MARCH 2017

	Note	2017 £	2016 £
ASSETS			
Non-current assets			
Leasehold investment property	7	551,213,742	559,351,673
Current assets			
Trade and other receivables	8	9,985,817	10,264,726
Cash and cash equivalents	9	20,707,260	3,856,910
		<u>30,693,077</u>	<u>14,121,636</u>
Total assets		<u><u>581,906,819</u></u>	<u><u>573,473,309</u></u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	(10,654,657)	(9,131,115)
Distributions due to partners	13	(5,257,565)	(6,861,503)
		<u>(15,912,222)</u>	<u>(15,992,618)</u>
Net assets attributable to Limited Partner		<u><u>565,994,597</u></u>	<u><u>557,480,691</u></u>
Net assets attributable to Limited Partner analysed as:			
Partners' capital	14	543	543
Partners' loan	15	580,475,873	547,275,873
Reserves	16	(14,481,819)	10,204,275
Net assets attributable to Limited Partner		<u><u>565,994,597</u></u>	<u><u>557,480,691</u></u>

As approved by the Board of the General Partner, Standard Life Investments Brent Cross General Partner Limited



Director of Standard Life Investments Brent Cross General Partner Limited

P. ALONZI

22/6/17

Date

The notes on pages 11 to 26 form an integral part of these Financial Statements.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO LIMITED PARTNER FOR THE YEAR ENDED 31 MARCH 2017

	Note	SCUT £	Total £
Partners' capital			
Opening / closing balance	14	543	543
Partners' loan			
Opening balance at 1 April 2016		547,275,873	547,275,873
Loan advances from Partner		33,200,000	33,200,000
Closing balance at 31 March 2017	15	580,475,873	580,475,873
Reserves			
Opening balance at 1 April 2016		10,204,275	10,204,275
Unrealised loss arising on adjustment to fair value of investment property		(24,686,094)	(24,686,094)
Closing balance at 31 March 2017	16	(14,481,819)	(14,481,819)
Net assets attributable to Limited Partner as at 31 March 2017		<u>565,994,597</u>	<u>565,994,597</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO LIMITED PARTNER FOR THE PERIOD ENDED 31 MARCH 2016

	Note	SCUT £	Total £
Partners' capital			
Opening balance at 23 April 2015		-	-
Contribution from Partner	14	543	543
Closing balance at 31 March 2016		543	543
Partners' loan			
Opening balance at 23 April 2015		-	-
Loan advances from Partner		547,275,873	547,275,873
Closing balance at 31 March 2016	15	547,275,873	547,275,873
Reserves			
Opening balance at 23 April 2015		-	-
Unrealised gain arising on adjustment to fair value of investment property		10,204,275	10,204,275
Closing balance at 31 March 2016	16	10,204,275	10,204,275
Net assets attributable to Limited Partner as at 31 March 2016		<u>557,480,691</u>	<u>557,480,691</u>

The notes on pages 11 to 26 form an integral part of these Financial Statements.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operating activities	12	24,171,464	17,565,975
Cash flows from investing activities			
Capital expenditure		(16,214,577)	(5,545,655)
Interest received		72,139	14,178
Net cash used in investing activities		<u>(16,142,438)</u>	<u>(5,531,477)</u>
Cash flows from financing activities			
Capital commitment from Partner	14	-	543
Loan advance from Partner		33,200,000	5,350,873
Distributions		<u>(24,378,676)</u>	<u>(13,529,004)</u>
Net cash generated from / (used in) financing activities		8,821,324	(8,177,588)
Net increase in cash and cash equivalents		16,850,350	3,856,910
Cash and cash equivalents at beginning of year		3,856,910	-
Cash and cash equivalents at end of year / period	9	<u><u>20,707,260</u></u>	<u><u>3,856,910</u></u>

The notes on pages 11 to 26 form an integral part of these Financial Statements.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 GENERAL INFORMATION

Standard Life Investments Brent Cross LP ("the Partnership") is a Scottish Limited Partnership which carries on the business of property investment in the United Kingdom. The General Partner to the Partnership is Standard Life Investments Brent Cross General Partner Limited ("the General Partner").

These audited Financial Statements have been approved for issue by the Board of the General Partner on 22 June 2017.

The registered address of the General Partner is 1 George Street, Edinburgh, EH2 2LL.

2 ACCOUNTING POLICIES

Basis of preparation

The audited Financial Statements of the Partnership have been prepared on a going concern basis in accordance with and comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU"), the amended and restated Limited Partnership Agreement and the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulation 2008. The audited Financial Statements have been prepared under the historical cost convention as modified by the measurement of investment property at fair value.

The preparation of Financial Statements in conformity with IFRS issued by the IASB as adopted by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 5.

Changes in accounting policy and disclosures

a) New and amended standards and interpretations adopted by the Partnership

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

b) New standards, amendments and interpretations issued, but not yet effective

- IAS 12, 'Income taxes'
- IFRS 9, 'Financial instruments: classification and measurement'
- IFRS 15, 'Revenue from contracts with customers'
- IFRS 16, 'Leases'

The adoption of the above accounting standards in future years is expected to have an immaterial impact on the Financial Statements of the Partnership.

c) Early adoption of standards

The Partnership did not early adopt any new or amended standards in the year ended 31 March 2017.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2 ACCOUNTING POLICIES (CONTINUED)

Functional and presentation currency

Items included in the audited Financial Statements are measured using the currency of the primary economic environment in which the Partnership operates ("the functional currency"). The audited Financial Statements are presented in pounds sterling, which is the Partnership's functional and presentation currency.

Revenue recognition

Revenue is recognised as follows:

a) Interest receivable

Bank interest income is recognised on an accruals basis.

b) Rental income

Rental income from operating leases is net of sales taxes and VAT and is recognised on a straight line basis over the lease term. The cost of any lease incentives provided are recognised over the lease term, on a straight line basis as a reduction of rental income. The resulting asset is reflected as a receivable in the Statement of Net Assets. The valuation of investment properties is reduced by the total of the unamortised lease incentive balances. Any remaining debtor incentive balances in respect of properties disposed of are included in the calculation of profit or loss arising at disposal.

Contingent rents, being those payments that are not fixed at the inception of the lease, for example increases arising on rent reviews, are recorded as income in periods when they are earned. Rent reviews which remain outstanding at the period end are recognised as income, based on estimates, when it is reasonable to assume that they will be received.

Surrender premiums received by the Trust following the break of a lease are recognised as income to the extent that the Trust has no financial obligations directly related to that surrender.

c) Property disposals

Where revenue is obtained by the sale of properties, it is recognised when the significant risks and returns have been transferred to the buyer. This will normally take place on exchange of contracts unless there are significant conditions attached. For conditional exchanges, revenues are recognised when these conditions are satisfied.

Expenditure

All expenses are accounted for on an accruals basis and are charged through the Statement of Comprehensive Income as and when incurred. Incentives paid to new tenants are amortised over the length of the lease being agreed. Surrender premiums payable by the Partnership to tenants following the break of a lease are recognised immediately in the Statement of Comprehensive Income except for those where the property is being redeveloped or a lease to an existing tenant has been regeared / re-negotiated, in which case the surrender premium is capitalised.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2 ACCOUNTING POLICIES (CONTINUED)

Taxation

No provision has been made in the Financial Statements for the taxation of the General Partner and the Limited Partner as the Partnership is a separate legal entity which is not subject to tax. All partners are therefore individually responsible for reporting their share of the Partnership's gains/losses for taxation purposes.

Leasehold investment property

Leasehold investment property held which meet the criteria of an investment property as defined by IAS 40 "Investment Property", but are held by the Trust under a finance lease, are initially recognised at cost, being the fair value of the consideration given together with the discounted present value of all minimum lease payments (i.e. finance lease interest payments). After initial recognition, leasehold investment properties are measured at fair value with movements in the unrealised gains and losses recognised in the Statement of Comprehensive Income. Fair value is based on the valuations of the properties as provided by Cushman & Wakefield ("C&W").

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

Provisions

Provisions are recognised when the Partnership has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation and the amounts are capable of being reliably estimated.

Property acquisitions

Acquisitions of investment properties are considered to have taken place on exchange of contracts unless there are significant conditions attached. For conditional property exchanges, acquisitions are recognised only when these conditions are satisfied.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Income.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2 ACCOUNTING POLICIES (CONTINUED)

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Distributions

Distributions to the Partners are allocated and paid in accordance with the amended and restated Limited Partnership Agreement dated 15 May 2015. Distribution payments shall be made to the Partners as soon as reasonably practicable following the end of the relevant quarter.

General partner share

Under section 7 of the amended and restated Limited Partnership Agreement, the General Partner is entitled to a first charge on net income (the "GP Share") of £5,000 per annum (adjusted for accounting periods of more or less than 365 days) allocated out of the Partnership's net income for the period. If the net income in any accounting period is insufficient to meet such GP Share, any shortfall shall be carried forward to form the GP Share for the next accounting period.

Management lease costs

As a condition of the joint operation arrangement with Hammerson the Partnership is due to pay a management lease cost of £6,229,575 per annum (2015: £6,429,438). This is based on 16% of the annual net income from the equity rent calculation for the year ending 31 December 2016.

3 FEES

Valuer's fee

The valuer is entitled to a fixed fee of £44,450 per annum, payable quarterly in arrears effective from 1 April 2016. Total fees charged in the year were £44,450 (2016: period £40,755). The balance outstanding at 31 March 2017 was £22,225 excluding VAT (2016: £20,377 excluding VAT).

The current contract expires on 30 September 2018.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT

The Partnership's activities expose it to various financial risks; credit risk, liquidity risk and market risk (including currency risk, price risk, capital risk, cash flow interest rate risk, fair value interest rate risk and fair value risk).

The financial risks relate to the financial instruments set out by category in the following table:

As at 31 March 2017	Loans and receivables £	Financial liabilities at amortised cost £
Financial assets		
Trade and other receivables	9,985,817	-
Cash and cash equivalents	20,707,260	-
Financial liabilities		
Trade and other payables	-	3,628,392
Distributions due to partners	-	5,257,565
As at 31 March 2016	Loans and receivables £	Financial liabilities at amortised cost £
Financial assets		
Trade and other receivables	10,264,726	-
Cash and cash equivalents	3,856,910	-
Financial liabilities		
Trade and other payables	-	2,298,141
Distributions due to partners	-	6,861,503

The Partnership's policy for managing the risks associated with these financial instruments is set out below.

Credit risk

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has entered into with the Partnership. Hammerson carry out the billing to occupational tenants and Standard Life in turn bill Hammerson for their share, 58.8%. In the event of default by an occupational tenant or Hammerson, the Partnership will suffer a rental income shortfall and incur additional related costs. The General Partner receives regular reports on the concentration of risk and any tenants in arrears. The General Partner reviews these reports to be able to assess the quality of the Partnership's tenants and aims to ensure that there are no excessive concentrations of risk and that the impact of default by a tenant is minimised. The maximum credit risk from the tenant arrears of the Partnership at the financial year end was £7,068,499 (2016: £9,916,021).

On 13 September 2016, the Partnership transferred its investment in the Sterling VNAV Liquidity Fund to the Sterling Liquidity Fund.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

With respect to credit risk arising from other financial assets of the Partnership, which comprise cash and cash equivalents, the Partnership's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value of these instruments. As at 31 March 2017, £20,303,022 was invested in the Sterling Liquidity Fund (2016: £3,164,178 invested in Sterling VNAV Liquidity Fund) and £404,238 (2016: £692,732) was held with Citibank. The Sterling Liquidity Fund is a money market fund which offers same day liquidity and has obtained an Aaa-mf money market fund rating from Moody's, therefore the risk of default is considered minimal. The Sterling Liquidity Fund is a sub-fund of Standard Life Investments Liquidity Fund plc, an open-ended umbrella investment company, which has variable capital and segregated liability between sub-funds. Standard Life Investments Limited manages the sub-funds of Standard Life Investments Liquidity Fund plc.

Liquidity risk

Liquidity risk is the risk that the Partnership will encounter in realising assets or otherwise raising funds to meet its financial commitments. Investments in property are relatively illiquid, however, the Partnership mitigates the associated risk by regularly monitoring cash flows to ensure that the Partnership is able to meet financial demands as they fall due.

A summary table with the maturities of financial assets and liabilities is presented below.

	2017 £	2016 £
Financial assets - maturity within one year		
Trade and other receivables	9,985,817	10,264,726
Cash and cash equivalents	20,707,260	3,856,910
	<u>30,693,077</u>	<u>14,121,636</u>
Financial liabilities - maturity within one year		
Trade and other payables	3,628,392	2,298,141
Distributions due to partners	5,257,565	6,861,503
	<u>8,885,957</u>	<u>9,159,644</u>

Currency risk

The Partnership is not exposed to foreign currency risk as all financial instruments are denominated in pounds sterling, being the functional and presentational currency of the Partnership.

Price risk

The Partnership is not exposed to market price risk with respect to financial instruments.

Capital risk

Capital risk is the risk that the Partnership will be unable to repay the net assets attributable to Limited Partner.

The Partnership's objectives when managing capital are to safeguard the Partnership's ability to continue as a going concern in order to provide returns for Partners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash flow and fair value interest rate risk

The Partnership's exposure to interest rate risk relates to the Partnership's cash and cash equivalents. Interest receivable on cash and cash equivalents will be affected by movements in the market rate of interest. There is considered to be no fair value interest rate risk in regard to cash and cash equivalents.

At 31 March 2017, if market rate interest rates had been 100 basis points higher/lower with all other variables held constant, loss for the year would have been £207,073 (2016: profit for the period £38,569 higher/lower) lower/higher, as a result of the higher/lower interest income on cash and cash equivalents.

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

The following table sets out the carrying amount of the Partnership's financial instruments to which an interest rate applies:

	Variable rate	Weighted average interest rate
As at 31 March 2017	£	rate
Cash and cash equivalents	404,238	0.000%
Cash invested in Sterling Liquidity Fund	20,303,022	0.411%

	Variable rate	Weighted average interest rate
As at 31 March 2016	£	rate
Cash and cash equivalents	692,732	0.000%
Cash invested in Sterling VNAV Liquidity Fund	3,164,178	0.591%

4.1 Fair value risk

(a) Determination of fair value hierarchy

To provide further information on the approach used to determine and measure the fair value of certain assets and liabilities, the following fair value hierarchy categorisation has been used:

Level 1 - Fair values measured using quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - Fair values measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair values measured using inputs that are not based on observable market data (unobservable inputs).

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Fair value risk (continued)

(b) Fair value hierarchy for financial assets measured at amortised cost in the Statement of Net Assets

The following table analyses within the fair value hierarchy the Partnership's assets and liabilities (by class) not measured at fair value but for which fair value is disclosed.

31 March 2017	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Financial assets				
Trade and other receivables	-	9,985,817	-	9,985,817
Cash and cash equivalents	20,707,260	-	-	20,707,260
	20,707,260	9,985,817	-	30,693,077
Financial liabilities				
Trade and other payables	-	3,628,392	-	3,628,392
Distributions due to partners	-	5,257,565	-	5,257,565
	-	8,885,957	-	8,885,957

31 March 2016	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Financial assets				
Trade and other receivables	-	10,264,726	-	10,264,726
Cash and cash equivalents	3,856,910	-	-	3,856,910
	3,856,910	10,264,726	-	14,121,636
Financial liabilities				
Trade and other payables	-	2,298,141	-	2,298,141
Distributions due to partners	-	6,861,503	-	6,861,503
	-	9,159,644	-	9,159,644

There were no transfers between levels during the year.

The assets and liabilities included in the table above are carried at amortised cost; their carrying amount is a reasonable approximation of fair value.

Trade and other receivables include the contractual amounts for settlement of trades and other obligations due to the Partnership.

Cash and cash equivalents are the same as fair value due to the short term maturities of these instruments.

Trade and other payables and distributions due to partners represent contract amounts and obligations due by the Partnership.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5 CRITICAL ESTIMATES AND JUDGEMENTS

The Partnership makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of investment properties

In determining the fair value of its investment property the Partnership uses the market value for existing use as provided by its appointed independent valuer C&W adjusted for tenant lease incentives. The valuation of investment property is inherently difficult due to the individual nature and circumstance of each property. As a result, valuations will not necessarily reflect the actual sales price, even if a sale were to occur shortly after the valuation date. The General Partner is of the opinion that the investment property has been disclosed in the Financial Statements at its fair value as at 31 March 2017 (see note 7 (a)).

6 RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Movements in Partners interests are noted in the Statement of Changes in Net Assets Attributable to Partners.

Distributions to Partners are disclosed in note 13 to the Financial Statements.

Limited Partner

The Limited Partner is disclosed in the General Partner's Report on page 2. JTC Fund Solutions (Jersey) Limited as Trustee of Standard Life Investments UK Shopping Centre Trust (the 'Limited Partner'), is a closed ended Jersey unit trust which holds 100% of the Partnership. It is managed by Standard Life Investments (Jersey) Limited ("SLIJL") and owned 47.16% by Standard Life Assurance Limited ("SLAL"). SLIJL is a company owned by Standard Life Investments Limited ("SLIL"). SLIL's ultimate parent company is Standard Life plc.

General Partner

The General Partner, Standard Life Investments Brent Cross General Partner Limited, is a wholly owned subsidiary of SLIL. SLIL's ultimate parent company is Standard Life plc. The controlling party of the Partnership is the General Partner.

Transactions with the above related parties have been disclosed within the notes to the Financial Statements.

Cash placed with related parties

As at 31 March 2017, £20,303,022 was invested in the Sterling Liquidity Fund (2016: £3,164,178 invested in Sterling VNAV Liquidity Fund), a money market fund which offers same day liquidity and has obtained an Aaa-mf money market fund rating from Moody's. The Sterling Liquidity Fund is a sub-fund of Standard Life Investments Liquidity Fund plc, an open-ended umbrella investment company, which has variable capital and segregated liability between sub-funds. Standard Life Investments Limited manages the sub-funds of Standard Life Investments Liquidity Fund plc. During the financial year, the return earned on the Sterling VNAV Liquidity Fund and Sterling Liquidity Fund was £22,426 and £49,713 respectively (2016: period £14,178). This represents an average return of 0.570% and 0.411% respectively (2016: period 0.591%).

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7 LEASEHOLD INVESTMENT PROPERTY

	2017 £	2016 £
Fair value at 31 March 2016 / transfer value at 5 June 2015 ¹	559,700,000	541,925,000
Capital expenditure	16,548,163	7,222,398
Unrealised (loss) / gain arising on adjustment to fair value of investment property	(24,686,094)	10,204,275
Movement in lease incentives - rent free adjustments	737,931	348,327
Fair value at 31 March 2017 / 31 March 2016	<u>552,300,000</u>	<u>559,700,000</u>
Lease incentives - rent free adjustments (note 8)	(1,086,258)	(348,327)
Carrying value at 31 March 2017 / 31 March 2016	<u><u>551,213,742</u></u>	<u><u>559,351,673</u></u>

¹ the investment property was transferred from the Limited Partner on 5 June 2015 at a transfer value of £541,925,000

The investment property was valued at the year end by C&W on the basis of fair value for existing use. The fair value for existing use provided by C&W at the year end was £552,300,000 (2016: £559,700,000), however an adjustment has been made for lease incentive receivable of £1,086,258 (2016: £348,327) to arrive at the carrying value of £551,213,742 (2016: £559,351,673).

Commitments

The Partnership has entered into agreements that will incur future costs of approximately £20.1m (2016: £13.2m) of which £19.9m (2016: £12.8m) relates to the redevelopment at Brent Cross.

(a) Methods and assumptions used to determine fair value of assets

Information on the methods and assumptions used to determine the fair value of investment property is given below:

The investment property is valued by external property valuation experts. The current use is considered the best indicator of the highest and best use of the Partnership's property from a market participants' perspective.

In the UK, valuations are completed in accordance with the Royal Institution of Chartered Surveyors ("RICS") valuation standards and predominantly an income capitalisation method is used. Capitalisation involves the conversion of income into a capital sum through the application of an appropriate discount rate.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from the asset, future rental income and discount rates applicable to those assets.

Valuations using an income capitalisation method are predominantly based on unobservable inputs and accordingly these assets are categorised as level 3 within the fair value hierarchy.

The valuations were performed by C&W, an accredited independent valuer with a recognised and relevant professional qualification and recent experience in the locations and segments of the investment properties being valued. The valuation model is in accordance with the RICS requirements on disclosure for Regulated Purpose Valuations (RICS Valuation - Professional Standards, 2014 UK Edition). In the UK, valuations are completed in accordance with the RICS valuation standards and predominantly an income capitalisation method is used. Capitalisation involves the conversion of income into a capital sum through the application of an appropriate discount rate. These valuation models are consistent with the principles in IFRS 13.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7 LEASEHOLD INVESTMENT PROPERTY (CONTINUED)

(a) Methods and assumptions used to determine fair value of assets (continued)

The Partnership appoints a suitable valuer to undertake a valuation of all the direct real estate investments on a monthly basis. The General Partner meets with the valuer on a monthly basis to ensure the valuer is aware of all relevant information for the valuation and any change in the investment over the month.

At each financial year end, the General Partner:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and

The valuation is then reported to the Board of the General Partner for their review and final approval for adoption within the Financial Statements.

Descriptions and definitions

The table on the following page includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values.

Income capitalisation method

The income capitalisation method is based on capitalising the net income stream at an appropriate yield. The appropriate yield is selected on the basis of the location of the building, its quality, tenant credit quality and lease terms amongst other factors.

Estimated rental value ("ERV")

The rent at which the space could be let in the market conditions prevailing at the date of valuation.

Net initial yield

Net initial yield is the annualised rents of a property expressed as a percentage of the property value.

Reversionary yield

Reversionary yield is the anticipated yield to which the initial yield will rise (or fall) once the rent reaches the ERV.

Equivalent yield

The equivalent yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to ERV at the next review, but with no further rental growth.

Development costs

Capital costs incurred in relation to the potential redevelopment of the investment property are taken into consideration in assessing the valuation. During the year a development agreement was signed with the local authority. However, as conditions are required to be satisfied before any development is committed the valuer continues to assess the monthly valuation of the Brent Cross asset on a standing investment basis.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7 LEASEHOLD INVESTMENT PROPERTY (CONTINUED)

(a) Methods and assumptions used to determine fair value of assets (continued)

The table below presents quantitative information about the significant unobservable inputs for Investment Property.

As at 31 March 2017	Fair value £	Valuation technique	Key unobservable input	Value
Investment property	552,300,000*	Income capitalisation	Net initial yield	4.07%
			Reversionary yield	4.51%
			Equivalent yield	4.62%
			Estimated rental value per square metre	£323.06

* includes a fair value of £24m attributable to the site value for redevelopment

As at 31 March 2016	Fair value £	Valuation technique	Key unobservable input	Value
Investment property	559,700,000*	Income capitalisation	Net initial yield	4.12%
			Reversionary yield	4.33%
			Equivalent yield	4.49%
			Estimated rental value per square metre	£314.32

* includes a fair value of £24m attributable to the site value for redevelopment

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7 LEASEHOLD INVESTMENT PROPERTY (CONTINUED)

(b) Fair value hierarchy for assets measured at fair value in the Statement of Net Assets

The table below presents the Partnership's assets measured at fair value by the level of fair value hierarchy.

31 March 2017	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Investment property	-	-	552,300,000	552,300,000

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

31 March 2016	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Investment property	-	-	559,700,000	559,700,000

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

(c) Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy of the Partnership's portfolio of investment property at the Statement of Net Assets date are:

	2017 £	2016 £
ERV p.a.	26,901,268	26,173,724
Area square metre	83,271	83,271
Average ERV per square metre	323.06	314.32
	2017 %	2016 %
Net initial yield	4.07	4.12
Reversionary yield	4.51	4.33
Equivalent yield	4.62	4.49

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of the investment property.

	2017 £	2016 £
<u>Income capitalisation</u>		
Increase in equivalent yield of 25 bps	(29,000,000)	(28,100,000)
Decrease in equivalent yield of 25 bps	32,000,000	31,300,000
Increase in rental rates of 5% (ERV)	23,700,000	21,900,000
Decrease in rental rates of 5% (ERV)	(23,100,000)	(21,600,000)

Below is a list of how the interrelationships in the sensitivity analysis above can be explained.

In both cases outlined in the sensitivity table the estimated fair value would increase/(decrease) if:

- the ERV is higher/(lower)
- void periods were shorter/(longer)
- the occupancy rate was higher/(lower)
- rent free periods were shorter/(longer)
- the capitalisation rates were lower/(higher)

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

8 TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Trade receivables	7,068,499	9,916,021
Lease incentives - rent free adjustments	1,086,258	348,327
Other receivables	1,831,060	378
	<u>9,985,817</u>	<u>10,264,726</u>

The estimated fair values of receivables are the discounted amount of the estimated future cash flows expected to be received and approximate their carrying amounts.

Amounts are considered impaired when it becomes unlikely that the full value of a receivable will be recovered. Any movement in the balance considered to be impaired has been recognised in the Statement of Comprehensive Income.

As of 31 March 2017, trade receivables of £nil (2016: £nil) were impaired and provided for.

As of 31 March 2017, trade receivables of £7,068,499 (2016: £9,916,021) were past due but not impaired.

The ageing of these receivables is as follows:

	2017 £	2016 £
0 to 3 months	<u>7,068,499</u>	<u>9,916,021</u>

9 CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash held at bank	404,238	692,732
Cash invested in Sterling Liquidity Fund / Sterling VNAV Liquidity Fund	20,303,022	3,164,178
	<u>20,707,260</u>	<u>3,856,910</u>

10 TRADE AND OTHER PAYABLES

	2017 £	2016 £
Deferred rental income	7,026,265	6,832,974
VAT payable	511,842	411,986
Other accruals	3,116,550	1,849,560
Trade creditors	-	36,595
	<u>10,654,657</u>	<u>9,131,115</u>

11 LESSOR ANALYSIS

At 31 March the total contractually agreed rental income based on the leases in operation is as follows:

	2017 £	2016 £
Less than one year	25,685,382	24,608,415
Between one and five years	67,760,103	84,102,463
Over five years	84,113,640	96,765,809
Total	<u>177,559,125</u>	<u>205,476,687</u>

The largest single tenant at the year end accounts for 7.00% (2016: 7.67%) of the annual rental income.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

12 CASH FLOWS FROM OPERATING ACTIVITIES

	2017 £	2016 £
(Decrease) / increase in net assets attributable to Partners	(24,686,094)	10,204,275
Movement in trade and other receivables	278,909	(10,264,726)
Movement in trade and other payables	1,189,956	7,454,372
Distributions	22,774,738	20,390,507
Interest receivable	(72,139)	(14,178)
Unrealised loss / (gain) arising on adjustment to fair value of investment property	24,686,094	(10,204,275)
Cash generated from operations	<u>24,171,464</u>	<u>17,565,975</u>

13 DISTRIBUTIONS

A breakdown of the distributions in the Statement of Comprehensive Income is as follows:

	2017 £	2016 £
SCUT		
Quarter ended 30 June	6,584,665	1,741,039
Quarter ended 30 September	5,446,265	5,699,574
Quarter ended 31 December	6,376,561	6,085,514
Quarter ended 31 March - accrual	<u>5,256,332</u>	<u>6,860,257</u>
	23,663,823	20,386,384
Difference in prior period's accrued distribution	(894,072)	-
Distributions - SCUT	<u>22,769,751</u>	<u>20,386,384</u>
General Partner		
Quarter ended 30 June	1,247	417
Quarter ended 30 September	1,260	1,250
Quarter ended 31 December	1,247	1,210
Quarter ended 31 March - accrual	<u>1,233</u>	<u>1,246</u>
	4,987	4,123
Distributions - General Partner	<u>4,987</u>	<u>4,123</u>
Distributions per the Statement of Comprehensive Income	<u>22,774,738</u>	<u>20,390,507</u>

14 PARTNERS' CAPITAL

	2017 £	2016 £
Opening balance	543	-
Capital commitment from Limited Partner	-	543
Closing balance	<u>543</u>	<u>543</u>

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15 PARTNERS' LOAN

	2017 £	2016 £
Opening balance	547,275,873	-
Loan advances from Limited Partner	33,200,000	547,275,873
Closing balance	<u>580,475,873</u>	<u>547,275,873</u>

Any investment into the Partnership is funded in the form of loan advances equating to 100% of the required commitment.

16 RESERVES

	2017 £	2016 £
Opening balance	10,204,275	-
(Decrease) / increase in net assets attributable to Limited Partner	(24,686,094)	10,204,275
Closing balance	<u>(14,481,819)</u>	<u>10,204,275</u>

17 EVENTS AFTER THE REPORTING DATE

On 7 April 2017, the Board approved the 31 March 2017 net asset value and resolved to approve the distribution for the quarter to 31 March 2017.

On 12 May 2017, a new vehicle was established, namely Brent Cross Partnership which is an English General Partnership. The Partnership contributed capital of £59.39 into Brent Cross Partnership on 12 May 2017.