

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**PARTNERSHIP
ACCOUNTS**

REGISTERED NUMBER

SC503913



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
M B Watt (appointed on 31 July 2017)

Secretary: H S Kidd

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 2017.

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 £3,264 (2016: £2,686). The Directors do not recommend the payment of a dividend (2016: £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 2017 none of the Directors held any interests in the ordinary share capital of the business (2016: none).

Independent Auditors

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

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:



PAOLO ALONZI

Director

13.06.2018

Date



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

Opinion

We have audited the financial statements of Standard Life Investments Brent Cross General Partner Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 1.1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.



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

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

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

13 June 2018

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Income from partnership	2	5,000	5,000
Bank charges		(263)	(252)
Other costs		(695)	(1,390)
Profit before taxation		<u>4,042</u>	<u>3,358</u>
Taxation	4	(778)	(672)
Profit for the year		<u><u>3,264</u></u>	<u><u>2,686</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 2017**

	Note	2017 £	2016 £
ASSETS			
Current assets			
Trade and other receivables	6	5,001	5,001
Cash and cash equivalents	7	5,407	1,341
Total assets		<u>10,408</u>	<u>6,342</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	(2,170)	(1,368)
Net assets		<u>8,238</u>	<u>4,974</u>
Equity is analysed as:			
Share capital	9	1	1
Retained earnings		8,237	4,973
Total equity		<u>8,238</u>	<u>4,974</u>

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



PAOLO ALONZI

Director

13.06.2018
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 2017**

	Note	Total £
Share Capital		
Opening / closing balance	9	<u>1</u>
Retained earnings		
Opening balance		4,973
Profit for the year		<u>3,264</u>
Closing balance		<u>8,237</u>
Total equity as at 31 December 2017		<u><u>8,238</u></u>

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

	Note	Total £
Share Capital		
Opening / closing balance	9	<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>

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 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operating activities	11	4,738	1,931
Taxation paid		(672)	(572)
Net increase in cash and cash equivalents		4,066	1,359
Cash and cash equivalents at beginning of year		1,341	(18)
Cash and cash equivalents at end of year	7	<u>5,407</u>	<u>1,341</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 2017

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 13 June 2018.

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 2017.

The financial information in these Financial Statements has been prepared on the basis of standards applicable as at 31 December 2017.

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

- 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 2017.

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

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 2017

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 £3,250 for the year to 31 December 2017 is borne by the Partnership (2016: £4,290). No remuneration was payable to the Company's auditors in respect of non-audit services (2016: £nil).

4 TAXATION

	2017 £	2016 £
<u>Current tax</u>		
Current tax on income	<u>778</u>	<u>672</u>
<u>Current taxation reconciliation</u>		
Profit on ordinary activities before taxation	<u>4,042</u>	<u>3,358</u>
Current taxation at 19% (2016: 20%)	<u>768</u>	<u>672</u>
<i>Effects of:</i>		
Adjustment to reflect change in taxation rates from 1 April	<u>10</u>	<u>-</u>
	<u>778</u>	<u>672</u>

No deferred taxation arose during the year (2016: period £nil).

The current taxation charge for the year is same as the standard rate of corporation taxation in the UK of 19% (2016: 20%).

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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:

31 December 2017	Loans and receivables £	Financial liabilities at amortised cost £
Financial assets		
Trade and other receivables	5,001	-
Cash and cash equivalents	5,407	-
Financial liabilities		
Trade and other payables	-	2,170
31 December 2016	Loans and receivables £	Financial liabilities at amortised cost £
Financial assets		
Trade and other receivables	5,001	-
Cash and cash equivalents	1,341	-
Financial liabilities		
Trade and other payables	-	1,368

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 2017, £5,407 (2016: £1,341) was held with Citibank.

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet its financial commitments. The Company's liquidity position is regularly monitored by management to ensure that its financial obligations can be met as and when 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	5,001	5,001
Cash and cash equivalents	<u>5,407</u>	<u>1,341</u>
	<u>10,408</u>	<u>6,342</u>
Financial liabilities - maturity within one year		
Trade and other payables	<u>2,170</u>	<u>1,368</u>

Market risk

(a) Cash flow and fair value interest rate risk

Interest receivable will be affected by fluctuations in interest rates and will expose the Company to interest rate risk on any bank deposits.

At 31 December 2017, if interest rates had been 100 basis points higher/lower with all other variables held constant, profit for the year would have been £54 higher/lower (2016: £13 higher/lower), 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 interest rate
As at 31 December 2017		
Cash and cash equivalents	5,407	0.000%
	Variable rate £	Weighted average interest rate
As at 31 December 2016		
Cash and cash equivalents	1,341	0.000%

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

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 2017	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Financial assets				
Trade and other receivables	-	5,001	-	5,001
Cash and cash equivalents	5,407	-	-	5,407
	5,407	5,001	-	10,408
Financial liabilities				
Trade and other payables	-	2,170	-	2,170
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
	1,341	5,001	-	6,342
Financial liabilities				
Trade and other payables	-	1,368	-	1,368

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 2017

6 TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Receivable from SLI Brent Cross LP	5,000	5,000
Receivable from Standard Life Investments Limited	1	1
	<u>5,001</u>	<u>5,001</u>

No trade and other receivables are past due.

7 CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash held at bank	<u>5,407</u>	<u>1,341</u>

8 TRADE AND OTHER PAYABLES

	2017 £	2016 £
Sundry payables	1,392	696
Taxation	778	672
	<u>2,170</u>	<u>1,368</u>

9 SHARE CAPITAL

	2017 £	2016 £
Issued share capital		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

10 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 £598,875,873 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 2017 (2016: £5,000).

Standard Life Investments Limited

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

STANDARD LIFE INVESTMENTS BRENT CROSS GENERAL PARTNER LIMITED

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

11 CASH FLOWS FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Profit before taxation	4,042	3,358
Movement in trade and other receivables	-	(2,123)
Movement in trade and other payables	696	696
Cash generated from operating activities	<u>4,738</u>	<u>1,931</u>

12 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 Aberdeen plc (previously: Standard Life plc). The company is consolidated in the financial statements of Standard Life Aberdeen plc, which are publicly available. Standard Life Aberdeen plc is a company incorporated in Scotland and copies of the group's accounts can be obtained from 30 Lothian Road, Edinburgh, EH1 2DH.

13 COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2017 the Company had no outstanding commitments or contingent liabilities (2016: none).

14 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 2018**

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 M B Watt (appointed 31 July 2017)
Limited Partner	JTC Fund Solutions (Jersey) Limited as Trustee of Standard Life Investments UK Shopping Centre Trust JTC House 28 Esplanade St Helier Jersey JE2 3QA
Independent Auditors	KPMG LLP 20 Castle Terrace Edinburgh EH1 2EG
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Principal Banker	Citibank Europe plc 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 2018.

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 2018 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

KPMG LLP have been appointed as auditors for the year ended 31 March 2018.

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's responsibilities in respect of the General Partner's Report, Strategic Report and the Financial Statements

The General Partner is responsible for preparing the General Partner's Report, Strategic Report and the Partnership Financial Statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare Partnership Financial Statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare the Partnership Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law.

Under company law the General Partner must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

GENERAL PARTNER REPORT (CONTINUED)

Statement of General Partner's responsibilities in respect of the General Partner's Report, Strategic Report and the Financial Statements (continued)

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the qualifying Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying Partnership or to cease operations, or have no realistic alternative but to do so.

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

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



13.06.2018
Date

Director of Standard Life Investments Brent Cross General Partner Limited

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STRATEGIC REPORT

The General Partner presents its strategic report of the Partnership for the year ended 31 March 2018.

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 in which it holds a 58.8% interest.

On 12 May 2017, the Partnership entered into a contractual arrangement with Hammerson (Brent Cross) Limited to hold a 59.39% interest in Brent Cross Partnership ("BXP"). BXP has been established with a view to accepting the grant of a 999 year headlease from London Borough of Barnet ("LBB") and thereby acquire, hold and manage the investment property as a long term investment. BXP is governed by a short form partnership agreement and is currently dormant with no significant assets or liabilities.

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 £7,616,315 (2017: decrease in net assets during the year of £24,686,094) and the total distributions payable to the Partners in the year was £22,753,665 (2017: £22,774,738).

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 granting of the Reserved Matters planning consent for the retail extension meaning that the entire development proposal now has a detailed planning consent. In addition, the Compulsory Purchase Order was confirmed by the Secretary of State in December 2017 removing a major barrier to progressing the development. Laing O'Rourke was appointed as the main contractor on the retail extension and tender returns on the infrastructure works were in line with budget. A preferred contractor for that element of the works will be selected during Q2 2018. The restructuring of the complicated leasehold arrangements between the Trust, Hammerson and London Borough of Barnet ("LBB") is progressing and a new 999 year lease from LBB as well as a new Partnership Deed with Hammerson are expected to be put in place in Q2 2018. The equity funding discussions continue with the intention of selecting a single party to enter into exclusive negotiations with over the course of the next few months.

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 £18,400,000 injected into the Partnership (2017: £33,200,000). 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



13.06.2018
Date

Director of Standard Life Investments Brent Cross General Partner Limited



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

Opinion

We have audited the financial statements of Standard Life Investments Brent Cross LP ("the qualifying partnership") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Net Assets, Statement of Changes in Net Assets Attributable to Limited Partner, Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards 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.

Basis for opinion

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

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

General Partner's Report and Strategic Report

The General Partner is responsible for the General Partner's Report and Strategic Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- we have not identified material misstatements in those reports;
- in our opinion the information given in the General Partner's Report and the Strategic Report for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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

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

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

We have nothing to report in these respects.

General Partner's responsibilities

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

Auditor's responsibilities

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

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

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

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

Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

13 June 2018

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Rental income		28,906,589	29,886,989
Unrealised loss arising on adjustment to fair value of investment property	7	(7,616,315)	(24,686,094)
Management lease costs	2	(6,182,414)	(6,168,198)
Valuation fees	3	(44,450)	(44,450)
Auditor's fee		(15,000)	(16,060)
Legal fees		33,339	(935,531)
Bank charges		(778)	(737)
Other costs		(8,780)	(19,414)
Operating profit / (loss)		15,072,191	(1,983,495)
Interest receivable		65,159	72,139
Profit / (loss) for the year		15,137,350	(1,911,356)
Distributions	14	(22,753,665)	(22,774,738)
Decrease in net assets attributable to Limited Partner		(7,616,315)	(24,686,094)

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 28 form an integral part of these Financial Statements.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STATEMENT OF NET ASSETS AS AT 31 MARCH 2018

	Note	2018 £	2017 £
ASSETS			
Non-current assets			
Leasehold investment property	7	566,717,398	551,213,742
Partnership interest	8	59	-
		<u>566,717,457</u>	<u>551,213,742</u>
Current assets			
Trade and other receivables	9	10,450,404	9,985,817
Cash and cash equivalents	10	11,869,281	20,707,260
		<u>22,319,685</u>	<u>30,693,077</u>
Total assets		<u><u>589,037,142</u></u>	<u><u>581,906,819</u></u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	(7,587,825)	(10,654,657)
Distributions due to partners	14	(4,671,035)	(5,257,565)
		<u>(12,258,860)</u>	<u>(15,912,222)</u>
Net assets attributable to Limited Partner		<u><u>576,778,282</u></u>	<u><u>565,994,597</u></u>
Net assets attributable to Limited Partner analysed as:			
Partners' capital	15	543	543
Partners' loan	16	598,875,873	580,475,873
Reserves	17	(22,098,134)	(14,481,819)
Net assets attributable to Limited Partner		<u><u>576,778,282</u></u>	<u><u>565,994,597</u></u>

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



13.06.2018
Date

Director of Standard Life Investments Brent Cross General Partner Limited

The notes on pages 11 to 28 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 2018

	Note	SCUT £	Total £
Partners' capital			
Opening / closing balance	15	543	543
Partners' loan			
Opening balance at 1 April 2017		580,475,873	580,475,873
Loan advances from Partner		18,400,000	18,400,000
Closing balance at 31 March 2018	16	598,875,873	598,875,873
Reserves			
Opening balance at 1 April 2017		(14,481,819)	(14,481,819)
Unrealised loss arising on adjustment to fair value of investment property		(7,616,315)	(7,616,315)
Closing balance at 31 March 2018	17	(22,098,134)	(22,098,134)
Net assets attributable to Limited Partner as at 31 March 2018		576,778,282	576,778,282

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

	Note	SCUT £	Total £
Partners' capital			
Opening / closing balance	15	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	16	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	17	(14,481,819)	(14,481,819)
Net assets attributable to Limited Partner as at 31 March 2017		565,994,597	565,994,597

The notes on pages 11 to 28 form an integral part of these Financial Statements.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operating activities	13	20,933,374	24,171,464
Cash flows from investing activities			
Capital expenditure		(24,896,258)	(16,214,577)
Investment in partnership	8	(59)	-
Interest received		65,159	72,139
Net cash used in investing activities		<u>(24,831,158)</u>	<u>(16,142,438)</u>
Cash flows from financing activities			
Loan advance from Partner	16	18,400,000	33,200,000
Distributions		<u>(23,340,195)</u>	<u>(24,378,676)</u>
Net cash (used in) / generated from financing activities		<u>(4,940,195)</u>	<u>8,821,324</u>
Net (decrease) / increase in cash and cash equivalents		(8,837,979)	16,850,350
Cash and cash equivalents at beginning of year		20,707,260	3,856,910
Cash and cash equivalents at end of year	10	<u><u>11,869,281</u></u>	<u><u>20,707,260</u></u>

The notes on pages 11 to 28 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 2018

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 13 June 2018.

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

- 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 2018.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2 ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The Partnership is not required to prepare audited Consolidated Financial Statements in accordance with IFRS 10, 'Consolidated financial statements'.

Control is achieved when the Partnership is exposed, or has rights, to variable returns from its involvement with subsidiaries and has the ability to affect those returns through its power over the subsidiary. Specifically, the Partnership controls a subsidiary if all of the three criteria below are present:

- power over the subsidiary;
- exposure, or rights, to variable returns from its involvement with the subsidiary; and
- the ability to use its power over the subsidiary to affect its returns.

The Partnership assesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Partnership obtains control over the subsidiary and ceases when the Partnership no longer controls the subsidiary.

All decisions to be taken on behalf of the Partnership shall require the unanimous written approval of the Partners. Therefore, as the Partnership does not have sole control it is not required to prepare consolidated accounts.

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.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2 ACCOUNTING POLICIES (CONTINUED)

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.

Investment in partnership interest

The Partnership accounts for its investment in Brent Cross Partnership ("BXP") in accordance with the provisions of IAS 31 'Interests in Joint Ventures'. The equity method of accounting is used with the investment being initially recorded at cost and subsequently at fair value with movements in fair value being recognised in the Statements of Comprehensive Income ("FVTPL"). Fair value is calculated as BXP's net asset value multiplied by the Partnership's percentage ownership of BXP.

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 regear / re-negotiated, in which case the surrender premium is capitalised.

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.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2 ACCOUNTING POLICIES (CONTINUED)

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.

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 current joint operation arrangement with Hammerson the Partnership is due to pay a management lease cost of £6,185,146 per annum (2016: £6,229,575). This is based on 16% of the annual net income from the equity rent calculation for the year ending 31 December 2017.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 (2017: £44,450). The balance outstanding at 31 March 2018 was £11,112 excluding VAT (2017: £22,225 excluding VAT).

The current contract expires on 30 September 2018.

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 2018	FVTPL £	Financial liabilities at amortised cost £
Financial assets		
Partnership interest	59	-
Financial liabilities		
Trade and other payables	-	747,399
Distributions due to partners	-	4,671,035

Trade and other receivables, cash and cash equivalents are classified as loans and receivables of £10,450,404 and £11,869,281 respectively.

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

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 £5,565,416 (2017: £7,068,499).

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 2018, £11,358,180 was invested in the Sterling Liquidity Fund (2017: £20,303,022) and £511,101 (2017: £404,238) 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.

	2018 £	2017 £
Financial assets - maturity greater than one year		
Partnership interest	59	-
Financial assets - maturity within one year		
Trade and other receivables	10,450,404	9,985,817
Cash and cash equivalents	11,869,281	20,707,260
	<u>22,319,685</u>	<u>30,693,077</u>
Financial liabilities - maturity within one year		
Trade and other payables	747,399	3,628,392
Distributions due to partners	4,671,035	5,257,565
	<u>5,418,434</u>	<u>8,885,957</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.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

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 2018, if market rate interest rates had been 100 basis points higher/lower with all other variables held constant, profit for the year would have been £118,693 (2017: loss for the year £207,073 lower/higher) higher/lower, 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
As at 31 March 2018	£	rate
Cash and cash equivalents	511,101	0.000%
Cash invested in Sterling Liquidity Fund	11,358,180	0.388%
As at 31 March 2017	£	Weighted average interest rate
Cash and cash equivalents	404,238	0.000%
Cash invested in Sterling Liquidity Fund	20,303,022	0.411%

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 2018

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Fair value risk (continued)

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

The following table shows an analysis of the fair values of financial assets recognised in the Statement of Net Assets by the level of the fair value hierarchy:

31 March 2018	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Financial assets				
Partnership interest	-	-	59	59

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

	2018 £	2017 £
Partnership interest		
Increase in NAV of 5%	3	-
Decrease in NAV of 5%	(3)	-

(d) Fair value hierarchy for financial assets and liabilities 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 2018	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Financial assets				
Trade and other receivables	-	10,450,404	-	10,450,404
Cash and cash equivalents	11,869,281	-	-	11,869,281
	11,869,281	10,450,404	-	22,319,685

Financial liabilities				
Trade and other payables	-	747,399	-	747,399
Distributions due to partners	-	4,671,035	-	4,671,035
	-	5,418,434	-	5,418,434

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

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

There were no transfers between levels during the year.

The assets and liabilities included in the table on the previous page 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.

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 2018 (see note 7 (a)).

Fair value of partnership interest

In determining the fair value of its interest in BXP the Partnership uses the Net Asset Value ("NAV") of BXP as at the 31 March 2018. This valuation will not necessarily reflect the actual sales price of the Partnerships' interest within BXP, even if a sale were to occur shortly after the valuation date. The General Partner of the Partnership is of the opinion that the Partnership interest has been disclosed in the Financial Statements at its fair value as at 31 March 2018 (see note 8).

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 14 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 40.67% 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 Aberdeen 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 Aberdeen 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

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

As at 31 March 2018, £11,358,180 was invested in the Sterling Liquidity Fund (2017: £20,303,022), 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 Liquidity Fund was £65,159 (2017: £22,426 and £49,713 return earned on the Sterling VNAV Liquidity Fund and Sterling Liquidity Fund respectively). This represents an average return of 0.388% (2017: 0.570% from Sterling VNAV Liquidity Fund and 0.411% from the Sterling Liquidity Fund).

7 LEASEHOLD INVESTMENT PROPERTY

	2018 £	2017 £
Fair value at 31 March 2017 / 31 March 2016	552,300,000	559,700,000
Capital expenditure	23,119,971	16,548,163
Unrealised loss arising on adjustment to fair value of investment property	(7,616,315)	(24,686,094)
Movement in lease incentives - rent free adjustments	824,367	737,931
Movement in lease incentives - contributions	471,977	-
Fair value at 31 March 2018 / 31 March 2017	569,100,000	552,300,000
Lease incentives - rent free adjustments (note 9)	(1,910,625)	(1,086,258)
Lease incentives - contributions (note 9)	(471,977)	-
Carrying value at 31 March 2018 / 31 March 2017	566,717,398	551,213,742

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7 LEASEHOLD INVESTMENT PROPERTY (CONTINUED)

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 £569,100,000 (2017: £552,300,000), however an adjustment has been made for lease incentive receivables of £2,382,602 (2017: £1,086,258) to arrive at the carrying value of £566,717,398 (2017: £551,213,742).

Commitments

The Partnership has entered into agreements that will incur future costs of approximately £24.7m (2017: £20.1m) of which £23m (2017: £19.9m) relates to the redevelopment at Brent Cross.

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

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.

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
- holds discussions with the independent valuer to understand the assumptions used in the report.

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

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7 LEASEHOLD INVESTMENT PROPERTY (CONTINUED)

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

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, detailed planning consent for the shopping centre extension was granted and confirmation was received of the Compulsory Purchase Order, both of which represent significant milestones in de-risking the development opportunity. 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 2018

7 LEASEHOLD INVESTMENT PROPERTY (CONTINUED)

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

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

As at 31 March 2018	Fair value £	Valuation technique	Key unobservable input	Value
Investment property	569,100,000*	Income capitalisation	Net initial yield	3.64%
			Reversionary yield	4.41%
			Equivalent yield	4.62%
			Estimated rental value per square metre	£325.56

* includes a fair value of £39m attributable to the site value for redevelopment

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

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7 LEASEHOLD INVESTMENT PROPERTY (CONTINUED)

(b) Fair value hierarchy for investment property 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 2018	Fair value hierarchy			Total £
	Level 1 £	Level 2 £	Level 3 £	
Investment property	-	-	569,100,000	569,100,000

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

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.

(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:

	2018 £	2017 £
ERV p.a.	27,109,806	26,901,268
Area square metre	83,271	83,271
Average ERV per square metre	325.56	323.06
	2018 %	2017 %
Net initial yield	3.64	4.07
Reversionary yield	4.41	4.51
Equivalent yield	4.62	4.62

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

	2018 £	2017 £
<u>Income capitalisation</u>		
Increase in equivalent yield of 25 bps	(29,200,000)	(29,000,000)
Decrease in equivalent yield of 25 bps	32,300,000	32,000,000
Increase in rental rates of 5% (ERV)	24,100,000	23,700,000
Decrease in rental rates of 5% (ERV)	(23,300,000)	(23,100,000)

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 2018

8 PARTNERSHIP INTEREST

The Partnership has invested £59, representing a 59.39% interest in BXP, an English General Partnership.

Set out below is the summarised financial information for BXP (100% figures).

Summarised statement of net assets

	2018 £	2017 £
Non-current assets	-	-
Current assets	100	-
Total assets	100	-
Current liabilities	-	-
Net assets	100	-
Net assets attributable to partners is analysed as:		
Partners' capital	100	-
Reserves	-	-
	100	-

BXP did not trade in the year ended 31 March 2018, therefore no statement of comprehensive income has been presented.

Reconciliation of summarised financial information at ownership share

	2018 £	2017 £
Opening balance	-	-
Investment in BXP	59	-
Closing balance	59	-

As at 31 March 2018 the Partnership held a 59.39% interest in BXP (2017: £nil).

At the date of signing the annual report and financial statements the Partnership has not entered into any commitments to increase its interest in BXP.

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 TRADE AND OTHER RECEIVABLES

	2018 £	2017 £
Trade receivables	5,565,416	7,068,499
VAT receivable	934,789	-
Lease incentives - rent free adjustments	1,910,625	1,086,258
Lease incentives - contributions	471,977	-
Other receivables	1,567,597	1,831,060
	<u>10,450,404</u>	<u>9,985,817</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 2018, trade receivables of £nil (2017: £nil) were impaired and provided for.

As of 31 March 2018, trade receivables of £5,565,416 (2017: £7,068,499) were past due but not impaired.

The ageing of these receivables is as follows:

	2018 £	2017 £
0 to 3 months	<u>5,565,416</u>	<u>7,068,499</u>

10 CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash held at bank	511,101	404,238
Cash invested in Sterling Liquidity Fund	11,358,180	20,303,022
	<u>11,869,281</u>	<u>20,707,260</u>

11 TRADE AND OTHER PAYABLES

	2018 £	2017 £
Deferred rental income	6,840,426	7,026,265
VAT payable	-	511,842
Other accruals	263,056	3,116,550
Trade creditors	484,343	-
	<u>7,587,825</u>	<u>10,654,657</u>

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12 LESSOR ANALYSIS

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

	2018	2017
	£	£
Less than one year	24,121,811	25,685,382
Between one and five years	71,582,162	67,760,103
Over five years	90,403,469	84,113,640
Total	<u>186,107,442</u>	<u>177,559,125</u>

The largest single tenant at the year end accounts for 5.08% (2017: 7.00%) of the annual rental income.

13 CASH FLOWS FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Decrease in net assets attributable to Partners	(7,616,315)	(24,686,094)
Movement in trade and other receivables	(464,587)	278,909
Movement in trade and other payables	(1,290,545)	1,189,956
Distributions	22,753,665	22,774,738
Interest receivable	(65,159)	(72,139)
Unrealised loss arising on adjustment to fair value of investment property	7,616,315	24,686,094
Cash generated from operations	<u>20,933,374</u>	<u>24,171,464</u>

14 DISTRIBUTIONS

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

	2018	2017
	£	£
SCUT		
Quarter ended 30 June	5,650,805	6,584,665
Quarter ended 30 September	6,021,635	5,446,265
Quarter ended 31 December	6,406,423	6,376,561
Quarter ended 31 March - accrual	4,669,802	5,256,332
	<u>22,748,665</u>	<u>23,663,823</u>
Difference in prior year's accrued distribution	-	(894,072)
Distributions - SCUT	<u>22,748,665</u>	<u>22,769,751</u>
General Partner	£	£
Quarter ended 30 June	1,247	1,247
Quarter ended 30 September	1,260	1,260
Quarter ended 31 December	1,260	1,247
Quarter ended 31 March - accrual	1,233	1,233
	<u>5,000</u>	<u>4,987</u>
Distributions - General Partner	<u>5,000</u>	<u>4,987</u>
Distributions per the Statement of Comprehensive Income	<u>22,753,665</u>	<u>22,774,738</u>

STANDARD LIFE INVESTMENTS BRENT CROSS LP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 PARTNERS' CAPITAL

	2018 £	2017 £
Opening / closing balance	<u>543</u>	<u>543</u>

16 PARTNERS' LOAN

	2018 £	2017 £
Opening balance	580,475,873	547,275,873
Loan advances from Limited Partner	<u>18,400,000</u>	<u>33,200,000</u>
Closing balance	<u>598,875,873</u>	<u>580,475,873</u>

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

17 RESERVES

	2018 £	2017 £
Opening balance	(14,481,819)	10,204,275
Decrease in net assets attributable to Limited Partner	<u>(7,616,315)</u>	<u>(24,686,094)</u>
Closing balance	<u>(22,098,134)</u>	<u>(14,481,819)</u>

18 EVENTS AFTER THE REPORTING DATE

On 19 April 2018, the Board of the General Partner approved the 31 March 2018 net asset value and resolved to approve the distribution for the quarter to 31 March 2018.