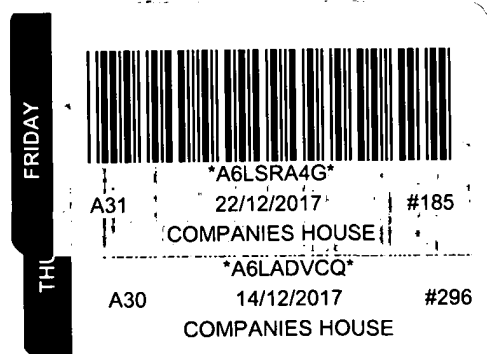


REGISTERED NUMBER: 10079965 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Period 23 March 2016 to 30 April 2017
for
North West Portfolio (No.3) Limited



North West Portfolio (No.3) Limited

Contents of the Financial Statements
for the Period 23 March 2016 to 30 April 2017.

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North West Portfolio (No.3) Limited
Company Information
for the Period 23 March 2016 to 30 April 2017

DIRECTORS:

P E Jones OBE
M E Jones
A E Jones

SECRETARY:

Ms A C Weatherby

REGISTERED OFFICE:

Emerson House
Heyes Lane
Alderley Edge
Cheshire
SK9 7LF

REGISTERED NUMBER:

10079965 (England and Wales)

AUDITOR:

BDO LLP, Statutory Auditor
3 Hardman Street
Spinningfields
Manchester - UK
M3 3AT

North West Portfolio (No.3) Limited
Strategic Report
for the Period 23 March 2016 to 30 April 2017

The Director's present their Strategic Report for the period ended 30 April 2017.

BUSINESS MODEL

The principal activity of the company in the period under review was that of property investment and development.

The company is a wholly owned subsidiary of Emerson Developments (Holdings) Limited, the ultimate parent company of the Emerson Group. The Emerson Group is a family owned and run property investment and development business which manages and controls all group companies on a unified basis, trading under the Orbit Developments, Emerson Management Services and Jones Homes' brands.

STRATEGY, OBJECTIVES & PRINCIPAL RISKS

The strategic objectives of the company, in support of those of the group as a whole are to:

- continue to maintain and increase occupancy whilst pro-actively managing the company's property portfolio to drive sustainable profitability and shareholder return;
- selectively pursue strategic property investment and other development opportunities that meet the company's criteria for return and risk;
- expand the company's full service provision to customers with a property management or facilities management requirement.

As with any property company that is substantially debt financed the directors consider one of the key financial risks to be the ability of the company to meet the covenant requirements of its borrowing facilities, and to successfully refinance borrowing facilities at their maturity date. The directors regularly review compliance with the covenants and has maintained a track record of meeting all such requirements throughout its history.

The primary operating risks for the company centre around the macro level factors of the markets in which it operates, in particular the level of customer demand, pricing, discounts and lease terms, and UK interest rate fluctuations. The directors consider that the mix of properties and their experience and flexibility in pro-actively managing its portfolio to be key strengths of the business.

Exposure to interest rate risk is managed by securing loans at low borrowing margins and attractive fixed rates.

Financial Reporting Standard 102 requires property revaluation movements to be reported through profit and loss and could create major fluctuations in reported profit. Due to the size of the company's property portfolio, modest changes to property values could seriously distort the trading result and risks misleading stakeholders and their understanding of the underlying trading performance. This risk can only be mitigated through expanded explanation in the narrative of the accounts.

To ensure effective control and management of the principal business risks the directors regularly review the key performance indicators of the company, which include occupancy levels, tenant payment performance, rental levels, interest cover and property values.

REVIEW OF THE YEAR

The company commenced trading following the acquisition of 3 commercial buildings in the period.

Turnover for the period was £397,990

The reported profit before taxation was £94,435

At 30 April 2017 the value of investment properties was £9,547,147

North West Portfolio (No.3) Limited

Strategic Report

for the Period 23 March 2016 to 30 April 2017

FUTURE OUTLOOK

The directors continue to consider all opportunities to further enhance the company's portfolio and improve shareholder returns and are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:

Ms A C Weatherby - Secretary

15 September 2017

North West Portfolio (No.3) Limited

Report of the Directors
for the Period 23 March 2016 to 30 April 2017

The directors present their report with the financial statements of the company for the period 23 March 2016 to 30 April 2017.

INCORPORATION

The company was incorporated on 23 March 2016.

DIVIDENDS

No dividends will be distributed for the period ended 30 April 2017 (2016: £nil).

DIRECTORS

The Directors who served during the period were as follows:

P E Jones OBE (Chairman)
M E Jones
A E Jones

FUTURE DEVELOPMENTS

Information on likely future developments has been included in the strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as each of the Directors is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Director has taken all 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 company's auditor is aware of that information.

North West Portfolio (No.3) Limited
Report of the Directors
for the Period 23 March 2016 to 30 April 2017

AUDITOR

In accordance with section 487 of the Companies Act 2006, BDO LLP, Registered Auditor, has been appointed as auditor for the year.

APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:

Ms A C Weatherby - Secretary

15 September 2017

Independent Auditor's Report to the Members of
North West Portfolio (No.3) Limited

We have audited the financial statements of North West Portfolio (No.3) Limited for the period ended 30 April 2017 which comprise the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC'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 30 April 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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, 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.

BDO LLP

Gary Harding (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Manchester - UK

Date: **21** September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with
registered number OC305127).

North West Portfolio (No.3) Limited

Income Statement
for the Period 23 March 2016 to 30 April 2017

	Notes	£
TURNOVER		397,990
Surplus on revaluation		76,864
Administrative expenses		<u>(380,443)</u>
OPERATING PROFIT	4	94,411
Interest receivable and similar income		<u>24</u>
PROFIT BEFORE TAXATION		94,435
Tax on profit	5	<u>(19,665)</u>
PROFIT FOR THE FINANCIAL PERIOD		<u><u>74,770</u></u>

The notes form part of these financial statements

North West Portfolio (No.3) Limited
Statement of Comprehensive Income
for the Period 23 March 2016 to 30 April 2017

	Notes	£
PROFIT FOR THE PERIOD		74,770
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>74,770</u>

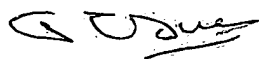
The notes form part of these financial statements

North West Portfolio (No.3) Limited (Registered number: 10079965)

Balance Sheet
30 April 2017

	Notes	£	£
FIXED ASSETS			
Investment property	6		9,547,147
CURRENT ASSETS			
Debtors	7	439,057	
Cash at bank		241,847	
		<u>680,904</u>	
CREDITORS			
Amounts falling due within one year	8	10,153,279	
NET CURRENT LIABILITIES			<u>(9,472,375)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>74,772</u>
CAPITAL AND RESERVES			
Called up share capital	10		2
Retained earnings			<u>74,770</u>
SHAREHOLDERS' FUNDS			<u>74,772</u>

The financial statements were approved by the Board of Directors on 15 September 2017 and were signed on its behalf by:



P E Jones OBE - Director

The notes form part of these financial statements

North West Portfolio (No.3) Limited

Statement of Changes in Equity
for the Period 23 March 2016 to 30 April 2017

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	2	-	2
Profit for the year	-	74,770	74,770
Balance at 30 April 2017	<u>2</u>	<u>74,770</u>	<u>74,772</u>

The notes form part of these financial statements

North West Portfolio (No.3) Limited

Notes to the Financial Statements
for the Period 23 March 2016 to 30 April 2017

1. GENERAL INFORMATION

North West Portfolio (No.3) Limited is a limited liability company incorporated in England. The Registered Office is set out on page 1 to the financial statements and the nature of the company's operations and its principal activities are set out in the strategic report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006 and have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit and loss.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The company meets its day to day working capital requirements through available cash resources and committed banking facilities and those of the Group. Based on the company's forecasts and projections, together with available market information and the directors' knowledge and experience of the company's property portfolio and markets, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

The company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The valuation of the company's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the company places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

Turnover

Rents receivable are included on an accruals basis, with annual rentals credited to profit and loss on a straight line basis over the term of the lease.

Incentive payments and rent free periods given to new tenants to occupy the company's investment properties are treated as a reduction in revenue and initially recorded as prepayments. These are charged to profit and loss over the term of the lease. Where such prepayments relate to investment properties, the properties are carried at fair value less the amount of the unamortised incentive.

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Period 23 March 2016 to 30 April 2017

2. ACCOUNTING POLICIES - continued

Investment properties

Investment properties comprise properties and interests in land held either to earn rental income or for capital appreciation, or both.

Investment properties are initially measured at cost, including related transaction costs. Borrowing costs associated with direct expenditure on investment properties under development are capitalised. Interest is capitalised as from the commencement of the development work until the date of practical completion or, if earlier, the date that outgoings exceed income.

After initial recognition, investment properties are carried at their fair values based on market value as determined at each reporting date. The difference between the fair value of an investment property at the reporting date and its carrying amount prior to re-measurement is included in the income statement as a valuation surplus or deficit. Profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Financial instruments

Basic financial instruments including amounts due to and from group undertakings, with no stated interest rate and receivable or payable within one year, are recorded at transaction price. Such assets and liabilities are subsequently carried at amortised cost using the effective interest rate method. Any losses arising from impairment are recognised in the income statement.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss represents cumulative profits or losses, net of dividends paid and other adjustments.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the period ended 30 April 2017.

Directors' remuneration

£
-
=====

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Period 23 March 2016 to 30 April 2017

4. OPERATING PROFIT

	2017
	£
is after crediting:	
Rents receivable	397,990

Auditor's remuneration is borne by the ultimate parent company.

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	£
Current tax:	
Corporation tax - current year	24,812
Deferred tax - current year	(5,147)
Tax on profit	19,665

UK corporation tax has been charged at 19.92%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£
Profit before tax	94,435
Profit multiplied by the standard rate of corporation tax in the UK of 19.920%	18,811
Effects of:	
Impact of change in UK tax rate	854
Total tax charge	19,665

6. INVESTMENT PROPERTY

	Total
	£
FAIR VALUE	
Additions	9,470,283
Revaluations	76,864
At 30 April 2017	9,547,147
NET BOOK VALUE	
At 30 April 2017	9,547,147

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Period 23 March 2016 to 30 April 2017

6. INVESTMENT PROPERTY - continued

Investment properties comprise freehold land and buildings of £9,547,147

The cost of investment properties is £9,470,283

Investment properties were internally valued as at 30 April 2017 by the Group's Valuation Surveyor, who is a member of the Royal Institute of Chartered Surveyors. All valuations were carried out on "Market Value" basis in accordance with the Practice Statements in the RICS Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Other debtors	422,854
Deferred tax asset	5,147
Prepayments and accrued income	11,056
	<hr/>
	439,057
	<hr/>

Provision for Deferred Tax comprises the following Assets/ (Liability) :

	2017 £
Capital Allowances	12,074
Investment property revaluation	(6,927)
	<hr/>
Total	5,147
	<hr/>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	4,644
Amounts owed to group undertakings	10,044,193
Corporation tax payable	24,812
Social security and other taxes	19,958
Accruals and deferred income	59,672
	<hr/>
	10,153,279
	<hr/>

9. LEASING AGREEMENTS

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2017 £
Less than 1 year	565,681
Between 2 & 5 years	2,174,860
More than 5 years	-
	<hr/>
Total	2,740,541
	<hr/>

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Period 23 March 2016 to 30 April 2017

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
2	Ordinary	£1	<u>2</u>

2 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

11. ULTIMATE PARENT COMPANY

The company's ultimate parent company and ultimate controlling party is Emerson Developments (Holdings) Limited, a company incorporated in England.

The results of the company are included in the consolidated accounts of Emerson Developments (Holdings) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way,

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 Section 33 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.