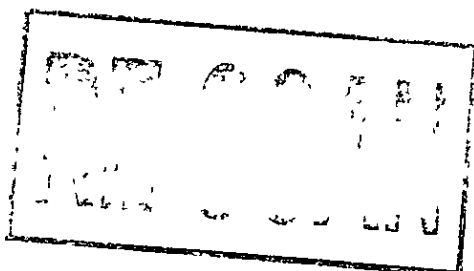


JOHN LEWIS PROPERTIES PLC

Financial Statements for the 53 weeks ended 31 January 2015

Contents

Company information	1
Strategic report	2
Directors' report	3
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	7
Statement of Directors' responsibilities	15
Independent Auditors' report to the members of John Lewis Properties plc	16



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JOHN LEWIS PROPERTIES PLC

Company information

Directors	Sir Charlie Mayfield Loraine Woodhouse Nigel Keen
Company Secretary	Keith Hubber
Registered Office	171 Victoria Street, London, SW1E 5NN
Company Number	303301
Independent Auditors	PricewaterhouseCoopers LLP
Bankers	Royal Bank of Scotland plc

JOHN LEWIS PROPERTIES PLC

Strategic report for the 53 weeks ended 31 January 2015

Review of the business and future developments

John Lewis Properties plc ("the Company") primarily acts as a property holding company for the John Lewis Partnership plc group ("the Partnership") and owns some of the properties occupied by that group. Most of its rental income derives from tenancy agreements with other group companies.

John Lewis Properties plc's revenue at £40.3m was £0.1m (0.2%) higher than last year. Operating profit increased by £6.7m (31.6%) to £27.9m. Profit for the year decreased by £0.1m (0.5%) to £20.9m.

Net assets were up by £20.9m (2.5%) to £847.0m, and the fair value of investment property is estimated to be £633.3m, down 3.1% from £653.6m last year, due to the movement of a property to assets held for sale.

Given the nature of the Company's activities, the Company's Directors believe that specific KPIs are not necessary or appropriate for an understanding of the Company's development, performance, or the position of its business.

Financial risk management

John Lewis Properties plc's financial risks are managed within the Partnership's framework. The principal financial risk the Partnership faces is the ability to generate sufficient funds to satisfy the Partnership's business needs, to meet Partners' expectations for Partnership Bonus and to mitigate against any adverse financial impact resulting from risks identified in the Partnership's business planning process crystallising. Details of the Partnership's financial risk management policies are included in note 21 of the Partnership's Annual Report and Accounts.

Principal risks and uncertainties

John Lewis Properties plc's principal risks and uncertainties are in line with those of John Lewis Partnership plc. However, the risks that are most relevant to John Lewis Properties plc are competition, economic environment and property valuation.

Details of key mitigations to these principal risks and uncertainties are presented on pages 45 to 47 of the Partnership's Annual Report and Accounts.

Approved by the Directors and signed on behalf of the Board



Loraine Woodhouse
Director
10 July 2015

JOHN LEWIS PROPERTIES PLC

Directors' report for the 53 weeks ended 31 January 2015

The Directors present their report and the audited financial statements for the year ended 31 January 2015

Principal activity

John Lewis Properties plc is incorporated and registered in England and Wales. The Company is primarily a property owning Company and is a wholly owned subsidiary of John Lewis plc, within the John Lewis Partnership plc group.

There are no plans to change the business activities of the Company.

Directors and Company Secretary

The Directors of the Company at the date of this report are shown on page 1. During the year under review, Helen Weir resigned as a Director with effect from 1 December 2014 and Loraine Woodhouse was appointed as a Director with effect from 1 December 2014.

Margaret Casely-Hayford resigned as Company Secretary and Alan Buchanan was appointed as Company Secretary with effect from 31 July 2014. Subsequently, Alan Buchanan resigned as Company Secretary with effect from 31 January 2015 and Keith Hubber was appointed Company Secretary with effect from 1 February 2015.

Results and Dividends

The Company's profit on ordinary activities before taxation of the 53 weeks ended 31 January 2015 is £27.8m (2014: £21.1m). The share capital of the Company is wholly owned by John Lewis plc. The Directors do not recommend the payment of a dividend (2014: nil).

Employees

Information regarding the Company's policy for employment, training, career development and other employee related matters is included on pages 52 to 55 of the Annual Report and Accounts of John Lewis Partnership plc.

Health and safety

The Company adopts the Partnership's arrangements in respect of health and safety. The Partnership is committed to going about its business in a way that avoids, so far as is reasonably practicable, causing harm to people or property, and to promoting, through its extensive occupational health service, the wellbeing of its workforce. The Partnership cannot expect to eliminate health and safety risk totally from the workplace but its current priority is to ensure that management at all levels know and understand the risks within their areas of responsibility.

Directors' responsibilities

The statement of Directors' responsibilities in relation to the financial statements is set out on page 15.

Directors' interests

Under the constitution of the Partnership all the Directors, as employees of John Lewis plc, are necessarily interested in the 612,000 Deferred Ordinary Shares in John Lewis Partnership plc which are held in trust for the benefit of employees of John Lewis plc and of certain other group companies. No Director has or had a material interest in any contract or arrangement to which the Company is or was a party.

Going concern

The Directors, after reviewing the Company's operating budgets, investment plans and financing arrangements, consider that the Company has adequate resources to continue in operation for the foreseeable future. The Company has, at the date of this report, sufficient financing available for its estimated requirements for the foreseeable future and, accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

JOHN LEWIS PROPERTIES PLC

Directors' report for the 53 weeks ended 31 January 2015 (continued)

Disclosure of information to auditors

Each of the persons who are Directors at the date of approval of this report confirms that

1 So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

2 The Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish the Company's auditors are aware of that information

Approved by the Directors and signed on behalf of the Board



Loraine Woodhouse
Director
10 July 2015

JOHN LEWIS PROPERTIES PLC

Statement of comprehensive income for the 53 weeks ended 31 January 2015

Notes		2015* £m	2014 £m
	Revenue		
	Rent receivable	40.3	40.2
	Rent payable	(4.6)	(4.3)
6	Other operating income	2.5	1.0
	Administrative expenses	(11.2)	(16.0)
2	Profit on disposal of property	0.9	0.3
	Operating profit	27.9	21.2
	Finance costs	(0.1)	(0.1)
3	Profit before tax	27.8	21.1
4	Taxation	(6.9)	(0.1)
	Profit and total comprehensive income for the year	20.9	21.0

*53 week year

JOHN LEWIS PROPERTIES PLC

Balance sheet as at 31 January 2015

Notes	2015 £m	2014 £m
Non-current assets		
5 Investment properties	562.9	592.2
6 Investment in JLP Scottish Partnership	44.6	53.6
	607.5	645.8
Current assets		
7 Trade and other receivables	0.9	1.2
8 Assets held for sale	9.5	-
Amount due from fellow group undertakings	281.3	231.2
	291.7	232.4
Total assets	899.2	878.2
Current liabilities		
9 Trade and other payables	(0.2)	(0.3)
Current tax payable	(7.2)	(7.0)
	(7.4)	(7.3)
Non-current liabilities		
10 Finance lease liabilities	(1.5)	(1.5)
4 Deferred tax liabilities	(43.3)	(43.3)
	(44.8)	(44.8)
Total liabilities	(52.2)	(52.1)
Net assets	847.0	826.1
Equity		
11 Share capital	25.7	25.7
Share premium account	1.2	1.2
Retained earnings	820.1	799.2
Total equity	847.0	826.1

The financial statements on pages 5 to 14 were approved by the Directors on 10 July 2015 and signed on its behalf by



Loraine Woodhouse
Director
John Lewis Properties plc

Company number 303301

JOHN LEWIS PROPERTIES PLC

Statement of changes in equity for the 53 weeks ended 31 January 2015

	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 26 January 2013	25.7	1.2	778.2	805.1
Profit for the year	-	-	21.0	21.0
Balance at 25 January 2014	25.7	1.2	799.2	826.1
Profit for the year	-	-	20.9	20.9
Balance at 31 January 2015*	25.7	1.2	820.1	847.0

*53 week year

Notes to the financial statements

1. Accounting policies

Basis of accounting

The financial statements are prepared in accordance with United Kingdom Accounting Standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006

FRS 101 sets out a reduced disclosures framework for a "qualifying entity" as defined in the standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union. The Company is a qualifying entity for the purposes of FRS 101.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present a cash flow statement
- The requirements of paragraph 17 of IAS 24, Related Party Transactions, to disclose information related to key management personnel, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries
- The requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new standards issued but which are not yet effective

The Company is an intermediate parent company and is exempt from preparing consolidated financial statements as noted in section 400 of the Companies Act 2006.

The financial period is the 53 weeks ended 31 January 2015 (prior period 52 weeks ended 25 January 2014).

The following standards, amendments and interpretations were adopted by the Company for the 53 weeks ended 31 January 2015 and have not had a significant impact on the Company's profit for the year, equity or disclosures:

- Amendments to IFRS 10, IFRS 12 and IAS 27 'Investment Entities',
- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities',
- Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets',
- Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting',
- Amendments to IFRIC 21 'Leases'

JOHN LEWIS PROPERTIES PLC

Notes to the financial statements (continued)

1. Accounting policies (continued)

Property valuation

The Company's freehold and long leasehold department store properties were valued by the Directors, after consultation with CB Richard Ellis, Chartered Surveyors, at 31 January 2004, at fair value. These values have been incorporated as deemed cost, subject to the requirement to test for impairment, in accordance with IAS 36. The Company has decided not to adopt a policy of revaluation since 31 January 2004.

Other assets are held at cost.

Investment property

Property that is held for either long term rental yields or for capital appreciation, or for both, and that is not occupied by the Company is classified as investment property. Investment property comprises freehold land, freehold buildings and buildings held under finance lease. Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment losses. The disclosed fair value of investment property is deemed to be market value.

If an investment property becomes owner occupied it is reclassified as a tangible fixed asset. Property that is being constructed or developed for future use as investment property is classified as an asset in the course of construction and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

Depreciation

No depreciation is charged on freehold land and assets in the course of construction. Depreciation is calculated for all other assets to write off the cost or valuation, less residual value, on a straight line basis over their expected useful life, at the following rates:

Freehold and long leasehold buildings - 2% to 4%

Other leaseholds - over the shorter of the useful economic life and the remaining period of the lease

Property residual values are assessed as the price in current terms that a building would be expected to realise, as if it were at the end of its useful economic life. The assets' residual values and useful lives are reviewed at least at each balance sheet date.

Leased assets

Assets used by the Company which have been funded through finance leases on terms that transfer to the Company substantially all the risks and rewards of ownership are capitalised at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability, to achieve a constant rate of interest on the remaining balance of the liability. The interest element of finance lease rentals is charged to the statement of comprehensive income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the Company does not retain substantially all their risks and rewards of ownership of the assets are classified as operating leases. Operating lease rental payments, other than contingent rentals, are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term. Contingent rentals are recognised as an expense in the statement of comprehensive income when incurred.

Lease premiums and inducements are recognised in current and non-current assets and liabilities accordingly, and amortised on a straight line basis over the lease term.

Sub-lease income is recognised as income on a straight line basis over the sub-lease term, less allowances for situations where recovery is doubtful.

Taxation

The charge for current income tax is based on the results for the year adjusted for items which are not taxed or are disallowed. It is calculated using tax rates in legislation that has been enacted or substantively enacted by the balance sheet date.

JOHN LEWIS PROPERTIES PLC

Notes to the financial statements (continued)

1. Accounting policies (continued)

Taxation (continued)

Deferred income tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax arising from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, is not recognised. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, using tax rates in legislation that has been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to shareholders' equity, in which case the deferred tax is also dealt with in shareholders' equity.

Impairment

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, the latter being the higher of the asset's fair value less costs to sell and value in use. Value in use calculations are performed using cash flow projections, discounted at a pre-tax rate which reflects the asset specific risks and the time value of money.

Offsetting

Balance sheet netting only occurs to the extent that there is the legal ability and intention to settle net.

Trade and other receivables

Trade and other receivables are stated at amortised cost less allowances for situations where recovery is doubtful. Such allowances are based on an individual assessment of each receivable.

Investments

Investments are valued at cost, less allowances for impairment.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results.

2. Profit on disposal of properties

	2015 £m	2014 £m
Profit on disposal of properties	0.9	0.3

JOHN LEWIS PROPERTIES PLC

Notes to the financial statements (continued)

3. Profit on ordinary activities before taxation

	2015 £m	2014 £m
Profit on ordinary activities before taxation is stated after crediting/(charging) the following		
Operating lease income - land and buildings	40.3	40.2
Depreciation	(11.1)	(16.0)
Profit on disposal of properties	0.9	0.3
Operating lease expense - land and buildings	(4.6)	(4.3)

Auditors' remuneration in the year was £15,546 (2014 £14,420)

Contingent rents expensed during the year were £1.1m (2014 £1.2m) Contingent rents are determined based on store revenues

4 Taxation

4.1 Analysis of tax charge for the year

	2015 £m	2014 £m
Analysis of tax (charge)/credit		
Corporation tax - current year	(7.1)	(7.5)
Corporation tax - adjustments in respect of previous years	0.2	0.2
Total current tax charge	(6.9)	(7.3)
Deferred tax - current year	0.2	7.4
Deferred tax - adjustments in respect of previous years	(0.2)	(0.2)
Total tax charge	(6.9)	(0.1)

4.2 Factors affecting tax charge in the year

The tax charge for the year is higher (2014 lower) than the standard corporation tax rate of 21.3% (2014 23.2%) The differences are explained below

	2015 £m	2014 £m
Profit on ordinary activities before tax	27.8	21.1
Profit before tax multiplied by standard rate of corporation tax in the UK of 21.3% (2014 23.2%)	(5.9)	(4.9)
Effects of		
Changes in tax rate	-	6.5
Adjustment to current tax in respect of prior years	0.2	0.2
Depreciation on assets not qualifying for tax relief	(1.4)	(2.2)
Differences between accounting and tax base for land and buildings	0.5	0.7
Adjustment to deferred tax in respect of prior years	(0.2)	(0.2)
Sundry disallowables	(0.1)	(0.2)
Total tax charge	(6.9)	(0.1)

JOHN LEWIS PROPERTIES PLC

Notes to the financial statements (continued)

4 Taxation (continued)

4.3 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2014 20%)

The movement on the deferred accounts is shown below

	2015 £m	2014 £m
Opening liability	(43.3)	(50.5)
Credited to statement of comprehensive income	-	7.2
Closing liability	(43.3)	(43.3)

The movements in deferred tax assets and liabilities during the year are shown below

Deferred tax assets and liabilities are only offset where there is a legally enforceable right to offset and there is an intention to settle the balances net

	Accelerated tax depreciation	Capital gains tax on land and buildings	Revaluation of land and buildings	Rollover gains	Total
	£m	£m	£m	£m	£m
At 26 January 2013	(35.0)	(3.5)	(2.8)	(9.2)	(50.5)
Credited to statement of comprehensive income	4.5	1.0	0.4	1.3	7.2
At 25 January 2014	(30.5)	(2.5)	(2.4)	(7.9)	(43.3)
(Charged)/credited to statement of comprehensive income	(0.4)	(1.4)	0.9	0.9	-
At 31 January 2015	(30.9)	(3.9)	(1.5)	(7.0)	(43.3)

The deferred tax liability due after more than one year is £43.3m (2014 £43.3m)

4.4 Factors affecting tax charges in current and future years

The Finance Act 2013 reduced the main rate of corporation tax from 23% to 21% from 1 April 2014, and from 21% to 20% from 1 April 2015. The effect of the 3% rate change in the prior year was to reduce the deferred tax liability by £6.5m, with a £6.5m tax credit to the statement of comprehensive income.

JOHN LEWIS PROPERTIES PLC

Notes to the financial statements (continued)

5. Investment properties

	Land and buildings £m	Assets in the course of construction £m	Total £m
Cost			
At 25 January 2014	711.8	0.2	712.0
Additions	-	16.2	16.2
Transfers	5.9	(5.9)	-
Disposals	(34.6)	-	(34.6)
Transfers to assets held for sale	(13.3)	-	(13.3)
At 31 January 2015	669.8	10.5	680.3
Accumulated Depreciation			
At 25 January 2014	(119.8)	-	(119.8)
Charge for the year	(11.1)	-	(11.1)
Disposals	9.7	-	9.7
Transfers to assets held for sale	3.8	-	3.8
At 31 January 2015	(117.4)	-	(117.4)
Net book values			
At 25 January 2014	592.0	0.2	592.2
At 31 January 2015	552.4	10.5	562.9

Included above are land and buildings assets held under finance leases with a net book value of £1.1m (2014 £1.1m)

The fair value of investment property is estimated to be £633.3m (2014 £653.6m)

6. Investments in JLP Scottish Partnership

	£m
As at 25 January 2014	53.6
Disposals	(9.0)
As at 31 January 2015	44.6

John Lewis Properties plc has a 31% investment in JLP Scottish Partnership, a property holding partnership. JLP Scottish Partnership allocates and distributes income and capital to its partners in accordance with the Scottish Partnership Agreement. During the year the Company received income amounting to £2.5m (2014 £1.0m).

During the year, John Lewis Properties plc withdrew a property from JLP Scottish Partnership, reducing the Company's capital investment within JLP Scottish Partnership. John Lewis Properties plc nominated John Lewis plc as the transferee of Withdrawal Assets in line with the Scottish Partnership Agreement.

7. Trade and other receivables

	2015 £m	2014 £m
Current		
Other receivables	0.7	1.0
Other taxation	0.2	0.2
	0.9	1.2

As of 31 January 2015 the Company had no impaired trade and other receivables and there were no amounts overdue (2014 nil)

JOHN LEWIS PROPERTIES PLC

Notes to the financial statements (continued)

8. Assets held for sale

At 31 January 2015, one property was recorded as held for sale totalling £9.5m (2014: nil)

Since 31 January 2015, the asset classified as held for sale has been sold for an amount in excess of carrying value

9. Trade and other payables

	2015 £m	2014 £m
Current		
Other payables	(0.2)	(0.3)

10. Finance lease liabilities

The minimum lease payments under finance leases fall due as follows

	2015 £m	2014 £m
Not later than one year	0.1	0.1
Later than one year but not more than five	0.3	0.3
More than five years	2.1	2.1
	2.5	2.5
Future finance charge on finance leases	(1.0)	(1.0)
Present value of finance lease liabilities	1.5	1.5
Of which		
Not later than one year	-	-
Later than one year but no more than five	0.1	0.1
More than five	1.4	1.4

11. Share Capital

	2015 £m	2014 £m
Equity		
Authorised and issued ordinary shares		
25,700,000 shares of £1 each	25.7	25.7

JOHN LEWIS PROPERTIES PLC

Notes to the financial statements (continued)

12 Lease Commitments

	2015 £m	2014 £m
Future aggregate minimum lease payments under non-cancellable operating leases, payable		
Within one year	4.6	3.8
Later than one year and less than five years	18.4	14.8
After five years	176.8	170.9
	2015 £m	2014 £m
Amounts payable after five years comprise the following		
Later than five years and less than ten years	22.8	18.5
Later than ten years and less than twenty years	40.8	36.1
Later than twenty years and less than forty years	36.8	38.3
Later than forty years and less than eighty years	55.8	56.7
After eighty years	20.6	21.3
	176.8	170.9

Total future non group related sub-lease payments receivable relating to the above operating leases amounted to £1.8m (2014: £2.5m)

13. Directors and employees

The Directors are full time executives of John Lewis plc and no part of their remuneration relates to services to this Company. The Company had no employees during the year (2014: nil). All staff engaged in the service of the Company are employees of John Lewis plc. No charges were made for their services (2014: £nil).

14. Parent Company

John Lewis plc is the parent Company of the smallest group to consolidate the accounts of the Company. John Lewis Partnership plc, the Company's ultimate parent Company, is the parent Company of the largest group to consolidate these accounts. Ultimate control rests with John Lewis Partnership Trust Limited, which holds the equity of John Lewis Partnership plc in trust for the benefit of the employees. All of these companies are registered in England and Wales. Copies of these accounts may be obtained from the Company Secretary, John Lewis Partnership, Partnership House, Carlisle Place, London, SW1P 1BX.

JOHN LEWIS PROPERTIES PLC

Statement of Directors' responsibilities for the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101)

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 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

By order of the Board



Loraine Woodhouse
Director
10 July 2015

JOHN LEWIS PROPERTIES PLC

Independent Auditors' report to the members of John Lewis Properties plc

Report on the financial statements

Our opinion

In our opinion, John Lewis Properties plc's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of its profit for the year 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

What we have audited

John Lewis Properties plc's financial statements comprise

- the balance sheet as at 31 January 2015,
- the statement of comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 15, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

JOHN LEWIS PROPERTIES PLC

Independent Auditors' report to the members of John Lewis Properties plc (continued)

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

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

What an audit of financial statements involves

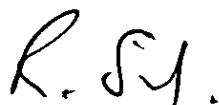
We conducted our audit in accordance with ISAs (UK & Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error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

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

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

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

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



Ranjan Sriskandan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 July 2015

JLP Scottish Partnership

Financial Statements

31 January 2015

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Contents

Partnership information	2
Strategic report	3
Partners' report	4
Partners' responsibility statement	5
Statement of comprehensive income	6
Balance sheet	6
Notes to the financial statements	7 – 9
Independent auditors' report	10 – 11

JLP Scottish Partnership

Partnership information

Partners	JLP Scottish Limited Partnership John Lewis Properties plc
Independent Auditors	PricewaterhouseCoopers LLP
Bankers	Royal Bank of Scotland PLC

Strategic report for 53 weeks ended 31 January 2015

Review of performance and future developments

Key performance indicators

	2015* £'000	2014 £'000
Profit for the year	5,793.1	17,602 0
Investment property valuation	164,290.0	175,720 0
Net assets/partners' interests	168,343.0	179,671 5

*53 weeks

The statement of comprehensive income on page 6 shows a profit for the 53 weeks ended 31 January 2015 of £5,793,100 (2014 £17,602,000) principally due to rental income received, partly offset by a fair value loss on revaluation of investment properties

The balance sheet on page 6 shows the JLP Scottish Partnership's financial position at the year end. The value of investment properties has decreased from £175,720,000 to £164,290,000 and the partners' interests have decreased from £179,671,500 to £168,343,000. These movements principally reflect the withdrawal of a property during the year and a fair value loss on revaluation of investment properties.

No significant changes in the activities of the JLP Scottish Partnership are anticipated in the forthcoming year.

Principal risks and uncertainties

JLP Scottish Partnership's financial and operation issues are managed on a Partnership wide basis by John Lewis Partnership plc ('the Partnership') and so, where it is relevant, the Strategic report and General partner's report provides information in respect of the Partnership. Details of principal risks and uncertainties are included within pages 44 to 45 of the Partnership's Annual Report and Accounts.

JLP Scottish Partnership's principal risks and uncertainties are in line with those of the Partnership. However, the risks that are most relevant to the JLP Scottish Partnership are economic environment and property valuation.

Details of key mitigations to these principal risks and uncertainties are presented in pages 46 and 47 of the Partnership's Annual Report and Accounts.

For and on behalf of the partners



Director
John Lewis Properties plc

16 April 2015



Director
John Lewis plc (as General Partner of
JLP Scottish Limited Partnership)
16 April 2015

JLP Scottish Partnership

Partners' report for 53 weeks ended 31 January 2015

The Partners present their report and the audited financial statements of JLP Scottish Partnership for the 53 weeks to 31 January 2015

Principal activity

The principal activity of JLP Scottish Partnership is a property holding partnership

The JLP Scottish Partnership was formed on 17 December 2009 between JLP Scottish Limited Partnership and John Lewis Properties plc. The JLP Scottish Partnership acquired freehold properties at their market value of £150,900,000 on 30 January 2010, that were owned by the John Lewis Partnership plc group, which was funded by the capital it received from its partners. In September 2011, following agreement by the partners, the John Lewis Partnership plc group withdrew properties with a market value of £70,000,000 and substituted these with other properties with a market value of £72,750,000.

In January 2015, following agreement by the partners, John Lewis Properties plc, on behalf of the John Lewis Partnership plc group withdrew a property with a market value of £9,000,000. In accordance with the Scottish Partnership agreement, there was no requirement for this property to be substituted with any other properties.

The freehold properties, which are held as investment properties, are leased to John Lewis plc or Waitrose Limited, and the JLP Scottish Partnership receives rental income. In addition, the JLP Scottish Partnership fair values the investment properties on an annual basis and allocates and distributes income and capital to the partners in accordance with an Amended and Restated Limited Partnership Agreement dated 26 January 2010 between JLP Scottish Limited Partnership and John Lewis Properties plc, which has been further revised on 27 January 2012, following agreement of the partners.

Partners

John Lewis Properties plc
171 Victoria Street
London
SW1E 5NN

JLP Scottish Limited Partnership
John Lewis
69 St James Centre
Edinburgh
EH1 3SP

Going concern

The JLP Scottish Partnership is currently in a net asset position. The partners are of the opinion that the JLP Scottish Partnership has adequate resources to continue in operational existence for the foreseeable future. The partners are satisfied with the JLP Scottish Partnership's results and its financial position and will continue to pursue suitable business opportunities.

Disclosure of information to the independent auditors

Each of the partners at the date of approval of this report confirm that

- 1 so far as the partners are aware, there is no relevant audit information of which the JLP Scottish Partnership's auditors are unaware, and
- 2 the partners have taken all the steps that they ought to have taken as partners in order to make themselves aware of any relevant audit information and to establish the JLP Scottish Partnership's auditors are aware of that information.

JLP Scottish Partnership

Partners' responsibility statement

The Directors of the general partner are responsible for preparing the Strategic Report, General Partner's Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors of the general partner to prepare financial statements for each financial year. Under that law the Directors of the general partner have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101)

Under company law the Directors of 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 JLP Scottish Partnership and of the profit or loss of the JLP Scottish Partnership for that year. In preparing these financial statements, the Directors of the general partner 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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the JLP Scottish Partnership will continue in business

The Directors of the general partner are responsible for keeping adequate accounting records that are sufficient to show and explain the JLP Scottish Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the JLP Scottish Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applicable to qualifying partnerships. They are also responsible for safeguarding the assets of the JLP Scottish Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

For and on behalf of the partners



Director
John Lewis Properties plc

16 April 2015



Director
John Lewis plc (as General Partner of
JLP Scottish Limited Partnership)
16 April 2015

JLP Scottish Partnership

Statement of comprehensive income for the 53 weeks ended 31 January 2015

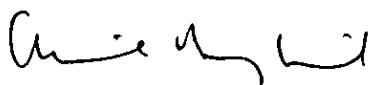
Note		2015* £'000	2014 £'000
	Rental income	8,170.0	7,934 2
2	Administrative expenses	(10.2)	(9 5)
3	Fair value (losses)/gains on revaluation of investment properties	(2,430.0)	9,615 0
	Operating profit	5,729.8	17,539 7
	Finance income	63.3	62 3
	Profit and total comprehensive income for the year	5,793.1	17,602 0

*53 weeks

Balance sheet as at 31 January 2015

Note		2015 £'000	2014 £'000
	Non current assets		
3	Investment property	164,290.0	175,720 0
	Current assets		
	Cash and cash equivalents	0.2	0 2
	Intercompany with John Lewis plc	7,509.7	5,659 2
		7,509.9	5,659 4
	Total assets	171,799.9	181,379 4
	Current Liabilities		
4	Trade and other payables	(3,456.9)	(1,707 9)
	Total Liabilities	(3,456.9)	(1,707 9)
	Net assets attributable to partners	168,343 0	179,671 5
	Represented by:		
	Partners' interests		
5	Partners' capital	144,575.2	153,600 2
5	Partners' other interests	23,767.8	26,071 3
	Total Partners' interests	168,343.0	179,671 5

These financial statements were approved by the partners on 16 April 2015, and signed on its behalf by



Director
John Lewis Properties plc

16 April 2015



Director
John Lewis plc (as General Partner of
JLP Scottish Limited Partnership)
16 April 2015

Notes to the financial statements

1 Accounting convention and basis of accounting

The financial statements are prepared in accordance with United Kingdom Accounting Standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with the Companies Act 2006 as applicable to qualifying partnerships

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union. The JLP Scottish Partnership is a qualifying entity for the purposes of FRS 101

The disclosure exemptions adopted by the JLP Scottish Partnership in accordance with FRS 101 are as follows

- The requirements of IAS 7 to present on cash flow statements
- The requirements of paragraph 17 of IAS 24, Related Party Transactions, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries
- The requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new issued standards but which are not yet effective

The following standards, amendments and interpretations were adopted by the JLP Scottish Partnership for the 53 weeks ended 31 January 2015 and have not had a significant impact on the JLP Scottish Partnership's profit for the year, equity or disclosures

- Amendments to IFRS 10, IFRS 12 and IAS 27 'Investment Entities',
- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities',
- Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets',
- Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting',
- Amendments to IFRIC 21 'Levies'

The JLP Scottish Partnership is an intermediate parent entity and is exempt from preparing consolidated financial statements as noted in section 400 of the Companies Act 2006

Rental income

Rental income is credited to the statement of comprehensive income on an accruals basis

Operating costs

Operating costs are charged to the statement of comprehensive income on an accruals basis

Finance income

Finance income is credited to the statement of comprehensive income on an accruals basis

Investment property

Property that is held for long term rental yields, for capital appreciation or both, and is not occupied by the JLP Scottish Partnership is classified as investment property. Investment property comprises freehold land and buildings. Investment properties are revalued on an annual basis to fair value after consultation with external independent valuers

Fair value gains or losses arising on revaluation of investment properties are credited or debited to the statement of comprehensive income

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank

JLP Scottish Partnership

Taxation

No tax is recorded in the financial statements of the JLP Scottish Partnership, as all tax liabilities are liabilities of the partners and not the JLP Scottish Partnership

2 Administrative expenses

Administrative expenses includes auditors remuneration of £9,993 (2014 £9,270)

The JLP Scottish Partnership had no employees during the current year (2014 nil)

3 Investment Property

	£'000
As at 26 January 2013	166,105.0
Fair value gain on revaluation	9,615.0
As at 25 January 2014	175,720.0
Disposal	(9,000.0)
Fair value loss on revaluation	(2,430.0)
As at 31 January 2015	164,290.0

The JLP Scottish Partnership's investment properties were valued by the partners after consultation with CB Richard Ellis and BNP Paribas Real Estate UK, Chartered Surveyors, as at 31 January 2015

4 Trade and other payables

	2015 £'000	2014 £'000
Other tax	(2,209.9)	(399.4)
Accruals and Deferred income	(1,247.0)	(1,308.5)
	(3,456.9)	(1,707.9)

5 Partners' interests

	Partners' Capital at 25 January 2014 £'000	Return of capital £'000	Partners' Capital at 31 January 2015 £'000
JLP Scottish Limited Partnership	99,950.1	(25.0)	99,925.1
John Lewis Properties plc	53,650.1	(9,000.0)	44,650.1
Total partners' capital	153,600.2	(9,025.0)	144,575.2

	Total other interests at 25 January 2014 £'000	Share of income profit £'000	Share of capital profit £'000	Income distributions £'000	Total other interests at 31 January 2015 £'000
JLP Scottish Limited Partnership	3,423.0	4,294.9	(2.4)	(5,548.5)	2,167.0
John Lewis Properties plc	22,648.3	3,928.2	(2,427.6)	(2,548.1)	21,600.8
Total partners' other interests	26,071.3	8,223.1	(2,430.0)	(8,096.6)	23,767.8

The total interest of JLP Scottish Limited Partnership at 31 January 2015 was £102,092,100 (2014 £103,373,100) and John Lewis Properties plc was £66,250,000 (2014 £76,298,300)

During the year, John Lewis Properties plc withdrew a property valued at £9,000,000 from the Scottish Partnership. In accordance with the Scottish Partnership agreement, this represents a return of capital for John Lewis Properties plc

JLP Scottish Partnership

6 Operating leases

	2015	2014
	Land and buildings	Land and buildings
	£'000	£'000
The future minimum lease payments receivable under non cancellable operating leases are as follows		
Within one year	7,572.1	7,987 7
Later than one year and less than five years	30,288.4	31,950 7
After five years	85,803.1	98,470 9
	123,663.6	138,409 3

	2015	2014
	Land and buildings	Land and buildings
	£'000	£'000
Future aggregate minimum lease payments receivable under non-cancellable operating leases, payable after five years comprise the following		
Later than five years and less than ten years	37,860.5	39,938 4
Later than ten years and less than twenty years	47,942.6	58,532 5
	85,803.1	98,470 9

7 Ultimate controlling party

John Lewis plc is the parent company of the smallest group to consolidate the financial statements of JLP Scottish Partnership. John Lewis Partnership plc, the JLP Scottish Partnership's ultimate parent company, is the parent company of the largest group to consolidate these financial statements. Ultimate control rests with John Lewis Partnership Trust Limited, which holds the equity of John Lewis Partnership plc in trust for the benefit of the employees. All of these companies are registered in England and Wales.

Copies of these financial statements may be obtained from the Company Secretary, John Lewis Partnership, Partnership House, Carlisle Place, London, SW1P 1BX.

Independent auditors' report to the partners of JLP Scottish Partnership

Report on the financial statements

Our opinion

In our opinion, JLP Scottish Partnership's financial statements (the "financial statements")

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 January 2015 and of its profit for the year 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008

What we have audited

JLP Scottish Partnership's financial statements comprise

- the balance sheet as at 31 January 2015,
- the statement of comprehensive income for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

Partners' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the partners

As explained more fully in the Partners' responsibilities statement set out on page 5, the partners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

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

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

What an audit of financial statements involves

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

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

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

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

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



Ranjan Sriskandan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 April 2015

JLP Scottish Limited Partnership

Financial Statements

31 January 2015



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JLP Scottish Limited Partnership

Contents

Partnership information	2
Strategic report	3
General partner's report	4
General partner's responsibility statement	4 – 5
Statement of comprehensive income	6
Balance sheet	6
Notes to the financial statements	7 – 9
Independent auditors' report	10

JLP Scottish Limited Partnership

Partnership information

Partners	JLP Scotland Limited John Lewis Partnership Pensions Trust John Lewis plc
Independent Auditors	PricewaterhouseCoopers LLP
Bankers	Royal Bank of Scotland PLC
Registered office	John Lewis, 69 St James Centre, Edinburgh, EH1 3SP
Registered in Scotland No	7561

JLP Scottish Limited Partnership

Strategic report for 53 weeks ended 31 January 2015

Review of performance

Key performance indicators

	2015*	2014
	£'000	£'000
Profit for the year	5,545.5	6,798.7
Investment in JLP Scottish Partnership	99,925.1	99,950.1
Net assets/partners' interests	100,000.2	100,000.2

*53 weeks

The statement of comprehensive income on page 6 shows a profit for the 53 weeks ended 31 January 2015 of £5,545,500 (2014 £6,798,700) principally as a result of the distribution received from JLP Scottish Partnership

The balance sheet on page 6 shows the JLP Scottish Limited Partnership's financial position at the year end. The partners' funds as at 31 January 2015 were £100,000,200 (2014 £100,000,200)

No significant changes in the activities of the JLP Scottish Limited Partnership are anticipated in the forthcoming year

Principal risks and uncertainties

JLP Scottish Limited Partnership's financial and operation issues are managed on a Partnership wide basis by John Lewis Partnership plc ('the Partnership') and so, where it is relevant, the Strategic report and General partner's report provides information in respect of the Partnership. Details of principal risks and uncertainties are included within pages 44 to 45 of the Partnership's Annual Report and Accounts

JLP Scottish Limited Partnership's principal risks and uncertainties are in line with those of the Partnership. However, the risks that are most relevant to the JLP Scottish Limited Partnership are economic environment and property valuation

Details of key mitigations to these principal risks and uncertainties are presented in pages 46 and 47 of the Partnership's Annual Report and Accounts

For and on behalf of the general partner



Director
John Lewis plc
16 April 2015

JLP Scottish Limited Partnership

General partner's report for 53 weeks ended 31 January 2015

The general partner presents its report and the audited financial statements of JLP Scottish Limited Partnership for the 53 weeks to 31 January 2015

Principal activity

The principal activity of JLP Scottish Limited Partnership is an investment holding partnership

The JLP Scottish Limited Partnership was registered (number 7561) in Scotland as a limited partnership by the Registrar of Companies in Scotland on 17 December 2009 and is a partnership between John Lewis plc, JLP Scotland Limited and John Lewis Partnership Pensions Trust as trustee of the John Lewis Partnership Trust for Pensions. The JLP Scottish Limited Partnership allocates and distributes income to its partners in accordance with an Amended and Restated Limited Partnership Agreement dated 26 January 2010, which has been further revised on 27 January 2012, following agreement of the partners

The JLP Scottish Limited Partnership has an interest in JLP Scottish Partnership, which is a property holding partnership established pursuant to a Partnership Agreement with John Lewis Properties plc and it receives income and capital distributions from JLP Scottish Partnership in accordance with that agreement

General partner and manager

John Lewis plc
171 Victoria Street
London
SW1E 5NN

Going concern

The JLP Scottish Limited Partnership is currently in a net assets position. The Directors of the general partner are of the opinion that the JLP Scottish Limited Partnership has adequate resources to continue in operational existence for the foreseeable future. The Directors of the general partner are satisfied with the JLP Scottish Limited Partnership's results and its financial position and will continue to pursue suitable business opportunities.

Disclosure of information to the independent auditors

Each of the persons who are a Director of the general partner at the date of approval of this report confirms that

- 1 so far as the Director is aware, there is no relevant audit information of which the JLP Scottish Limited Partnership's auditors are unaware, and
- 2 the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish the JLP Scottish Limited Partnership's auditors are aware of that information

General partner's responsibility statement

The Directors of the general partner are responsible for preparing the Strategic report, General partner's report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors of the general partner to prepare financial statements for each financial year. Under that law the Directors of the general partner have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101)

JLP Scottish Limited Partnership

Under company law the Directors of 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 JLP Scottish Limited Partnership and of the profit or loss of the JLP Scottish Limited Partnership for that year. In preparing these financial statements, the Directors of the general partner 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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the JLP Scottish Limited Partnership will continue in business

The Directors of the general partner are responsible for keeping adequate accounting records that are sufficient to show and explain the JLP Scottish Limited Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the JLP Scottish Limited Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applicable to qualifying partnerships. They are also responsible for safeguarding the assets of the JLP Scottish Limited Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For and on behalf of the general partner



Director
John Lewis plc
16 April 2015

JLP Scottish Limited Partnership

Statement of comprehensive income for the 53 weeks ended 31 January 2015

<i>Note</i>		2015*	2014
		£'000	£'000
	Distribution received	5,548.5	6,801.9
2	Administrative expenses	(3.0)	(3.2)
	Profit and total comprehensive income for the year	5,545.5	6,798.7

* 53 week year

Balance sheet as at 31 January 2015

		2015	2014
Notes		£'000	£'000
	Non current assets		
3	Investment in JLP Scottish Partnership	99,925.1	99,950.1
	Current assets		
	Cash and cash equivalents	91.6	63.6
		91.6	63.6
	Total assets	100,016.7	100,013.7
	Current liabilities		
	Amounts due to John Lewis plc	(13.5)	(10.3)
4	Other payables	(3.0)	(3.2)
	Total liabilities	(16.5)	(13.5)
	Net assets attributable to partners	100,000.2	100,000.2
	Represented by:		
	Partners' interests		
5	Partners' capital and other interests	100,000.2	100,000.2

These financial statements were approved by the general partner on 16 April 2015, and signed on its behalf by



Director
John Lewis plc
16 April 2015

Registered number 7561

JLP Scottish Limited Partnership

Notes to the financial statements

1 Accounting convention and basis of accounting

The financial statements are prepared in accordance with United Kingdom Accounting Standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with the Companies Act 2006 as applicable to qualifying partnerships

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union. The JLP Scottish Limited Partnership is a qualifying entity for the purposes of FRS 101.

The disclosure exemptions adopted by the JLP Scottish Limited Partnership in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present on cash flow statements
- The requirements of paragraph 17 of IAS 24, Related Party Transactions, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries
- The requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new issued standards but which are not yet effective

The following standards, amendments and interpretations were adopted by the JLP Scottish Limited Partnership for the 53 weeks ended 31 January 2015 and have not had a significant impact on the JLP Scottish Limited Partnership's profit for the year, equity or disclosures:

- Amendments to IFRS 10, IFRS 12 and IAS 27 'Investment Entities',
- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities',
- Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets',
- Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting',
- Amendments to IFRIC 21 'Leases'

The JLP Scottish Limited Partnership is an intermediate parent entity and is exempt from preparing consolidated financial statements as noted in section 400 of the Companies Act 2006.

Operating costs

Operating costs are charged to the statement of comprehensive income on an accruals basis.

Distributions

Distributions are credited to the statement of comprehensive income when received.

Investments

Investments are carried at cost and consist of an interest in JLP Scottish Partnership.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank.

Taxation

No tax is recorded in the financial statements of the JLP Scottish Limited Partnership, as all tax liabilities are liabilities of the partners and not the JLP Scottish Limited Partnership.

2 Administrative expenses

Administrative expenses comprise auditor remuneration of £3,000 (2014: £3,200).

The JLP Scottish Limited Partnership had no employees during the current year (2014: nil).

JLP Scottish Limited Partnership

3 Investment in JLP Scottish Partnership

	£'000
Cost	
As at 26 January 2013	99,975.1
As at 25 January 2014	99,950.1
Decrease in investment	(25.0)
As at 31 January 2015	99,925.1

JLP Scottish Limited Partnership has a 69% (2014 65%) investment in JLP Scottish Partnership, a property holding partnership, as set out in the General partner's report on page 4. The percentage investment in JLP Scottish Partnership increased during the year following the return of capital from JLP Scottish Partnership to John Lewis Properties plc, the other partner of JLP Scottish Partnership.

JLP Scottish Limited Partnership's investment in JLP Scottish Partnership has a carrying value of £102,092,100 at 31 January 2015 (2014 £103,373,200) including capital (£99,925,100) and other interests (£2,167,000). The value of the investment in JLP Scottish Partnership decreased during the year following the return of capital from JLP Scottish Partnership and the share of profits and income distributions in accordance with the terms of the Amended and Restated Limited Partnership Agreement.

4 Other Payables

	2015 £'000	2014 £'000
Accruals	3.0	3.2

5 Partners' interests

	Total interests at 25 January 2014 £'000	Share of income profit £'000	Distribution £'000	Total interests at 31 January 2015 £'000
Limited Partners:				
JLP Scotland Limited	0.1	-	-	0.1
John Lewis Partnership Pensions Trust	95,000.0	5,517.7	(5,517.7)	95,000.0
General Partner:				
John Lewis plc	5,000.1	27.8	(27.8)	5,000.1
Total partners' interests	100,000.2	5,545.5	(5,545.5)	100,000.2

JLP Scottish Limited Partnership

	Total interests at 26 January 2013 £'000	Share of income profit £'000	Distribution £'000	Total interests at 25 January 2014 £'000
Limited Partners:				
JLP Scotland Limited	0 1	-	-	0 1
John Lewis Partnership Pensions Trust	95,000 0	6,764 7	(6,764 7)	95,000 0
General Partner.				
John Lewis plc	5,000 1	34 0	(34 0)	5,000 1
Total partners' interests	100,000 2	6,798 7	(6,798 7)	100,000 2

6 Ultimate controlling party

John Lewis plc is the parent company of the smallest group to consolidate the financial statements of JLP Scottish Limited Partnership. John Lewis Partnership plc, the JLP Scottish Limited Partnership's ultimate parent company, is the parent company of the largest group to consolidate these financial statements. Ultimate control rests with John Lewis Partnership Trust Limited, which holds the equity of John Lewis Partnership plc in trust for the benefit of the employees. These companies are registered in England and Wales. JLP Scottish Limited Partnership is registered in Scotland.

Copies of these financial statements may be obtained from the Company Secretary, John Lewis Partnership, Partnership House, Carlisle Place, London, SW1P 1BX.

JLP Scottish Limited Partnership

Independent auditors' report to the partners of JLP Scottish Limited Partnership

Report on the financial statements

Our opinion

In our opinion, JLP Scottish Limited Partnership's financial statements (the "financial statements")

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 January 2015 and of its profit for the year 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008

What we have audited

JLP Scottish Limited Partnership's financial statements comprise

- the balance sheet as at 31 January 2015,
- the statement of comprehensive income for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

General partner's remuneration

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

JLP Scottish Limited Partnership

Responsibilities for the financial statements and the audit

Our responsibilities and those of the general partner

As explained more fully in the General partner's responsibilities statement set out on page 4, the general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

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

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

What an audit of financial statements involves

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

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

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

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

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



Ranjan Sriskandan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 April 2015