

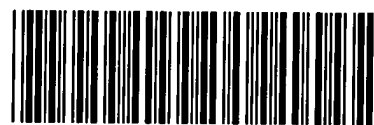
Registered number: 07988362

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

SATURDAY



A9J8FUJV

A18

05/12/2020

#310

COMPANIES HOUSE

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

CONTENTS

| | Page(s) |
|---|----------------|
| Company Information | 1 |
| Group Strategic Report | 2 - 3 |
| Directors' Report | 4 - 6 |
| Independent Auditors' Report to the Members of Northwood Investors International Limited | 7 - 9 |
| Consolidated Statement of Comprehensive Income | 10 |
| Consolidated Statement of Financial Position | 11 |
| Company Statement of Financial Position | 12 |
| Consolidated Statement of Changes in Equity | 13 |
| Company Statement of Changes in Equity | 14 |
| Consolidated Statement of Cash Flows | 15 |
| Notes to the Financial Statements | 16 - 39 |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | J Z Kukral J Reingardt |
| Registered number | 07988362 |
| Registered office | 5th Floor 90 Long Acre London WC2E 9RA |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH United Kingdom |
| Bankers | HSBC Bank Plc 69 Pall Mall London SW1Y 5EY |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the Strategic Report of Northwood Investors International Limited (the "Group") for the year ended 31 December 2019.

Principal activities

The Company is the holding company of the Group, whose principal activities are real estate investment and asset management services.

Business review

The Group made an operating profit before interest and taxation, of £14,686,154 (2018: £434,486).

The profit for the financial year was £13,891,137 (2018: £316,019).

The combination of these results provided a net asset position of £2,118,048 at 31 December 2019 (2018: £1,833,482).

Principal risks and uncertainties

The principal risks and uncertainties facing the Group can be broadly categorised as:

Property market

The income of the Group is variable with rental income and investment value of the properties managed. The Group mitigates this by carrying out active asset and property management and has a track record of keeping properties well let with good rent collections and minimal bad debt. The Group manages high quality properties with defensive characteristics and potential to add significant investment value.

Financial risks

The Group does not have any material borrowing and so is not subject to interest rate risk. A significant proportion of the Group's income is formed by related parties and therefore credit risk is considered minimal.

Foreign currency risk

A material proportion of the income of the Group is receivable in Euros, however the associated foreign exchange risk is not considered sufficient to justify the cost of entering into hedging arrangements.

Impact of COVID-19

The Directors have made an assessment of the Group's ability to continue as a going concern which included the current uncertainties created by COVID-19, coupled with available cash resources, secure income streams and the costs of ongoing operation and committed expenditure.

The physical occupation of properties managed by the Group reduced significantly for a temporary period as a result of lockdowns in the UK and France but remained well let and rent collections remained high. Properties are once again well occupied in France with occupancy in the UK increased steadily from the low point seen in June 2020. There has been no material impact upon the income or cash resources of the Group.

The Directors are satisfied that the Company has adequate resources to continue in operational existence, for a period of at least 12 months from the date that these Financial Statements were approved. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors consider that it is appropriate to prepare the Financial Statements on a going concern basis. The Directors consider that COVID-19 is a non-adjusting event for 2019.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Key performance indicators

Turnover

| | 2019 | 2018 | % Change |
|-------------------|--------|-------|----------|
| Turnover (£ '000) | 26,820 | 9,811 | 173.37% |

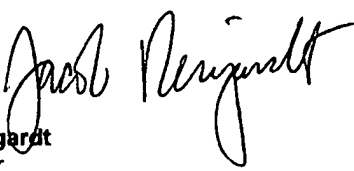
- Turnover increased substantially due to the first occurrence of an incentive fee (£14,381,000) calculated with reference to the performance of the underlying French assets. The fee is calculable every 3 years upon the anniversary of the 1st January base date.
- Key income streams with the Group are based upon "cost plus" models, therefore changes in turnover are directly driven by increases in the cost base.

Operating costs

| | 2019 | 2018 | % Change |
|--------------------------------|--------|--------|----------|
| Average staff numbers | 61 | 65 | (6.15)% |
| Staff costs (£ '000) | £9,322 | £7,224 | 29.04% |
| Total operating costs (£ '000) | £2,499 | £2,110 | 18.44% |

- Staff costs are a material item for the Group with investment in staff being key to supporting its overall performance.
- The decrease in average staff numbers verses an increase in staff costs reflects a trend of growing the investment management platform during 2019 and a reduction in the site-based property management staff employed by Glidefern over the same period.

This report was approved by the board and signed on his behalf by:


J Reingardt
Director

Date: 2 December 2020

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited consolidated financial statements of Northwood Investors International Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2019.

Results and dividends

The profit for the financial year amounted to £13,891,137 (2018: £316,019).

Dividends of £14,013,308 (2018: £Nil) were paid during the financial year.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

J Z Kukral
H A Paduck (resigned 30 January 2019)
K Kudsi (resigned 31 March 2019)
J Reingardt (appointed 30 January 2019)

Qualifying third party indemnity provisions

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Group. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2019 financial year and remain in force for all current and past Directors of the Group.

Future developments

The Directors foresee no material change in the nature of the Group's activities for the foreseeable future. Working practices have been adapted where necessary to enable staff to work flexibly in response to changing lockdown strategies, and measures have been taken to make premises COVID secure to enable continued operation.

Disabled employees

The Group is an equal opportunities employer. Employment decisions are based on merit and business needs and not on race, colour, nationality, ethnic origin, gender, sexual orientation, gender reassignment, age, religion or belief, physical or mental disability, marital status, pregnancy or maternity, or any other factor protected by law.

The Group is committed to providing equality for everyone in our workplace and all applicants for employment. This means equality of opportunity for all at every stage of the employment relationship with us. The Group is also committed to ensuring that the workplace is free from all forms of discrimination and harassment. It is part of its policy to employ and provide a suitable environment for people with disabilities to pursue their careers without difficulty or disadvantage.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Post balance sheet events

For details of post balance sheet events refer note 27.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J Reingardt', written in a cursive style.

J Reingardt
Director

Date: 2 December 2020

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHWOOD INVESTORS INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Northwood Investors International Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2019 and of the Group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and the Company Statements of Financial Position as at 31 December 2019; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and the Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHWOOD INVESTORS INTERNATIONAL LIMITED (CONTINUED)

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHWOOD INVESTORS
INTERNATIONAL LIMITED (CONTINUED)**

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 31 December 2018, forming the corresponding figures of the financial statements for the year ended 31 December 2019, are unaudited.

Charlotte Anderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
Date: 03 December 2020

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------|----------------|
| Turnover | 4 | 26,819,780 | 9,810,959 |
| Cost of sales | | (12,076,375) | (9,311,086) |
| Gross profit | | 14,743,405 | 499,873 |
| Administrative expenses | | (117,251) | (125,387) |
| Other operating income | 5 | 60,000 | 60,000 |
| Operating profit | 6 | 14,686,154 | 434,486 |
| Income from shares in group undertakings | 9 | 619,963 | - |
| Gain on disposal of investments | | 1,814,772 | - |
| Interest payable and similar expenses | 10 | - | (50) |
| Profit before taxation | | 17,120,889 | 434,436 |
| Tax on profit | 11 | (3,229,752) | (118,417) |
| Profit for the financial year | | 13,891,137 | 316,019 |
| Other comprehensive income for the financial year: | | | |
| Currency translation differences | | 406,737 | 1,621 |
| Other comprehensive income for the financial year | | 406,737 | 1,621 |
| Total comprehensive income for the financial year | | 14,297,874 | 317,640 |
| Profit for the financial year attributable to: | | | |
| Owners of the parent Company | | 13,891,137 | 316,019 |
| Total comprehensive income for the financial year attributable to: | | | |
| Owners of the parent Company | | 14,297,874 | 317,640 |

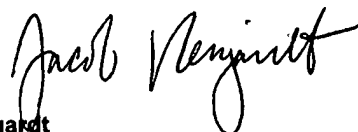
The notes on pages 16 to 39 form part of these financial statements.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED
REGISTERED NUMBER: 07988362

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Intangible assets | 13 | 2,238 | 5,282 |
| Tangible assets | 14 | 207,908 | 248,069 |
| Investments | 15 | 4,758 | 7,791 |
| | | <u>214,904</u> | <u>261,142</u> |
| Current assets | | | |
| Debtors | 16 | 1,951,634 | 1,529,179 |
| Cash at bank and in hand | 17 | 10,042,482 | 8,783,904 |
| | | <u>11,994,116</u> | <u>10,313,083</u> |
| Creditors: amounts falling due within one year | 18 | (10,048,775) | (8,698,546) |
| Net current assets | | <u>1,945,341</u> | <u>1,614,537</u> |
| Total assets less current liabilities | | <u>2,160,245</u> | <u>1,875,679</u> |
| Provisions for liabilities | | | |
| Deferred taxation | 20 | (42,197) | (42,197) |
| Net assets | | <u>2,118,048</u> | <u>1,833,482</u> |
| Capital and reserves | | | |
| Called up share capital | 21 | 300 | 300 |
| Profit and loss account | 22 | 2,117,748 | 1,833,182 |
| Total shareholders' funds | | <u>2,118,048</u> | <u>1,833,482</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


J Reingardt
 Director

Date: 2 December 2020

The notes on pages 16 to 39 form part of these financial statements.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED
REGISTERED NUMBER: 07988362

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 206,861 | 246,390 |
| Investments | 15 | 20,395 | 20,395 |
| | | <u>227,256</u> | <u>266,785</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 16 | 2,543,238 | 2,079,876 |
| Cash at bank and in hand | 17 | 1,309,417 | 543,798 |
| | | <u>3,852,655</u> | <u>2,623,674</u> |
| Creditors: amounts falling due within one year | 18 | (1,672,845) | (619,219) |
| Net current assets | | <u>2,179,810</u> | <u>2,004,455</u> |
| Total assets less current liabilities | | <u>2,407,066</u> | <u>2,271,240</u> |
| Provisions for liabilities | | | |
| Deferred taxation | 20 | (42,197) | (42,197) |
| | | <u>(42,197)</u> | <u>(42,197)</u> |
| Net assets excluding pension asset | | <u>2,364,869</u> | <u>2,229,043</u> |
| Net assets | | <u><u>2,364,869</u></u> | <u><u>2,229,043</u></u> |
| Capital and reserves | | | |
| Called up share capital | 21 | 300 | 300 |
| Profit and loss account | 22 | 2,364,569 | 2,228,743 |
| | | <u>2,364,869</u> | <u>2,229,043</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


J Reingardt
 Director

Date: 2 December 2020

The notes on pages 16 to 39 form part of these financial statements.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Called up share capital | Profit and loss account | Total shareholders' funds |
|--|------------------------------------|------------------------------------|--|
| | £ | £ | £ |
| At 1 January 2018 | 200 | 1,515,542 | 1,515,742 |
| Comprehensive income for the financial year | | | |
| Profit for the financial year | - | 316,019 | 316,019 |
| Currency translation differences | - | 1,621 | 1,621 |
| Other comprehensive income for the financial year | - | 1,621 | 1,621 |
| Total comprehensive income for the financial year | - | 317,640 | 317,640 |
| Contributions by and distributions to owners | | | |
| Shares issued during the financial year | 100 | - | 100 |
| Total transactions with owners | 100 | - | 100 |
| At 31 December 2018 and 1 January 2019 | 300 | 1,833,182 | 1,833,482 |
| Comprehensive income for the financial year | | | |
| Profit for the financial year | - | 13,891,137 | 13,891,137 |
| Currency translation differences | - | 406,737 | 406,737 |
| Other comprehensive income for the financial year | - | 406,737 | 406,737 |
| Total comprehensive income for the financial year | - | 14,297,874 | 14,297,874 |
| Contributions by and distributions to owners | | | |
| Dividends: Equity capital | - | (14,013,308) | (14,013,308) |
| Total transactions with owners | - | (14,013,308) | (14,013,308) |
| At 31 December 2019 | 300 | 2,117,748 | 2,118,048 |

The notes on pages 16 to 39 form part of these financial statements.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Called up share capital | Profit and loss account | Total shareholders' funds |
|--|------------------------------------|------------------------------------|--|
| | £ | £ | £ |
| At 1 January 2018 | 200 | 2,038,878 | 2,039,078 |
| Comprehensive income for the financial year | | | |
| Profit for the financial year | - | 189,865 | 189,865 |
| Total comprehensive income for the financial year | - | 189,865 | 189,865 |
| Contributions by and distributions to owners | | | |
| Shares issued during the financial year | 100 | - | 100 |
| Total transactions with owners | 100 | - | 100 |
| At 31 December 2018 and 1 January 2019 | 300 | 2,228,743 | 2,229,043 |
| Comprehensive income for the financial year | | | |
| Profit for the financial year | - | 14,149,134 | 14,149,134 |
| Total comprehensive income for the financial year | - | 14,149,134 | 14,149,134 |
| Contributions by and distributions to owners | | | |
| Dividends: Equity capital | - | (14,013,308) | (14,013,308) |
| Total transactions with owners | - | (14,013,308) | (14,013,308) |
| At 31 December 2019 | 300 | 2,364,569 | 2,364,869 |

The notes on pages 16 to 39 form part of these financial statements.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | 2019 £ | 2018 £ |
|---|--------------------|------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 13,891,137 | 316,019 |
| Adjustments for: | | |
| Amortisation of intangible assets | 2,732 | - |
| Depreciation of tangible assets | 84,067 | 81,959 |
| Income from investments | (619,963) | - |
| Taxation charge | 3,229,752 | 118,417 |
| Decrease in debtors | 129,334 | 305,358 |
| Increase/(decrease) in creditors | 268,300 | (444,078) |
| Increase in amounts owed to groups | 665,538 | 463,549 |
| Corporation tax paid | (3,365,147) | (183,601) |
| Currency translation | 468 | (2,094) |
| Foreign exchange gain/(loss) | 409,710 | 3,328 |
| Fair value gains on investments | (1,814,772) | - |
| Dividends in specie | (11,737,046) | - |
| Net cash generated from operating activities | 1,144,110 | 658,857 |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (44,005) | (38,368) |
| Sale of tangible assets | - | 4,500 |
| Purchase of listed and other investments | (9,922,274) | - |
| Sale of listed and other investments | 11,737,046 | - |
| Income from investments | 619,963 | - |
| Net cash generated from/(used in) investing activities | 2,390,730 | (33,868) |
| Cash flows from financing activities | | |
| Issue of ordinary shares | - | 100 |
| Cash dividends paid | (2,276,262) | - |
| Net cash (used in)/generated from financing activities | (2,276,262) | 100 |
| Net increase in cash and cash equivalents | 1,258,578 | 625,089 |
| Cash and cash equivalents at beginning of financial year | 8,783,904 | 8,158,815 |
| Cash and cash equivalents at the end of financial year | 10,042,482 | 8,783,904 |
| Cash and cash equivalents at the end of financial year comprise: | | |
| Cash at bank and in hand | 10,042,482 | 8,783,904 |

The notes on pages 16 to 39 form part of these financial statements.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General Information

Northwood Investors International Limited (the "Group") is a private company, limited by shares and is registered and incorporated in United Kingdom. The registered office is 5th Floor, 90 Long Acre, London, WC2E 9RA.

The principal activity of the Company during the year was the provision of real estate investment advisory services. The Company also acts as a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

Monetary amounts in these financial statements are rounded to the nearest £.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The results of the subsidiary undertakings acquired are included from the date of acquisition (being the date control is obtained) using the acquisition method of accounting. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The following principal accounting policies have been applied consistently throughout the year:

2.3 Going concern

The going concern basis of accounting has been applied. This is considered to be appropriate by the Directors following an assessment of the Group's ability to continue as a going concern, which included the current uncertainties created by COVID-19 (detailed in note 27 of these accounts), coupled with available cash resources, secure income streams and the costs of ongoing operation and committed expenditure.

The Directors are satisfied that the Group has adequate resources to continue in operational existence, for a period of at least 12 months from the date that these Financial Statements were approved. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. The Directors consider that COVID-19 is a non-adjusting event for 2019.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to Consolidated Statement of Comprehensive Income, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2.5 Turnover

Turnover represents amounts receivable from the parent company based on costs incurred by the Company recharged at a mark-up. Turnover from contracts for the provision of advisory services are recognised over the period to which the service relates or when performance conditions are met. Turnover also includes certain cost recharges to fellow group companies. Turnover is stated net of Value Added Tax.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts and VAT. It is recognized on certain costs incurred during the year at a marked-up percentage. These costs are recharged to other related entities.

2.6 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.8 Tangible assets

Tangible assets are measured at cost, net of accumulated depreciation and any impairment losses.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Tangible assets (continued)

Tangible assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|----------------------------------|-------------------------------|
| Motor vehicles | - |
| Fixtures, fittings and equipment | - 15% straight line |
| Computer equipment | - 100% in year of acquisition |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to Consolidated Statement of Comprehensive Income.

2.9 Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in Consolidated Statement of Comprehensive Income.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.10 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Consolidated Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks; other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2.16 Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Specie dividends are measured at the fair value of any non-cash assets to be distributed when approved by the shareholders.

2.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

For defined contribution schemes the amount charged to Consolidated Statement of Comprehensive Income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date. Deferred tax is measured on a non-discounted basis.

2.20 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors consider that there are no significant judgements or key sources of estimation uncertainty in the preparation of these financial statements.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2019 £ | 2018 £ |
|---|-------------------|------------------|
| Fees relating to management of property | 26,819,780 | 9,810,959 |

Analysis of turnover by country of destination:

| | 2019 £ | 2018 £ |
|-------------------|-------------------|------------------|
| United Kingdom | 2,691,700 | 2,964,444 |
| Rest of Europe | 18,458,021 | 3,852,130 |
| Rest of the world | 5,670,059 | 2,994,385 |
| | 26,819,780 | 9,810,959 |

5. Other operating income

| | 2019 £ | 2018 £ |
|---------------|---------------|---------------|
| Rental income | 60,000 | 60,000 |

6. Operating profit

The operating profit is stated after charging/(crediting):

| | 2019 £ | 2018 £ |
|--|------------------|----------------|
| Research & development charged as an expense | 70,903 | 24,169 |
| (Gain)/loss on foreign exchange | (400,021) | 40,339 |
| Operating lease rentals | 544,798 | 545,114 |
| Depreciation of tangible assets | 84,067 | 84,420 |
| Amortisation of intangible assets | 2,732 | 1,983 |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Auditors' remuneration

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| Fees payable to the Group's auditors for the audit of the Group's annual financial statements | <u>46,500</u> | <u>12,350</u> |
| Fees payable to the Group's auditors in respect of: | | |
| Audit of subsidiaries | 36,800 | 20,000 |
| All other services | <u>7,000</u> | <u>-</u> |

8. Employees

Staff costs, including directors' remuneration, were as follows:

| | Group 2019 £ | Group 2018 £ |
|-----------------------|--------------------|--------------------|
| Wages and salaries | 7,704,343 | 6,014,302 |
| Social security costs | 1,331,068 | 936,067 |
| Other pension costs | 286,406 | 273,194 |
| | <u>9,321,817</u> | <u>7,223,563</u> |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2019 Number | 2018 Number |
|--------------------------------|----------------|----------------|
| Administration | 21 | 20 |
| Property investment/management | 40 | 45 |
| | <u>61</u> | <u>65</u> |

9. Income from shares in group undertakings

| | 2019 £ | 2018 £ |
|--------------------|----------------|-----------|
| Dividends received | <u>619,963</u> | <u>-</u> |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Interest payable and similar expenses

| | 2019 £ | 2018 £ |
|------------------------|-------------------|-------------------|
| Other interest payable | - | 50 |
| | <u> </u> | <u> </u> |

11. Tax on profit

| | 2019 £ | 2018 £ |
|--|------------------|----------------|
| Corporation tax | | |
| Current tax on profits for the financial year | 3,229,752 | 118,417 |
| Total current tax | <u>3,229,752</u> | <u>118,417</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | - | - |
| Total deferred tax | <u>-</u> | <u>-</u> |
| Total tax | <u>3,229,752</u> | <u>118,417</u> |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

| | 2019 £ | 2018 £ |
|--|------------------|----------------|
| Profit before taxation | 17,120,889 | 434,436 |
| Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | 3,252,969 | 83,263 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 15,871 | 15,200 |
| Capital allowances for year in excess of depreciation | (10,830) | (9,933) |
| Adjustments to tax charge in respect of prior periods | 237 | 25,146 |
| Income taxed in France at higher rates (28%) | 9,676 | 4,941 |
| Income not subject to UK Corporation Tax | (38,171) | (200) |
| Total tax charge for the financial year | <u>3,229,752</u> | <u>118,417</u> |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Tax on profit (continued)

Factors that may affect future tax charges

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. Deferred taxes at the balance sheet date continue to be measured at the tax rate appropriate to the reversal of the timing differences.

12. Dividends

| | 2019 £ | 2018 £ |
|-----------------|-------------------|-----------|
| Group: | | |
| Specie dividend | 11,737,046 | - |
| Cash dividend | 2,276,262 | - |
| | <u>14,013,308</u> | <u>-</u> |

Specie dividend was declared and paid to the Group's parent company through the transfer of 305,190 shares in CeGeReal SA valued at £11,737,046 on 13 November 2019.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Intangible assets

Group

| | Computer software £ |
|---------------------------------|------------------------------------|
| Cost | |
| At 1 January 2019 | 7,518 |
| Foreign exchange movement | (444) |
| At 31 December 2019 | <u>7,074</u> |
| Accumulated amortisation | |
| At 1 January 2019 | 2,236 |
| Charge for the year | 2,732 |
| Foreign exchange movement | (132) |
| At 31 December 2019 | <u>4,836</u> |
| Net book value | |
| At 31 December 2019 | <u><u>2,238</u></u> |
| At 31 December 2018 | <u><u>5,282</u></u> |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Intangible assets (continued)

| | Computer software £ |
|-------------------------------------|------------------------------------|
| Cost | |
| At 1 January 2018 | 1,273 |
| Addition | 6,227 |
| Foreign exchange movement | 18 |
| At 31 December 2018 | <u>7,518</u> |
| Accumulated amortisation | |
| At 1 January 2018 | 249 |
| Charge for the year | 1,983 |
| Foreign exchange movement | 4 |
| At 31 December 2018 | <u>2,236</u> |
| Net book value | |
| At 31 December 2018 | <u>5,282</u> |
| At 31 December 2017 | <u>1,024</u> |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible assets

Group

| | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---------------------------------|---|-------------------------------------|--------------------|
| Cost | | | |
| At 1 January 2019 | 540,231 | 34,880 | 575,111 |
| Additions | 44,005 | - | 44,005 |
| Foreign exchange movement | - | (100) | (100) |
| At 31 December 2019 | 584,236 | 34,780 | 619,016 |
| Accumulated depreciation | | | |
| At 1 January 2019 | 293,841 | 33,201 | 327,042 |
| Charge for the year | 83,533 | 534 | 84,067 |
| Foreign exchange movement | - | (1) | (1) |
| At 31 December 2019 | 377,374 | 33,734 | 411,108 |
| Net book value | | | |
| At 31 December 2019 | 206,862 | 1,046 | 207,908 |
| At 31 December 2018 | 246,390 | 1,679 | 248,069 |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible assets (continued)

| | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---------------------------------|---|-------------------------------------|--------------------|
| Cost | | | |
| At 1 January 2018 | 556,610 | 33,180 | 589,790 |
| Additions | 30,441 | 1,700 | 32,141 |
| Disposals | (46,820) | - | (46,820) |
| At 31 December 2018 | <u>540,231</u> | <u>34,880</u> | <u>575,111</u> |
| Accumulated depreciation | | | |
| At 1 January 2018 | 256,206 | 33,180 | 289,386 |
| Charge for the year | 79,955 | 21 | 79,976 |
| Disposal | (42,320) | - | (42,320) |
| At 31 December 2018 | <u>293,841</u> | <u>33,201</u> | <u>327,042</u> |
| Net book value | | | |
| At 31 December 2018 | <u>246,390</u> | <u>1,679</u> | <u>248,069</u> |
| At 31 December 2017 | <u>300,404</u> | <u>-</u> | <u>300,404</u> |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible assets (continued)

Company

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---------------------------------|--|-------------------------------------|--------------------|
| Cost | | | |
| At 1 January 2019 | 540,231 | 33,180 | 573,411 |
| Additions | 44,005 | - | 44,005 |
| At 31 December 2019 | 584,236 | 33,180 | 617,416 |
| Accumulated depreciation | | | |
| At 1 January 2019 | 293,841 | 33,180 | 327,021 |
| Charge for the year | 83,534 | - | 83,534 |
| At 31 December 2019 | 377,375 | 33,180 | 410,555 |
| Net book value | | | |
| At 31 December 2019 | 206,861 | - | 206,861 |
| At 31 December 2018 | 246,390 | - | 246,390 |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible assets (continued)

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---------------------------------|--|-------------------------------------|--------------------|
| Cost | | | |
| At 1 January 2018 | 556,610 | 33,180 | 589,790 |
| Additions | 30,441 | - | 30,441 |
| Disposals | (46,820) | - | (46,820) |
| At 31 December 2018 | <u>540,231</u> | <u>33,180</u> | <u>573,411</u> |
| Accumulated depreciation | | | |
| At 1 January 2018 | 256,206 | 33,180 | 289,386 |
| Charge for the year | 79,955 | - | 79,955 |
| Disposals | (42,320) | - | (42,320) |
| At 31 December 2018 | <u>293,841</u> | <u>33,180</u> | <u>327,021</u> |
| Net book value | | | |
| At 31 December 2018 | <u>246,390</u> | <u>-</u> | <u>246,390</u> |
| At 31 December 2017 | <u>300,404</u> | <u>-</u> | <u>300,404</u> |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Investments

Group

| | Investments in subsidiary companies £ | Other fixed asset investments £ | Total £ |
|--------------------------------|--|--|--------------------|
| Cost and net book value | | | |
| At 1 January 2019 | 2 | 7,789 | 7,791 |
| Additions | - | 9,919,241 | 9,919,241 |
| Disposals | - | (9,922,274) | (9,922,274) |
| At 31 December 2019 | <u>2</u> | <u>4,756</u> | <u>4,758</u> |

Company

| | Investments in subsidiary companies £ | Other fixed asset investments £ | Total £ |
|--------------------------------|--|--|--------------------|
| Cost and net book value | | | |
| At 1 January 2019 | 20,395 | - | 20,395 |
| Additions | - | 9,922,274 | 9,922,274 |
| Disposals | - | (9,922,274) | (9,922,274) |
| At 31 December 2019 | <u>20,395</u> | <u>-</u> | <u>20,395</u> |

As at 13 March 2019 an incentive fee was due to the Company in accordance with its asset management agreement, payable by its subsidiary Northwood Investors France Asset Management SAS totalling £14,381,000. This fee was settled during the year by a combination of cash, and by the transfer of 305,190 shares in CeGeReal SA valued at £9,922,274.

On 13 November 2019, the shares were disposed of as a dividend in specie valued at £11,737,046.

From the disposal, the Company made a gain of £1,814,772 which is disclosed as gain from sale of investments.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Investments (continued)

Group

| | Investments in subsidiary companies £ | Other fixed asset investments £ | Total £ |
|--------------------------------|---|--|--------------|
| Cost and net book value | | | |
| At 1 January 2018 | 2 | 7,789 | 7,791 |
| At 31 December 2018 | <u>2</u> | <u>7,789</u> | <u>7,791</u> |

Company

| | Investments in subsidiary companies £ |
|--------------------------------|--|
| Cost and net book value | |
| At 1 January 2018 | 9,166 |
| Additions | 11,229 |
| At 31 December 2018 | <u>20,395</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|---|---|---------------------|--------------------|---------|
| Glidefern Property Management Limited | The Blade, Abbey Square, Reading, RG1 3BE | Property management | Ordinary | 100% |
| Northwood International Acquisitions Limited | 5th Floor 90, Long Acre, London, WC2E 9RA | Dormant | Ordinary | 100% |
| Northwood Investors France Asset Management SAS | 42 Rue de Bassano, Paris, 75008, France | Property management | Ordinary | 100% |
| Northwood Project Management SAS | 42 Rue de Bassano, Paris, 75008, France | Property management | Ordinary | 100% |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Debtors

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 27,563 | 25,198 | - | - |
| Amounts owed by related undertakings | 1,454,661 | 1,007,006 | 2,016,252 | 1,583,059 |
| Other debtors | 36,467 | 194,566 | 88,254 | 219,215 |
| Tax recoverable | 104,131 | - | 134,864 | - |
| Prepayments and accrued income | 328,812 | 302,409 | 303,868 | 277,602 |
| | 1,951,634 | 1,529,179 | 2,543,238 | 2,079,876 |

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

17. Cash at bank and in hand

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash at bank and in hand | 10,042,482 | 8,783,904 | 1,309,417 | 543,798 |

18. Creditors: amounts falling due within one year

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 107,688 | 45,886 | 86,061 | 11,853 |
| Amounts owed to group undertakings | 9,003,715 | 7,890,522 | 1,067,497 | 178,414 |
| Corporation tax | - | 31,264 | - | 19,339 |
| Taxation and social security | 627,036 | 414,026 | 360,733 | 294,321 |
| Other creditors | 118,876 | 159,002 | 38,297 | 13,047 |
| Accruals and deferred income | 191,460 | 157,846 | 120,257 | 102,245 |
| | 10,048,775 | 8,698,546 | 1,672,845 | 619,219 |

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

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Financial Instruments

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Financial assets | | | | |
| Financial assets that are debt instruments measured at amortised cost | 1,847,503 | 1,529,179 | 2,408,374 | 2,079,876 |
| Financial liabilities | | | | |
| Financial instruments measured at amortised cost | (9,421,739) | 8,253,256 | (1,312,112) | 305,559 |

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, amounts owed by related companies and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to related companies, other creditors and accruals.

20. Deferred taxation

Group

| | |
|---------------------------|-------------------|
| | 2019 £ |
| At beginning of year | 42,197 |
| Charged to profit or loss | - |
| At end of year | 42,197 |

Company

| | |
|---------------------------|-------------------|
| | 2019 £ |
| At beginning of year | 42,197 |
| Charged to profit or loss | - |
| At end of year | 42,197 |

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|-------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Release of historic provision | 42,197 | 42,197 | 42,197 | 42,197 |

21. Called up share capital

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Group and company: | | |
| Allotted, called up and fully paid | | |
| 300 (2018: 300) Ordinary shares of £1 (2018: £1) each | 300 | 300 |

During the prior year, the Company issued 100 ordinary shares of £1 at par.

All shares rank equally for voting purposes, dividends and any distribution made upon winding up.

22. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group and the Company.

23. Pension commitments

The Group operates a defined contributions pensions scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group to the fund amounts to £286,406 (2018: £273,194). Contributions totalling £77,889 (2018: £99,370) were payable to the fund at the reporting creditors.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. Commitments under operating leases

At 31 December the Group had future minimum lease payments under non-cancellable operating leases as follows:

| Group | 2019 £ | 2018 £ |
|--|-----------------------|-----------------------|
| Not later than 1 year | 596,273 | 271,280 |
| Later than 1 year and not later than 5 years | 198,746 | 71,801 |
| | <u>795,019</u> | <u>343,081</u> |

In addition there is a small lease in place for Northwood Investors France Asset Management SAS, annual rent EUR 21,431 ending on 31/12/2023.

NORTHWOOD INVESTORS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

25. Related party transactions

Transactions with related parties

During the year the Company entered into the following transactions with related parties:

| | Service fees recognised | |
|-------------------------------|--------------------------------|-----------|
| | 2019 £ | 2018 £ |
| Entities under common control | 6,042,050 | 3,326,094 |

| | Management charges made | | Staff and office costs charged | |
|-------------------------------|--------------------------------|-----------|---------------------------------------|-----------|
| | 2019 £ | 2018 £ | 2019 £ | 2018 £ |
| Entities under common control | 17,789,419 | 3,132,069 | 1,436,997 | 1,633,207 |

The following amounts were outstanding at the reporting end date:

| | 2019 £ | 2018 £ |
|---------------------------------------|-----------|-----------|
| Amounts due to related parties | | |
| Entities under common control | 1,067,497 | 178,414 |

The following amounts were outstanding at the reporting end date:

| | 2019 £ | 2018 £ |
|---|------------|-----------|
| Amounts due from related parties | | |
| Entities under common control | 20,161,252 | 1,583,059 |

Northwood Investors International Limited is in a VAT group with Glidefern Property Management Limited. The Group VAT creditor at the reporting date is £29,927 (2018: £78,570).

26. Ultimate parent undertaking and controlling party

The ultimate parent company is Northwood GP Holdings LLC, a company registered in the United States of America.

The ultimate controlling party is J Kukral, residing in the United States of America, by virtue of his controlling interest in Northwood GP Holdings LLC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

27. Post balance sheet events

In late 2019 a highly infectious novel coronavirus designated COVID-19 emerged in China and spread rapidly across the globe in the following months. While understood to be mild in most cases, there is some mortality associated with the virus, especially among older people or those with existing health complications, and longer-term impacts are currently unknown.

In response, Governments around the world including the UK introduced containment measures which initially involved national "lockdown" followed by more locally targeted strategies and then a second partial lockdown nationwide.

The initial "Lockdown" resulted in the closure of schools, leisure and hospitality venues, most shops and required all residents stay at home unless leaving for purposes deemed essential.

While subsequent measures have been less stringent, restrictions have continued across the UK in various forms and are expected to have had a major impact on the UK and global economy, and so the directors have assessed the risk to the Company resulting from the measures and of COVID-19.

At the time of signing these accounts a partial lockdown remains in place and is expected to continue until early December 2020.

The Directors have made an assessment of the Group's ability to continue as a going concern which included the current uncertainties created by COVID-19, coupled with available cash resources, secure income streams and the costs of ongoing operation and committed expenditure.

The Directors are satisfied that the Group has adequate resources to continue in operational existence, for a period of at least 12 months from the date that these Financial Statements were approved. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors consider that it is appropriate to prepare the Financial Statements on a going concern basis.

The Director's consider COVID-19 to be a non-adjusting post balance sheet event.