

Invista Real Estate Investment Management Limited

Directors' Report and Financial Statements

31 December 2018

Registered No.04459443



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Company Information

Directors:

R Palmer

A Price

R Sheldon

Auditor:

Simmons Gainsford LLP
Chartered Accountants & Statutory Auditors
7-10 Chandos Street
London
W1G 9DQ

Registered Office:

Time & Life Building
1 Bruton Street
London
W1J 6TL

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 December 2018.

Principal activities

The Company manages real estate assets on behalf of third party clients.

Business review

Overview

Assets under management ("AUM") began the year at £4.3 million and had reduced to £0.4 million at the year end largely relating to on-going operational costs within the remaining fund and the return of funds to investors following the sale of underlying assets.

The Company made a profit before taxation in 2018 of £35,000 (2017: loss of £59,000).

The results for the year are shown in the Statement of Comprehensive Income on page 10.

Principal 2018 events

During the year focus has continued on returning the proceeds of previous assets sales to Investors in respect of the remaining funds managed by the Company.

Principal lines of business

As at 31 December 2018 the funds managed by the Company were:

	31 December 2018 £m
Fund	
Invista Real Estate Opportunity Fund LP	0.4
Total	0.4

Risks & Uncertainties

Details of the principal risks and uncertainties that the Company is likely to face over the forthcoming year are outlined below.

These risks will continue to be subject to regular scrutiny by the Board during the course of 2019.

Litigation risk

This includes the risk of potential claims from clients, and other parties and the failure to properly deal with any claims arising.

External legal advice will continue to be taken as appropriate to reduce the likelihood of the Company's actions causing future claims and litigation.

Directors' Report (continued)

Any actual and potential claims are promptly reported to the Directors who ensure that expert legal support is obtained. The Directors closely oversee the progression of such claims until they are satisfactorily resolved.

The Directors have ensured that appropriate corporate insurance cover has been taken out and regularly review corporate insurance arrangements to ensure that they remain satisfactory. As with all insurances however, there is a risk that claims against insurance policies are ultimately not successful.

Client risk

The Company has one principal remaining client.

Compliance against client mandates is overseen by the relevant Investment Committee.

Regulatory, legal and taxation risk

The risk of failing to fulfil regulatory obligations and/or non-compliance with legal requirements, including UK and international taxation law.

The company if required receives external legal support from Osborne Clarke Solicitor.

The company obtains specialist taxation advice from Simmons Gainsford LLP.

Property specific risk

There are a number of risks which are generic to property as an asset class and remain relevant to Invista's remaining funds under management.

Specific fund managers are responsible for actively managing each individual property overseen by the relevant Investment Committee.

Dividends

No dividends were paid to the parent company Invista Real Estate Investment Management Holdings Limited during 2018.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2018 (2017: £nil).

Directors

The Directors of the Company during the year were as follows:

Ray Palmer
Alex Price
Rupert Sheldon

International Financial Reporting Standards

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union

Directors' Report (continued)

Financial instruments

Information on financial risk management and the Company's exposure to risks is set out in note 9.

Going concern

Notwithstanding the loss of a number of investment management contracts during previous years, the Directors consider that the Company has the ability to continue in business for the foreseeable future, albeit that this remains on a significantly reduced scale of operation. It is for this reason that the Directors believe the going concern basis of accounting under IAS 1 is the appropriate basis for this set of financial statements.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they each are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditor

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

By order of the Board

Alex Price

Director

4 April 2019



Independent Auditor's Report to the members of Invista Real Estate Investment Management Limited (Registered Number 04459443)

Opinion

We have audited the financial statements of Invista Real Estate Investment Management Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 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.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the members of Invista Real Estate Investment Management Limited (continued)

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the members of Invista Real Estate Investment Management Limited (continued)

Auditor's 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 auditor's 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.⁵

Use of our report

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

Simmons Gainsford LLP

Abdultaiyab Pisavadi BSc FCA (Senior Statutory Auditor)
for and on behalf of Simmons Gainsford LLP, Statutory Auditor
Chartered Accountants
7-10 Chandos Street, London, W1G 9DQ
4... April 2019

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Other Income		-	-
Administrative expenses	3	33	(60)
Operating profit/(loss)	4	33	(60)
Investment income	5	2	1
Profit/(loss) before tax		35	(59)
Income tax expense	6	-	-
Profit/(loss) for the year		35	(59)

All results relate to continuing operations.

The notes on pages 14 to 21 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION (Registered Number 04459443)

At 31 December 2018

	Note	2018 £000	2017 £000
Current assets			
Trade and other receivables	7	3	3
Cash and cash equivalents		331	346
Total current assets		334	349
Current liabilities			
Trade and other payables	8	12	62
Total current liabilities		12	62
Net assets		322	287
Equity			
Share capital	11	_*	_*
Retained earnings	12	322	287
Total shareholders' equity		322	287

* less than £1,000

The financial statements were approved by the Board of Directors on 4 April 2019 and signed on its behalf by:



Alex Price
Director

The notes on pages 14 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Share capital £000	Retained earnings/ (loss) £000	Total £000
Balance at 1 January 2017	-*	346	346
Loss for the year	-	(59)	(59)
Total comprehensive expense	-	(59)	(59)
Balance at 31 December 2017	-*	287	287
Profit for the year	-	35	35
Total comprehensive income	-	35	35
Balance at 31 December 2018	-*	322	322

* less than £1,000

The notes on pages 14 to 21 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018 £000	2017 £000
Profit/(loss) for the year	35	(59)
Adjustments for:		
Tax	-	-
Interest income	(2)	(1)
Changes in working capital:		
Decrease in trade and other receivables	-	-
Decrease in trade and other payables	(50)	(1)
Cash flows from operating activities	(17)	(61)
Income taxes expense	-	-
Net cash from operating activities	(17)	(61)
Cash flows from investing activities		
Interest income	2	1
Net cash flows from investing activities	2	1
Decrease in cash and cash equivalents	(15)	(60)
Opening cash and cash equivalents	346	406
Cash and cash equivalents at 31 December	331	346

The notes on pages 14 to 21 form part of these financial statements.

Notes to the Financial Statements

1. Basis of preparation

The Company's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the EU ('Adopted IFRS') that are effective at 31 December 2018 and comply with article 4 of the EU IAS regulation.

Notwithstanding the loss of a number of investment management contracts during previous years, the Directors consider that the Company has the ability to continue in business for the foreseeable future, albeit that this remains on a significantly reduced scale of operation. It is for this reason that the Directors believe the going concern basis of accounting under IAS 1 is the appropriate basis for this set of financial statements.

Accounting Standards

During the year ended 31 December 2018, the following new or revised standards were adopted by the Company as applicable:

IFRS9 Financial Instruments; and
Annual Improvements to IFRSs 2014-2016 Cycle (Amendments to IFRS1 and IAS28)

The following are new standards, interpretations and amendments, which are not yet effective and have not been applied in preparing these financial statements.

IFRS3 Business Combinations;
IFRS9 Financial Instruments;
IFRS11 Joint Arrangements;
IAS19 Plan Amendment, Curtailment or Settlement;
IAS28 Long-term Interests in Associates and Joint Ventures;

The full impact of these accounting changes is being assessed by the Company. Their adoption is not expected to have a material effect on the financial statements.

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared on the historical cost basis, except for valuation of certain financial instruments.

The preparation of financial statements in conformity with Adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements (continued)

2. Significant accounting policies

(a) Revenue recognition

Bank interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(b) Trade and other receivables

Trade and other receivables are stated at their face value as reduced by appropriate allowances for estimated irrecoverable amounts.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short-term bank deposits held by the Company with an original maturity of three months or less. Cash is held for the purpose of meeting short term commitments as well as for meeting future investment needs.

(d) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(e) Trade and other payables

Trade and other payables are stated at their face value.

(f) Taxation

The tax expense represents the sum of the current tax payable.

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

(g) Share capital

Ordinary shares are classed as equity.

Notes to the Financial Statements (continued)

3. Administrative expenses

	2018 £000	2017 £000
Other administrative costs	(33)	60
Total administrative expenses	(33)	60

Except for the Directors, the Company had no employees in the year (2017: nil) and the Directors received no remuneration during the year (2017: £nil).

4. Operating profit/(loss)

Operating profit/(loss) has been arrived at after charging:

	2018 £000	2017 £000
Auditor's remuneration for:		
- Statutory audit	6	8
- Audit-related regulatory reporting	2	2
- Tax compliance services	1	1
- Tax advisory services	-	4

5. Investment income

	2018 £000	2017 £000
Interest income on bank deposits	2	1
Total investment income	2	1

Notes to the Financial Statements (continued)

6. Income tax expense

a) Analysis of tax expense

	2018 £000	2017 £000
Current tax:		
Corporation tax charge for the year at a rate of 19% (2017: 19.25%)	-	-
Total income tax expense	-	-

b) Reconciliation of effective tax rate

The standard corporation tax rate during 2018 was 19%. The standard corporation tax rate in the UK changed from 20% to 19% on 1 April 2017, resulting in an average corporation tax rate for 2017 of 19.25%.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). This is explained below:

	2018 £000	2017 £000
Profit/(loss) before taxation	35	(59)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	7	(11)
Utilisation of tax losses from group companies	(7)	11
Income tax expense	-	-

7. Trade and other receivables

	2018 £000	2017 £000
Prepayments and accrued income	3	3
Balance at 31 December	3	3

Notes to the Financial Statements (continued)

8. Trade and other payables

	2018 £000	2017 £000
Trade creditors	-	1
Accruals and deferred income	12	61
Balance at 31 December	12	62

9. Financial instruments

Financial risk management

The management of the Company's financial risks are documented within the Invista Group financial risk management framework. The document and underlying policies are the responsibility of the General Counsel and are approved by the Board.

With regard to its use of financial instruments the Company has exposure to the risks set out below:

a) Credit risk

Credit risk is the risk of financial loss to the Company if another party to a financial instrument fails to discharge its obligations.

Cash and cash equivalents

Cash balances are invested in short-term deposits.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Carrying amount	2018 £000	2017 £000
Cash and cash equivalents	331	346
Total exposure to credit risk	331	346

Notes to the Financial Statements (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains sufficient surplus liquid resources to meet the FCA's regulatory capital test. The regulatory capital is monitored on a continuous basis.

The Company currently has no committed overdraft facilities.

The contractual maturity of financial liabilities is as follows:

	Carrying amount £000	Contractual cash flows £000	Up to 1 month £000	1- 3 months £000	4-12 months £000	Over 12 months £000
Trade & other payables						
31 December 2018	12	(12)	-	(11)	(1)	-
31 December 2017	62	(62)	(1)	(13)	(48)	-

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

d) Interest rate risk

The Company has net cash balances at present and no debt.

At the reporting date the profile of the Company's interest-bearing financial instruments was:

Carrying amount	2018 £000	2017 £000
Variable rate instruments		
Cash and cash equivalents	331	346
Total	331	346

Notes to the Financial Statements (continued)

e) Capital management

The Board has a policy in place to monitor its capital base.

The Company is not subject to externally imposed capital requirements, other than the FCA regulatory capital test as previously mentioned in part b) of this note. During the year ended 31 December 2018 the Company was in full compliance with regulatory requirements.

f) Fair values

The fair values of financial assets and liabilities together with the carrying amounts shown in the balance sheet are as follows:

	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets/(liabilities) *	2018	2018	2017	2017
	£000	£000	£000	£000
Cash and cash equivalents	331	331	346	346
Trade and other payables	(12)	(12)	(62)	(62)

* totals shown above exclude prepayments

The major methods and assumptions used in estimating the fair values of financial assets and liabilities are as follows:

Cash and cash equivalents

These comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

Trade and other receivables / payables

Receivables/ payables are mainly balances with a remaining life of less than one year and therefore the fair value is considered to be materially equal to their carrying value.

10. Related parties

Immediate and ultimate parent undertaking

The Company's immediate parent undertaking is Invista Real Estate Investment Management Holdings Limited, a company incorporated in England and Wales.

The Company's ultimate parent company is Palmer Capital Partners Limited this is the largest and smallest group in which the results of the Company are consolidated. Palmer Capital Partners Limited is a company incorporated in England and Wales, with its registered office at Time & Life Building, 1 Bruton Street, London, W1J 6TL.

The ultimate controlling party is R Palmer by virtue of his shareholding in the parent company.

Subsequent to the year end on 3 April 2019 80% of the share capital of the ultimate parent, Palmer Capital Partners Limited, was acquired by Fiera Properties Limited, a Canadian Real Estate investment manager, whose ultimate parent company is Fiera Capital Corporation.

Notes to the Financial Statements (continued)

11. Share capital

	2018 £	2017 £
Number of Authorised Shares		
1 Ordinary share of £1	1	1

	2018 £	2017 £
Issued capital		
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

12. Reserves

Retained earnings

Retained earnings represents the distributable profit for the company.