

Registered number: 04821118

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

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GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

BUSINESS REVIEW

The principal activity of Grosvenor International Fund Management Limited (the "Company") during the year was to act as a holding Company for investments.

The Company is in a net liability position of £25,151,767 (2019: £24,183,029) and net current liability position of £32,206,096 (2019: £28,585,049). The company realised a loss of £968,738 as at 31 December 2020 (2019: loss of £2,985,607).

The Company is a private company limited by shares and incorporated in England and Wales. Its registered office is 70 Grosvenor Street, London, W1K 3JP.

RESULTS AND DIVIDENDS

The directors have not recommended payment of a dividend in the current or preceding year.

The loss for the year, after taxation, amounted to £968,738 (2019 - loss £2,985,607).

DIRECTORS

The directors who served during the year end to date of this report were:

S D Hyst
R B Mallett
D R Wright

GOING CONCERN

The results of the Company for the year are shown in the income statement.

The Group is continuing to monitor developments associated with the Covid-19 virus and the associated near-term uncertainty for the global economy to understand the ongoing impact for the underlying property business and its tenants. Similarly, the Group continues to plan for all reasonable eventualities following the United Kingdom's exit from the European Union.

These factors have also formed part of the Group-level assessment of the Group's cash flow forecasts for the period ending 31 December 2022. In particular these forecasts consider the impact of Brexit and Covid-19 on the Group's rental income and stressed assumptions on the availability of finance and property valuations. Having considered the economic factors outlined above, and on the basis of the Grosvenor Group Limited's continued forecast liquidity and ongoing support for the Company, the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future. As such the directors continue to consider preparation of the accounts on the going concern basis to be appropriate.

The Company is a private company limited by shares and incorporated in the England and Wales. Its registered office is 70 Grosvenor Street, London, W1K 3JP.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

FUTURE DEVELOPMENTS

The Company's results are largely linked to the performance of the property markets across Europe. The current uncertainty in these economies and their property markets could negatively impact the value of the portfolio over the next few years. Any related increase or decrease in profitability in the next 12 months is not expected to impact the long term strategy of the Company.

On 31 December 2020, the United Kingdom completed its separation from the European Union with the ending of the transition period which saw the UK withdrawing from following all the rules and institutions of the European Union. The nature of the future relationship between the UK and the EU from 1 January 2021 onwards remains unclear. At the date of this report it is therefore not possible to assess in detail the opportunities and threats that this future relationship could present. The directors are managing these risks by closely monitoring developments, and are confident that the Company will be able to amend and modify its procedures to remain fully compliant with any future rules and regulations, and to maintain its standing and reputation in the marketplace throughout Europe and worldwide.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors has taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since 31 December 2020.


AUDITOR

The auditor, Deloitte LLP, has indicated its willingness to be reappointed for another term and is deemed to be reappointed accordingly, in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:

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L Sorrell
Secretary

Date: 22-Jul-2021

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR INTERNATIONAL FUND
MANAGEMENT LIMITED**

OPINION

In our opinion the financial statements of Grosvenor International Fund Management Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR INTERNATIONAL FUND
MANAGEMENT LIMITED**

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 course of 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 this gives rise to material misstatement in the financial statements themselves. 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 respect of these matters.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES,
INCLUDING FRAUD**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the recoverability of investments. Our specific procedures performed to address this are described below:

- we obtained and documented an understanding of relevant controls in the investment impairment analysis process;
- we challenged management to determine the existence of any indicators of impairment for each investment held;
- we confirmed the arithmetic accuracy of all impairments recognised as at the balance sheet date;
- we agreed the net asset value of each investment to the underlying financial statements; and
- we concluded whether investments were held at an appropriate value as at 31 December 2020.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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.

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 any material misstatements in the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

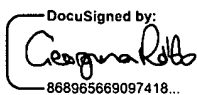
GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR INTERNATIONAL FUND
MANAGEMENT LIMITED**

We have nothing to report in respect of these matters.

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.

DocuSigned by:

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Georgina Robb FCA (Senior statutory auditor)

For and on behalf of

Deloitte LLP

London

United Kingdom

Date: 22-Jul-2021

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Administrative expenses		(33,092)	-
Operating (loss)/profit	4	(33,092)	-
Impairment of investments		(939,000)	(3,149,402)
FX (loss)/gain		(66,150)	94,277
Interest receivable and similar income		69,504	69,518
Loss before tax		(968,738)	(2,985,607)
Tax on loss	7	-	-
Loss for the financial year		(968,738)	(2,985,607)

There was no other comprehensive income for the year (2019: £nil).

All revenue and expenditure is derived from continuing operations.

The notes on pages 11 to 23 form part of these financial statements.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
REGISTERED NUMBER: 04821118

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments in subsidiaries	8	7,054,329	4,402,020
		<u>7,054,329</u>	<u>4,402,020</u>
Debtors: amounts falling due within one year	9	7,972,090	-
		<u>7,972,090</u>	<u>-</u>
Creditors: amounts falling due within one year	10	(40,178,186)	(28,585,049)
Net current liabilities		<u>(32,206,096)</u>	<u>(28,585,049)</u>
Total assets less current liabilities		<u>(25,151,767)</u>	<u>(24,183,029)</u>
Net liabilities		<u>(25,151,767)</u>	<u>(24,183,029)</u>
Capital and reserves			
Called up share capital	12	9,900,002	9,900,002
Profit and loss account	11	(35,051,769)	(34,083,031)
Total equity		<u>(25,151,767)</u>	<u>(24,183,029)</u>

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

DocuSigned by:

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R B Mallett
 Director 22-Jul-2021

Date:

The notes on pages 11 to 23 form part of these financial statements.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	9,900,002	(34,083,031)	(24,183,029)
Comprehensive income for the year			
Total comprehensive expense for the year	-	(968,738)	(968,738)
Total comprehensive expense for the year	-	(968,738)	(968,738)
At 31 December 2020	9,900,002	(35,051,769)	(25,151,767)

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	9,900,002	(31,097,424)	(21,197,422)
Comprehensive income for the year			
Total comprehensive expense for the year	-	(2,985,607)	(2,985,607)
Total comprehensive expense for the year	-	(2,985,607)	(2,985,607)
At 31 December 2019	9,900,002	(34,083,031)	(24,183,029)

The notes on pages 11 to 23 form part of these financial statements.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

Grosvenor International Fund Management UK Limited ('the Company') is a private company, limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the Company's registered at 70 Grosvenor Street, London, W1K 3JP.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Financial reporting standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

The financial statements have been prepared under the historic cost basis, except in certain circumstances where fair value is used.

Historic cost is generally based on the value of the consideration given in exchange for the assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.2 GOING CONCERN

The Company is loss making for the year and has net liabilities of £25,151,767 (2019: £24,183,029). The immediate holding company, Grosvenor Europe Limited is in a net asset position and has provided the directors of the Company with a letter of support confirming that it intends to continue to support the company for a period of not less than twelve months from the date of signing the financial statements, provided that the company remains a wholly owned subsidiary of Grosvenor Group Limited. Grosvenor Europe Limited intends to enable them to meet their liabilities as they fall due. The directors have made enquiries and understand that the intermediate holding company has adequate resources to be able to provide this financial support.

The Group is continuing to monitor developments associated with the Covid-19 virus and the associated near-term uncertainty for the global economy to understand the ongoing impact for the underlying property business and its tenants. Similarly, the Group continues to plan for all reasonable eventualities following the United Kingdom's exit from the European Union.

These factors have also formed part of the Group-level assessment of the Group's cash flow forecasts for the period ending 31 December 2022. In particular these forecasts consider the impact of Brexit and Covid-19 on the Group's rental income and stressed assumptions on the availability of finance and property valuations. Having considered the economic factors outlined above, and on the basis of the Group's continued forecast liquidity and ongoing support for the Company, the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future. As such the directors continue to consider preparation of the accounts on the going concern basis to be appropriate.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements because it is included in the group accounts of Grosvenor Group Limited. When required, equivalent disclosures are given in the group accounts of Grosvenor Group Limited. The group accounts of Grosvenor Group Limited are available to the public and can be obtained as set out in note 13.

The directors' report describes the going concern basis for preparation of the financial statements.

**NEW STANDARDS, AMENDMENTS, IFRIC INTERPRETATIONS AND NEW RELEVANT
2.4 DISCLOSURE REQUIREMENTS**

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have a material impact on the company's financial statements.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.5 INVESTMENTS

Investments held as fixed assets, including subsidiaries, are stated at cost less provision for impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 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.

2.7 FINANCIAL INSTRUMENTS

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL INSTRUMENTS (CONTINUED)

designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.8 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.10 CURRENT TAXATION

Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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.

3.1 Critical judgements in applying the company's accounting policies

The directors do not consider there to be any critical judgements made in the process of applying the Company's accounting policies.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liability within the next financial year, are discussed below:

(i) Impairment of investment in subsidiaries and intercompany loans

A key source of estimation uncertainty relates to the recoverability of investments and intercompany debtors or creditors that are held at cost less accumulated impairment. The underlying net asset value of investments is predominantly affected by the value of property held in the investments as these require specialist knowledge to value appropriately. The recoverability of intercompany debtors with these entities is thus similarly affected by property valuations.

The underlying properties within these investments have been individually valued by appropriately qualified valuers with suitable experience. The Market Value is based upon the Scope of Work and Valuation Assumption, and has been primarily derived using comparable recent market transactions on arm's length terms. No account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio of properties were to be marketed simultaneously, either in lots or as a whole. The directors note that COVID-19 and the associated near-term economic uncertainty creates greater uncertainty in the estimation of these investment values and the underlying properties held in these investment vehicles.

Recoverability of this balance is assessed by comparing the Net Asset Value of the company, largely derived from property valuations, to the carrying value of the company in the Grosvenor International Fund Management Limited accounts. This acts as an impairment indicator and is assessed by management. If management do not consider an impairment to be necessary, they produce cashflow forecasts to support this position.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. OPERATING PROFIT:

Operating (loss)/profit is stated after charging:

	2020 £	2019 £
Administration expenses	33,092	-
	-	-

5. AUDITOR'S REMUNERATION

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	8,000	4,000
	8,000	4,000

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group financial statements of the parent company.

6. PARTICULARS OF EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2019: *£nil*).

No fees or other emoluments were paid to the directors of the Company during either the current or the preceding year in respect of their services to the Company. The directors are paid by Grosvenor Estate Management Limited.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. TAXATION

	2020 £	2019 £
	-	-
	-	-
Total current tax	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss before tax	(968,738)	(2,985,607)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(184,060)	(567,265)
Effects of:		
Expenses not deductible for tax purposes	178,410	598,386
Group relief surrendered for no consideration	29,006	6,499
Other items attracting no tax relief or liability	(23,356)	(37,620)
Total tax charge for the year	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A current tax rate of 19%, being the UK corporation tax rate throughout the period, has been applied to the year ended 31 December 2020.

On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. If enacted this will impact the value of our UK deferred tax balances, and the tax charged on UK profits generated in 2023 and subsequently. We have yet to determine the impact of these proposed changes.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2020	16,959,358
Additions	3,591,309
At 31 December 2020	<u>20,550,667</u>
IMPAIRMENT	
At 1 January 2020	12,557,338
Charge for the period	939,000
At 31 December 2020	<u>13,496,338</u>
NET BOOK VALUE	
At 31 December 2020	<u><u>7,054,329</u></u>
At 31 December 2019	<u><u>4,402,020</u></u>

There were impairments on investments totalling £939,000 during the year (2019: £3,390,072) to reflect decreases in recoverable amounts in underlying investments.

The addition during the year relates to the acquisition of all the additional share capital issued by GFM (CE) SA. On 29th May 2020 the Company subscribed for additional equity in GFM (CE) SA of £3,591,309 in cash. At the same time, 29th May 2020, a transfer of one share of GFM (CE) SAS occurred from Grosvenor Europe Limited to the Company for a nominal amount.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. FIXED ASSET INVESTMENTS (CONTINUED)**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
GFM (CE) SAS	4a Avenue John F. Kennedy - L - 1855 Luxembourg	Asset Management	Ordinary	100%
Grosvenor Continental Europe SAS	69 bd Haussmann, 75008, Paris, France	Asset Management	Ordinary	100%
Grosvenor RE Spain SLU	Calle Genova 17 (3rd Floor), Madrid, 28004, Spain	Asset Management	Ordinary	100%
Grosvenor Fund Management Sweden AB	Arsenalsgatan 2, 111 47, Stockholm, Sweden	Asset Management	Ordinary	100%
Grosvenor Fund Management Hong Kong Ltd	1910 Jardine House, 1 Connaught Place, Central, Hong Kong	Asset Management	Ordinary	100%
Grosvenor Vega GP Limited	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Asset Management	Ordinary	100%
Grosvenor Vega Fund Management Limited	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Asset Management	Ordinary	100%

Grosvenor Vega GP Limited is deemed to be dissolved on 22 July 2021. Grosvenor Vega Fund Management Limited was dissolved on May 2020.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Amounts owed by group undertakings	7,972,090	-

There are no interest bearing amounts owed by group undertakings at 31 December 2020 (2019: £nil).

Amounts owed by group undertakings are repayable on demand.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Amounts owed to group undertakings	39,748,399	28,489,099
Other creditors	396,696	95,950
Accruals and deferred income	33,091	-
	<u>40,178,186</u>	<u>28,585,049</u>

There are no interest bearing amounts owed to group undertakings at 31 December 2020 (2019: *£nil*).

Amounts owed to group undertakings are repayable on demand.

11. RESERVES**Profit and loss account**

Profit and loss account contains cumulative earnings to carry forward. Dividends are paid from this reserve.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. SHARE CAPITAL

	2020 £	2019 £
SHARES CLASSIFIED AS EQUITY		
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
9,900,002 Ordinary Shares shares of £1 each	<u>9,900,002</u>	<u>9,900,002</u>

The shares were issued at par value of £1.

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

13. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Grosvenor Group Limited, and as such has taken advantage of the exemption permitted by IAS 24 related party disclosure, not to provide disclosures of transactions entered into with other wholly owned members of the group.

14. POST BALANCE SHEET EVENTS

The winding up of Grosvenor Vega GP Limited was announced in March 2021, and the entity is to be considered dissolved from 22nd July 2021.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party is Grosvenor Group Limited a company incorporated in the United Kingdom and registered in England and Wales which is wholly owned by trusts on behalf of the Grosvenor family, headed by the Duke of Westminster. The registered address of Grosvenor Group Limited is 70 Grosvenor Street, London, W1K 3JP.

The ultimate parent undertaking heads the largest and smallest group of undertakings of which the company is a member and for which group financial statements are prepared. Grosvenor Europe Limited is the immediate parent company.

Copies of the consolidated financial statements of Grosvenor Group Limited can be obtained from Companies House, 3 Crown Way, Maindy, Cardiff, CF14 3UZ.