



INTERNOS Global Investors Limited

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

Company Registration No. 05948858 (England and Wales)

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INTERNOS GLOBAL INVESTORS LIMITED

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INTERNOS GLOBAL INVESTORS LIMITED

SUMMARY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2014

Name

INTERNOS Global Investors Limited

Directors

J.O. Short
A.D. Thornton
Halverton Limited

Company Number

05948858

Registered Office

65 Grosvenor Street
Mayfair
London
W1K 3JH
United Kingdom

Business Address

65 Grosvenor Street
Mayfair
London
W1K 3JH
United Kingdom

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF
United Kingdom

INTERNOS GLOBAL INVESTORS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements of INTERNOS Global Investors Limited (the "Company") for the year ended 31 December 2014. An indication of likely future developments of the business is included in the strategic report.

Directors

The directors who served throughout the year were as follows:

J.O. Short
A.D. Thornton
Halverton Limited

Going concern basis

The cash flow forecast is supportive of the going concern position and described in the Liquidity Risk section in the Strategic Report. The directors have considered the risks and uncertainties relating to the business in the Principal Risks and Uncertainties section also detailed in the Strategic Report. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note to the annual financial statements.

Capital Structure

The share capital of the Company consists of 500,000 (2013: 500,000) Ordinary shares of €1 (2013: €1) each.

Dividends

During the year the Company declared a dividend of €1,160,276 to INTERNOS Holdings Ltd (2013: €598,950).

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Ernst & Young LLP have been appointed as the Company's auditors to replace Deloitte LLP.

Approved by the Board and signed on its behalf by:



A.D. Thornton
Director
23rd April 2015

INTERNOS GLOBAL INVESTORS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Principal activity

The Company is part of the INTERNOS Group (the "Group") which is an owner managed pan European Investment Manager, operating out of offices in London, Frankfurt, Paris, Amsterdam, Madrid, Luxembourg, Lisbon and Milan. As at 31 December 2014, we have in our employment over 100 professionals who maintain responsibility for the €3.9 billion of assets under management. We offer a wide spectrum of real estate investment strategies from core to opportunistic and private equity, to over 80 institutional investors from four different continents.

Objectives

Our primary purpose is to be a smart investor that delivers performance for our clients through investment in real estate assets. We have a strong, vertically integrated investment platform. Our target is to further develop a robust and stable platform with INTERNOS people on the ground, who know where to invest and why, and are respected in their markets.

In order to do this we will:

- Invest wisely across the risk spectrum for a diverse range of institutional clients.
- Be effective hands-on asset managers.
- Focus on the major liquid property markets.
- Offer scalable, well managed fund products across the core asset classes.
- Grow specialist funds with compelling strategies.
- Manage separate accounts and JVs for larger investors.
- Continue to build upon our considerable experience in portfolio takeovers.
- Act as a consolidator in the sector, using our excellent, proven M&A skills.
- Migrate to fewer larger assets and scale up in the core space.

Business review and outlook

The audited financial statements for the year ended 31 December 2014 are set out on pages 10 to 33. The Company's profit for the year after taxation was €2,345,619 (2013: €162,415) and its net assets as at end of year were €7,513,515 (2013: €6,328,172).

INTERNOS Global Investors Limited is the UK trading entity of INTERNOS whose ultimate holding entity is INTERNOS Global LLP. The below matters included in this section relate to the activities of the Group.

Having completed €330 million of acquisitions across five funds in 2014, INTERNOS is looking to take further advantage of specific opportunities in the European real estate market. In the hotel sector, INTERNOS is targeting a further €225m of investments for Hotel Fund 1 and its Hotel value add mandate, which would bring hotel assets to €700m and add to the twelve hotels acquired since 2012.

In the German care homes sector, €80 million of equity has been raised for INTERNOS Care Invest Fund 1 and €50 million of assets are under offer. Also in Germany, INTERNOS is pursuing further opportunities on behalf of SH-Immo, a fund management mandate secured in 2014 from a German Pensionskasse, which has already acquired two office assets in Cologne. INTERNOS also aims to invest a further €100 million in German retail parks for INTERNOS Novapierre Allemagne, its joint venture with Paref Gestion.

During 2014, INTERNOS raised debt financing for assets with a value of over €200m at attractive fixed interest rates typically below 2%, which had the effect of enhancing income returns in its new funds. In addition INTERNOS re-financed or prolonged existing debt with a value of €500m.

In parallel with its new acquisitions in 2014, INTERNOS continued to execute its turn-around strategy for funds where it has a mandate to recover value for investors through a combination of intensive asset management and timely disposals. The majority of disposals were in Germany and The Netherlands, where funds managed by INTERNOS sold some €560 million comprising mainly light-industrial and retail park assets.

INTERNOS GLOBAL INVESTORS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Business Review (continued)

In the UK, INTERNOS, in its role as investment manager to the Local Shopping REIT, sold a sub-portfolio of high street retail and residential assets for £80 million to Varde. In southern Europe, INTERNOS sold two shopping centres in Spain for €90 million to KKR and a further shopping centre in Italy for €48 million to Benson Elliot.

In France, the INTERNOS Paris team sold over €110 million of assets, the majority central Paris and regional office assets, but also including some logistics assets from the INTERNOS Spezialfonds series.

INTERNOS was awarded a global advisory mandate from Aman Resorts covering its \$300 million portfolio. This included the full spectrum of services from closing due diligence, restructuring as well as designing a new business and development strategy and reviewing sales and marketing.

INTERNOS supported Asset Trust in its launch of Heylo Housing and subsequently provided fiduciary services to the business, which has raised £180m commitments for UK shared ownership residential, launched a bond and made its first £50m purchases.

In addition, we successfully completed the integration following the acquisition of Commerz Real's Institutional Spezialfonds business. This comprised nine funds holding 68 assets located across nine European countries.

Looking forward

The Partners of the Group and the management board are aware of the risks associated with the management of portfolios that have adopted a realisation strategy. Hence, we have positioned our business behind two key themes and have included in our strategy for 2015 the launch of a range of new funds in parallel with the takeover of existing portfolios, a business line where INTERNOS has demonstrated considerable success in the past.

INTERNOS, is targeting €750 million of acquisitions in 2015, having invested more than €300 million for its new funds and disposed of €900 million of assets during 2014. Building on the momentum of last year, INTERNOS will seek to invest in predominantly income producing assets in the hotel, German retail and German care home sectors, as well as expand investment activity into the UK and Dutch institutional residential property sectors and the mainstream European commercial markets. It will also continue to dispose of assets from funds where it has a mandate to recover value on behalf of investors.

Key performance indicators

The management board uses a number of key performance indicators to measure the Company's performance and deliverables. The table below sets out examples of such indicators and explains how they relate to our strategic priorities and how we performed in 2014.

Revenue

Fee Income analysis

The fee income analysis by recurring and non-recurring fees is an indicator of the stability of the revenue and enhances our ability to plan the future cash flows for the Company and assess the financial sustainability of the Company.

	2014	2013
	€	€
Recurring income	9,291,774	9,680,762
Non-recurring income	3,170,195	556,257
Total revenue for the year	12,461,969	10,237,019

In addition the monitoring of the debtor positions on a regular basis enables efficient cashflow planning.

INTERNOS GLOBAL INVESTORS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Key performance indicators (continued)

Mandate Profitability

To assess the profitability of each mandate to ensure appropriate management oversight. The profitability of the mandate is assessed by the analysis of the associated direct cost and the operational overhead cost allocation, including IT services, rent, legal and professional fees.

	2014	2013
	€	€
Direct cost	4,866,780	4,093,517
Indirect cost	5,005,262	5,573,024
	<u>9,872,042</u>	<u>9,666,541</u>

Employee

We realise the single most important element to determine our success or failure is our team. We aim to attract, develop, retain and motivate high performance individuals and to drive the most efficient utilisation of our human resources function across the Company.

We monitor remuneration per employee by benchmarking against industry standards via participation in an annual performance/reward survey conducted by the leading consulting and benchmarking firm in the financial services industry. This benchmarking ensures that the most talented staff are retained within Company and that they are rewarded in alignment with the long term aims of the business.

Equal Opportunities

Applications for employment are always fully considered irrespective of nationality, age, class or gender, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation and welfare

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings.

Sustainability

As an investor and manager of real estate assets, the Company recognises the significant positive and negative impact that our activities may have on the environment, as well as the communities and economies where we operate. The Company is committed to making a positive contribution to the environmental, social and economic communities which our stakeholders participate in.

The Company recognises that its business has an impact on the environment, both directly and indirectly. INTERNOS Global Investors Limited has a comprehensive sustainability policy and examples of where the Company aims to reduce its direct impact on the environment include (but are not restricted to) the following:

- working group to identify and promote sustainability across the business;
- efficient use of energy within the office, by minimising light usage outside office hours;
- active use of existing paper recycling facilities within the office;
- actively maximising number of meetings in destination following air travel;
- use of video conferencing facilities to minimise air travel for cross border meetings; and
- management culture which promotes recycling and encourages staff to consider other ways to minimise the environmental impact of the Company.

Sustainability (continued)

Examples of where the Company aims to reduce its indirect impact on the environment include (but are not restricted to) the following:

- engaging with relevant industry bodies where influence over sustainability solutions can be applied;
- incorporating sustainability within the investment process;
- contribute to relevant areas of research into the effects of sustainability trends;
- support and encourage employee involvement in local community activities; and
- encouraging staff to attend events where the principles of best environmental practice are discussed to improve staff awareness of latest developments.

Financial Risk Management Objectives and Policies

The Company's activities expose it to a number of financial risks including cash flow risk, exchange rate risk, credit risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash flow and exchange rate risk

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Company completes a weekly review of its cash position and monitors closely the receipt of the management fees from funds under management. A forecast of Euro requirements for the Company is prepared through to the forecast receipt of the management fees. The forecast requirement will be retained in EUR and the remaining EUR balance sold against GBP.

Hedging requirements for subsidiaries of the Company are assessed as part of the annual budgeting process. The policy for subsidiaries is that no hedging is required. Exceptions to this are considered on a case by case basis.

Credit risk

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

As set out previously, the company's credit risk is primarily attributable to its trade receivables. The Company analyses the concentration of its credit risk within trade receivables on an individual counterparty basis. A significant concentration is deemed to exist where an individual counterparty represents more than 10% of trade receivables.

Liquidity risk

The Company deals with liquidity risk in the following way:

Short term: a cash flow analysis is prepared on a weekly basis, which provides a trend of actual performance. This also allows short term cash management across the Company and its subsidiaries by identifying companies that will have surplus cash and those that will have cash shortages which will require funding from elsewhere in the Group. As part of the reporting process, the liquidity position of the Company and its subsidiaries is reviewed and any remedial action considered.

Long term: a cash flow budget for the upcoming 36 months, based on calendar years, is prepared on an annual basis. This process identifies long term liquidity issues which will need to be managed and remedied. As part of the budget process stress testing is carried out. The parameters, methodology and outcomes, including the impact on liquidity, of the stress testing is documented. A contingency plan is also included within the process. Further details regarding the liquidity risk can be found in the notes to the Company's financial statements.

INTERNOS GLOBAL INVESTORS LIMITED

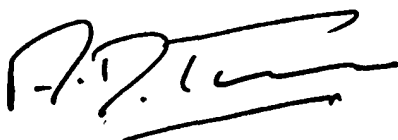
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

PRINCIPAL RISKS AND UNCERTAINTIES

Key Risk	Description	Mitigation
Fund raising	The fund raising environment remains challenging for funds, delaying the launch of new products.	Ongoing revenues from fund management contracts ensure the Company has sufficient revenues and profits to fund its business for the next couple of years.
Liquidity/cash flow	Potential non payment of asset management fees due to clients unable to meet liabilities/cash being used to amortise debt.	Ongoing monitoring of identified funds/mandates and early stage discussions with fund managers and clients.
Liquidity/cash flow	Majority of management fee income could expire within the next three to five years	Business strategy defines targets for new business. Dedicated new business team holding regular meetings to drive initiatives forward.
Market recovery	The recovery in the investment markets is not supported by recovery in the occupier markets.	Investment focus on more robust markets and attractive buildings.
Fiduciary duties	Director's liability issues in relation to the solvency of entities.	Regular communication with directors, directors and officers insurance in place, and advice taken from external consultants.

Approved by the Board and signed on its behalf by:



A.D. Thornton
Director
23rd April 2015

INTERNOS GLOBAL INVESTORS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2014

The directors are responsible for preparing the Strategic Report, Director's 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INTERNOS GLOBAL INVESTORS LIMITED

We have audited the financial statements of INTERNOS Global Investors Limited for the year ended 31 December 2014 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes, 1 to 22. 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.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

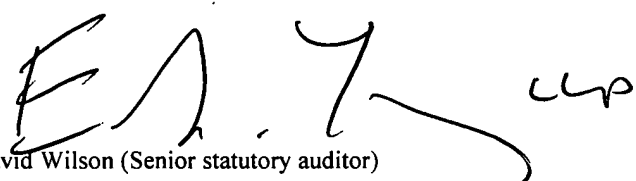
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



David Wilson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, UK

INTERNOS GLOBAL INVESTORS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €	2013 €
Revenue	4	12,461,969	10,237,019
Cost of sales		(282,393)	(412,236)
Gross profit		12,179,576	9,824,783
Administrative expenses		(9,872,042)	(9,666,541)
Operating profit		2,307,534	158,242
Other gains and losses	5	48,369	(158,321)
Finance income	10	124,841	74,412
Finance costs	10	(135,125)	(5,174)
Profit before tax		2,345,619	69,159
Tax	11	-	93,256
Profit for the year	5	2,345,619	162,415
Total comprehensive income		2,345,619	162,415

The profit above was derived from continuing operations throughout the above years.

In order to achieve a better presentation, the comparative information for 2013 in relation to cost of sales and administrative expenses has been changed as compared to the previous year, by reclassifying an amount of €2,680,210 from Cost of sales to Administrative expenses.

The notes on pages 14 to 33 form part of these financial statements.

INTERNOS GLOBAL INVESTORS LIMITED

BALANCE SHEET

AT 31 DECEMBER 2014

	Notes	2014 €	2013 €
Non current assets			
Property, plant and equipment	13	157,547	248,906
Intangible assets	12	83,808	31,137
Investments	19	2,172,860	2,377,860
Total non current assets		2,414,215	2,657,903
Current assets			
Trade and other receivables	14	8,533,781	5,196,919
Cash and cash equivalents		1,283,835	318,475
Total current assets		9,817,616	5,515,394
Total assets		12,231,831	8,173,297
Current liabilities			
Trade and other payables	15	(4,718,316)	(1,806,505)
Total current liabilities		(4,718,316)	(1,806,505)
Net current assets		5,099,300	3,708,889
Non current liabilities			
Derivatives forward foreign currency contract		-	(38,620)
Total non current liabilities		-	(38,620)
Total liabilities		(4,718,316)	(1,845,125)
Net assets		7,513,515	6,328,172
Equity			
Ordinary share capital	16	500,000	500,000
Retained earnings		7,013,515	5,828,172
Equity attributable to owners of the Company		7,513,515	6,328,172

The notes on pages 14 to 33 form part of these financial statements.

The financial statements of INTERNOS Global Investors Limited (registered number 05948858) were approved by the Board of Directors and authorised for issue on, 23rd April 2015.



A.D. Thornton
Director

INTERNOS GLOBAL INVESTORS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital	Retained Earnings	Total
	€	€	€
Balance at 1 January 2013	500,000	6,264,707	6,764,707
Profit for the year	-	162,415	162,415
Dividends declared	-	(598,950)	(598,950)
Balance at 31 December 2013	500,000	5,828,172	6,328,172
Profit for the year	-	2,345,619	2,345,619
Dividends declared	-	(1,160,276)	(1,160,276)
Balance at 31 December 2014	500,000	7,013,515	7,513,515

INTERNOS GLOBAL INVESTORS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €	2013 €
Net cash from/(used in) operating activities	17	2,032,975	(344,301)
Investing activities			
Purchase of property, plant and equipment		(80,132)	(124,989)
Purchase of intangible assets		(80,578)	(19,831)
Investment in subsidiaries		(620,000)	(673,000)
Repayment of share premium from a subsidiary		825,000	-
Interest received		2	74,412
Net cash from/(used in) investing activities		44,292	(743,408)
Financing activities			
Dividends paid		(1,160,276)	-
Net cash used in financing activities		(1,160,276)	-
Net increase/(decrease) in cash and cash equivalents		916,991	(1,087,709)
Effects of foreign exchange rate change		48,369	(158,321)
Cash and cash equivalents at beginning of year		318,475	1,564,505
Cash and cash equivalents at end of year		1,283,835	318,475

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. General information

INTERNOS Global Investors Limited is a Private Limited Company as defined by the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's principal activity is set out in the Strategic Report on page 3.

2. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the current and preceding year.

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

These financial statements are presented in Euros because that is the currency of the primary economic environment in which the Company operates.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

b) Adoption of new and revised standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2014.

The nature and the impact of each new standard and amendment is described below:

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Company, since none of the entities in the Company has any offsetting arrangements.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Company as it has applied the recognition principles under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* consistent with the requirements of IFRIC 21 in prior years.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 *Fair Value Measurement*. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

2. Accounting Policies (continued)

b) Adoption of new and revised standards (continued)

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

EARLY ADOPTION OF STANDARDS AND INTERPRETATIONS

The Company has not early adopted any new international financial reporting standards or interpretations. Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below:

- IFRS 9 Financial Instruments (*), effective 1 January 2018
- IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (*), effective January 2016
- IFRS 15 Revenue from Contracts with Customers (*), effective 1 January 2017
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (*), effective 1 January 2016
- IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions (*), effective 1 July 2014
- Annual Improvements to IFRSs 2010-2012 Cycle (Issued December 2013) (*), effective 1 July 2014
- Annual Improvements to IFRSs 2011-2013 Cycle (Issued December 2013) (*), effective 1 July 2014
- Annual improvements to IFRSs 2012-2014 Cycle (issued September 2014) (*), effective 1 July 2016

((*) Not yet endorsed by the EU as per 31 December 2014 and to date)

The Company is currently assessing the impact of these standards and specifically IFRS 9 and IFRS 15. So far no impact on the Company's financial position and performance is expected.

c) Exemption from presenting consolidated financial statements

The financial statements reflect the results and financial position of INTERNOS Global Investors Limited as an individual undertaking. The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. The Company is a wholly owned subsidiary of INTERNOS Global LLP which prepares consolidated financial statements which are publicly available.

d) Revenue Recognition

Revenue is recognised in relation to services when the services have been performed in line with the conditions set out in the relevant services contract.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for service provided in the normal course of business, exclusive of Value Added Tax, trade discounts and other sales related taxes.

2. Accounting Policies (continued)

d) Revenue Recognition (continued)

Revenue or income is accrued when it is earned by providing a service, but has yet to be billed. The recognition of such income is based on an entitlement to the income for services already performed but not yet billed, and discounting the entitled income to the present value based on an appropriate discount rate at a given period and the best estimate of the time when the revenue is to be billed.

Group Trading Arrangements

Income and costs are allocated between group entities by reference to their respective contributions to services provided under the investment management agreements and contracts entered into with third parties. Prior to 2013, income earned was predominantly attributable to contracts entered into by the Company with costs incurred by overseas group entities recharged on a cost plus basis.

e) Property, plant and equipment

Fixtures and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	20% straight line
Computer equipment	33.33% straight line
Computer software	33.33% straight line

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

f) Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible 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 to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g) Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. Accounting Policies (continued)

g) Foreign currencies (continued)

Exchange differences are recognised in the statement of comprehensive income in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

h) Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment. On an annual basis, the Company assesses if there are any indicators of impairment by comparing the net asset values of each subsidiary to their carrying amount. If the net asset value is lower than the carrying amount, the Company assesses if the investment is impaired. If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income. An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognised

i) Tax

The tax currently payable is based on the 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

2. Accounting Policies (continued)

i) Tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases 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 lease assets are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

k) Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

l) Financial instruments

(i) Financial assets

The financial assets of the Company comprise of trade and other receivables.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS Financial assets

The Company does not have any financial assets classified as at fair value through profit or loss, held-to-maturity investments of AFS financial assets.

2. Accounting Policies (continued)

l) Financial instruments (continued)

Loans and receivables

This category is the most relevant to the company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 14.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default of delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss.

For the financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2. Accounting Policies (continued)

i) Financial instruments (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial liabilities

Financial liabilities comprise of trade and other payables.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company does not have any financial liabilities at fair value through profit or loss, or derivatives designated as hedging instruments in an effective hedge.

Loans and borrowings and other payables

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition of financial liabilities

The Company derecognised financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

2. Accounting Policies (continued)

m) Dividend revenue

Dividend income from investments is recognised when shareholders' rights to receive payment have been established, provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

n) Going Concern

The financial statements have been prepared on a going concern basis.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have reviewed the budget and cash flow forecast for the business for the forthcoming year and have assessed that the Company has adequate financial resources to meet its operational needs. Therefore, the financial statements have been prepared on a going concern basis.

o) Cash and cash equivalents

Assets are classified as cash equivalents if they are readily convertible to cash and are not subject to significant changes in value. The Company has classified short-term bank deposits as cash equivalents.

p) Intangible assets accounting policy

Intangible assets comprise of development expenditure in respect of the Company's Yardi Fund Accounting and Property Management system. This intangible asset is amortised on a straight-line basis over three years.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer to note 11.

Accrued income

Income is accrued when it is earned by providing a service but has yet to be received. Significant management judgement is required to determine the discount rate used to recognise the income to the present value and the best estimate of the time when the amount would be received. Refer to note 14.

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

4. Revenue

A geographical analysis of the source of revenue (i.e. location of clients) is as follows:

	2014	2013
	€	€
United Kingdom	1,792,964	808,212
Rest of European Union	10,146,255	9,242,973
Rest of the world	522,750	185,834
	<u>12,461,969</u>	<u>10,237,019</u>

Information about major customers

Revenue includes approximately €2.2m (2013: €1.4m) which was receivable from the Company's largest customer.

5. Profit for the year

	2014	2013
	€	€
Profit for the year has been arrived at after charging/(crediting):		
Net foreign exchange (gains)/losses	(48,369)	158,321
Depreciation and amortisation of intangibles, property, plant and equipment	199,398	224,833
Operating lease payments	506,227	390,899
Staff costs	5,873,123	3,827,279
Impairment loss recognised on trade receivables	-	65,948
Impairment loss reversed on trade receivables	(65,948)	-
	<u></u>	<u></u>

6. Auditor's remuneration

	2014	2013
	€	€
Fees payable to the Company's auditor for the audit of the company's annual accounts		
Current year	<u>48,100</u>	<u>27,822</u>

	2014	2013
	€	€
Fees payable to the Company's auditor for the audit and their associates for other services of the company's annual accounts		
Current year	<u>-</u>	<u>8,139</u>

7. Staff costs

	2014	2013
	€	€
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	5,283,611	3,370,585
Social security costs	428,763	319,269
Defined contribution scheme costs	160,749	137,425
	<u>5,873,123</u>	<u>3,827,279</u>

INTERNOS GLOBAL INVESTORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

YEAR ENDED 31 DECEMBER 2014

7. Staff costs (continued)

The average monthly number of employees during the year, including the directors, staff consultants and investment committee members was as follows:

2014	2013
Number	Number
44	31

8. Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to income of €160,749 (2013: €137,425) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2014, contributions of €24,229 (2013: €44,344) due in respect of the current reporting period had not been paid over to the schemes.

9. Directors' remuneration

	2014	2013
	€	€
Emoluments	74,646	70,709

During the year retirement benefits did not accrue to any of the directors (2013: none) in respect of money purchase schemes.

The highest paid director received remuneration of €37,323 (2013: €35,354).

10. Finance income/(costs)

	2014	2013
	€	€
Finance income:		
Bank interest income	2	4,132
Intercompany loan interest	103,975	22,706
Unwinding of discount on trade receivables	20,864	47,574
	<u>124,841</u>	<u>74,412</u>
Finance costs:		
Bank charges	(7,228)	(5,174)
Intercompany loan interest	(103,570)	-
Other Costs	(24,327)	-
	<u>(135,125)</u>	<u>(5,174)</u>

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

11. Taxation

	2014	2013
	€	€
Corporation tax:		
Current tax	-	-
Prior year adjustment	-	(93,256)
	<u>-</u>	<u>(93,256)</u>
Current tax charge for the year	<u>-</u>	<u>(93,256)</u>

Corporation tax is calculated at 21.50% (2013: 23.25%) of the estimated taxable profit for the year. The charge/(credit) for the year can be reconciled to the profit per the income statement as follows:

	2014	2013
	€	€
Profit on ordinary activities before tax	2,345,619	69,159
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 21.50% (2013: 23.25%)	504,308	16,079
Effects of:		
Income not deductible for tax purposes	29,689	(12,867)
Depreciation in arrears of capital allowances	(15,454)	(26,070)
Adjustment to tax charge in respect of previous periods	-	(93,256)
Unutilised tax losses carried forward	(518,543)	22,858
	<u>-</u>	<u>(93,256)</u>
Current tax charge for the year	<u>-</u>	<u>(93,256)</u>

The Company is carrying forward tax losses of approximately €45,127,146 (2013: €44,827,152) that are available indefinitely for offsetting against future taxable profits of the Company.

A deferred tax asset has not been recognised for unused tax losses carried forward as it is not sufficiently probable, based on current projections, that there will be sufficient taxable profits against which the loss can be utilised. The estimated amount of unrecognised deferred tax asset is €9,700,000 (2013: €10,600,000).

A reduction in the main rate of corporation tax to 23% effective from 1 April 2013 was substantively enacted on 20 March 2013. The UK Government also reduced the main rate of 23% down to 21% from 1 April 2014, and from 21% down to 20% from 1 April 2015, these having been substantively enacted on 2nd July 2013. The future rate change is not expected to have a material impact on the financial statements

INTERNOS GLOBAL INVESTORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

YEAR ENDED 31 DECEMBER 2014

12. Intangible assets

	Development Expenditure €	Total €
Cost		
At 1 January 2014	342,564	342,564
Additions	80,578	80,578
At 31 December 2014	<u>423,142</u>	<u>423,142</u>
Amortisation		
At 1 January 2014	311,427	311,427
Charge for year	27,907	27,907
At 31 December 2014	<u>339,334</u>	<u>339,334</u>
Net book value		
At 31 December 2014	<u>83,808</u>	<u>83,808</u>
At 31 December 2013	<u>31,137</u>	<u>31,137</u>

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

13. Property, plant and equipment

	Furniture, fitting and equipment €	Total €
Cost or valuation		
At 1 January 2013	716,768	716,768
Additions	124,989	124,989
At 1 January 2014	841,757	841,757
Additions	80,132	80,132
At 31 December 2014	921,889	921,889
Accumulated depreciation		
At 1 January 2013	478,921	478,921
Charge for year	113,930	113,930
At 1 January 2014	592,851	592,851
Charge for year	171,491	171,491
At 31 December 2014	764,342	764,342
Carrying amount		
At 31 December 2014	157,547	157,547
At 31 December 2013	248,906	248,906

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

14. Trade and other receivables

	2014	2013
	€	€
Trade receivables	1,585,945	1,703,356
Amounts owed by group undertakings	1,881,908	1,505,822
Other receivables	1,814,266	992,884
Prepayments and accrued income (Refer below)	1,454,577	919,129
Other taxes and social security	1,797,085	75,728
	<u>8,533,781</u>	<u>5,196,919</u>

The average credit period taken on sales of services is 45 days. Trade receivables disclosed above include amounts (see below of aged analysis) which are past due at the reporting date but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in the credit quality and the amounts are still considered recoverable. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Prepayments and accrued income includes accrued income of EUR 617,440, which is receivable in 2015 and 2016 in accordance with the terms of the contractual arrangements in place. These amounts are carried at their present value of EUR 544,603, using a discount rate of 10%.

Subsequent to the year end, the Company received an amount of EUR 392,439 in full settlement of income receivable in 2015 and 2016, due to change in the contractual arrangement. The carrying value of these amounts at the year end was EUR 340,058.

Ageing of past due but not impaired trade receivables	2014	2013
	€	€
Less than 60 days	1,028,548	1,674,171
60 – 90 days	87,805	-
90 – 120 days	214,530	837
120 + days	255,062	94,296
Total	<u>1,585,945</u>	<u>1,769,304</u>

Movement in allowance for doubtful debts

Balance at the beginning of the period	(65,948)	-
Impairment losses recognised	-	(65,948)
Impairment losses reversed	65,948	-
Total	<u>-</u>	<u>(65,948)</u>

Ageing of impaired trade receivables

120 + days	-	65,948
Total	<u>-</u>	<u>65,948</u>

INTERNOS GLOBAL INVESTORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 31 DECEMBER 2014**15. Trade and other payables**

	2014	2013
	€	€
Trade payables	247,406	402,800
Social security and other taxes	51,092	90,757
Other payables	2,178,553	44,344
Accruals and deferred income	2,241,265	1,268,604
	<u>4,718,316</u>	<u>1,806,505</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 15 days (2013: 34 days).

Supplier payment policy

Unless otherwise agreed, supplier invoices will be paid within 30 days of the invoice date. If there is a dispute in relation to the invoice, the Company will notify the supplier before the expiry of the payment period.

16. Share capital

	2014	2013
	€	€
Allotted Called Up and fully Paid		
500,000 (2013: 500,000) Ordinary shares of €1 (2013: €1) each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

During the year the Company paid a dividend of approx. €2.32 per share, amounting in total to €1,160,276.

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

17. Notes to cash flow statement

	2014	2013
	€	€
Operating profit for the year	2,307,534	158,242
Adjustments for:		
Impairment loss on trade receivables	-	65,948
Impairment loss reversed on trade receivables	(65,948)	-
Depreciation of property, plant and equipment	171,491	113,930
Amortisation	27,907	110,903
Operating cash flows before movements in working capital	2,440,984	449,023
Increase in receivables	(3,128,248)	(933,296)
Increase in payables	2,832,106	64,475
Cash flows from/(used in) operations	2,144,842	(419,798)
Interest paid	(111,867)	(5,174)
Tax received	-	80,671
Net cash from operating activities	2,032,975	(344,301)

18. Operating lease commitments

At 31 December 2014 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2014	2013
	€	€
Expiry date:		
Within 1 year	557,803	456,071
In the second to fifth years inclusive	1,503,777	1,685,589

Operating lease payments represent rentals payable by the Company for its office property.

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

19. Investments

Details of the Company's subsidiaries at 31 December 2014 are as follows:

Name	Place of incorporation (or registration) and operation	Proportion of ownership Interest	Proportion of voting power Held
INTERNOS 51B Limited	United Kingdom	100%	100%
INTERNOS Investments (GO) Limited	United Kingdom	100%	100%
Halverton Limited	United Kingdom	100%	100%
INTERNOS Management Limited	United Kingdom	100%	100%
INTERNOS Global Investments Limited	United Kingdom	100%	100%
INTERNOS Global Investors Kapitalverwaltungsgesellschaft mbH (IKVG) (formerly INTERNOS Global Investors Kapitalanlagegesellschaft mbH (IKAG)	Germany	100%	100%
INTERNOS Global Investors B.V.	Netherlands	100%	100%
INTERNOS S.a.r.l	Luxembourg	100%	100%
INTERNOS Global Investors S.A.S	France	100%	100%
German Retail Property Fund Manager S.a.r.l	Luxembourg	100%	100%
Eilean Donan & Co KG	Germany	94%	94%
Benelux Industrial Partnership General Partner B.V.	Netherlands	100%	100%
INTERNOS Services GmbH	Germany	100%	100%
INTERNOS Global Investors S.L.	Spain	100%	100%
Benelux Industrial Partnership C.V.	Netherlands	0.02%	0.02%

The investments in subsidiaries are all stated at cost, less any provisions for impairment.

Cost	€
At 1 January 2014	10,504,568
Addition	620,000
Repayment of share premium,	(825,000)
At 31 December 2014	10,299,568
Provisions for impairment	
At 1 January 2014	8,126,708
Provision for the year	-
At 31 December 2014	8,126,708
Net book value	
At 31 December 2014	2,172,860
At 31 December 2013	2,377,860

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

20. Financial Instruments

Capital risk management

INTERNOS Global Investors Limited is regulated by the FCA. In order to meet its FCA obligations, INTERNOS Global Investors Limited has decided to approach the Internal Capital Adequacy Assessment Process (ICAAP) by adopting the Pillar 1 minimum capital requirement and then assessing whether any extra capital proportionate to non-Pillar 1 risk is required by reference to the assessed key material risks to the business.

Financial risk management objectives

The Company's activities expose it to a number of financial risks including market risk, credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of members, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

The Company has a separate risk sub-committee that meets and reports its findings to the executive committee on a monthly basis.

Key financial risks are considered as follows:

Market (foreign exchange) risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company may use foreign exchange forward contracts to hedge these exposures. The following table details the forward foreign currency ('FC') contracts outstanding as at the year end:

	<u>Average</u>		<u>Foreign currency</u>		<u>Notional value</u>		<u>Fair value</u>	
	<u>exchange rate</u>							
	2014	2013	2014	2013	2014	2013	2014	2013
			€	€	€	€	€	€
Cash flow hedges								
Buy £								
Less than 3 months	-	1.2044	-	500,000	-	404,301	-	391,238
3 to 6 months	-	1.2035	-	500,000	-	404,727	-	391,840
6 to 12 months	-	1.2024	-	500,000	-	405,285	-	392,615

The Company seeks wherever possible to provide funding in the same currency as the denomination of the entity being funded.

Cash flow risk

The Company completes a weekly review of its cash position and monitors closely the receipt of the quarterly management fees from funds under management. A forecast of Euro requirements for the Company is prepared through to the forecast receipt of the following quarter's management fees. The forecast requirement will be retained in Euro and the remaining Euro balance sold against GBP.

Hedging requirements for subsidiaries of the Company are assessed as part of the annual budgeting process. The policy for subsidiaries is that no hedging is required. Exceptions to this are considered on a case by case basis.

INTERNOS GLOBAL INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

As set out above, the Company's credit risk is primarily attributable to its trade receivables. The Company analyses the concentration of its credit risk within this asset class on an individual counterparty basis. A significant concentration will be deemed to exist where an individual counterparty represents more than 10% of trade debtors.

Liquidity and interest risk

The Company's contractual maturity for its non-derivative financial assets and liabilities with agreed payment periods are all due within one month, except for accrued income which are due over a period greater than one month.

Categories of financial instruments

Set out below is a comparison, by class, of the Company's financial instruments.

	2014 €	2013 €
Financial assets		
Cash and bank balances	1,283,835	318,475
Trade & other receivables	8,533,781	5,196,919
Financial liabilities		
Trade & other payables	4,718,316	1,806,505
Derivative instruments designated as FVTPL	-	38,620

The management assessed that cash and bank balances, trade receivables, trade payables, approximate their carrying amounts largely due to the short-term maturities of these instruments.

Accrued income receivables over periods greater than one year are carried at the present value. Management finds the carrying value to be a fair approximation of the fair value.

Capital management

The capital structure of the Company consists of equity attributable to the shareholders comprising issued capital and retained earnings. The Company manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged since the previous year.

INTERNOS GLOBAL INVESTORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

YEAR ENDED 31 DECEMBER 2014

21. Related Party Transactions

Owed to related parties	2014	2013
	€	€
Internos Global Investments Limited	124	123
INTERNOS Global Investors B.V.	1,255,517	337,198
INTERNOS Global LLP	62,578	81,634
INTERNOS S.a.r.l	-	54,673
INTERNOS GmbH	290,747	19,803
	<u>1,608,966</u>	<u>493,431</u>
Owed by related parties	2014	2013
	€	€
INTERNOS Real Estate Securities Limited Partner	21,574	30,885
INTERNOS Securities General Partner Limited	3,499	1,243
INTERNOS Holdings Limited	782,064	65,522
INTERNOS Global Investors Kapitalverwaltungsgesellschaft mbH (IKVG)	-	847,991
German Retail Property Fund Manager Sarl	-	24,000
INTERNOS S.a.r.l	6	-
INTERNOS Global Investors S.a.r.l	318,077	518,862
INTERNOS Management Limited	1,000	1,000
Eilean Donan & Co KG	8,820	7,620
INTERNOS Global Investors S.L.	151,531	117,501
Benelux Industrial Partnership General Partner B.V.	12,583	12,583
INTERNOS Spezialfondsgesellschaft mbH	-	550,346
	<u>1,299,154</u>	<u>2,177,553</u>

During the year INTERNOS Global Investors Limited issued asset management fee invoices to Azorallom S.L., an entity that is ultimately owned in part by parties related to the Company, totalling €287,500 (2013: €300,000). The balance outstanding at year end is €22,916.67 (2013: €25,000).

INTERNOS Global LLP charged management fees to the Company of £500,000 (2013: £150,000) and INTERNOS Holdings Limited charged management fees to the Company of €50,000 (2013: Nil).

22. Ultimate Parent Entity and Controlling Party

INTERNOS Global LLP, the ultimate parent entity and controlling party is the largest group that consolidates the results of INTERNOS Global Investors Limited. Accounts for these entities are available for inspection at Companies House, Crown Way, Cardiff, CF14 3UZ. The Company's immediate parent is INTERNOS Holdings Limited.