

Parent for 10487236

Registered number: 01531949

**FIERA REAL ESTATE UK LIMITED
(FORMERLY KNOWN AS PALMER CAPITAL PARTNERS LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

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FIERA REAL ESTATE UK LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | R J S Palmer A D W Price P Cuthbert (appointed 3 April 2019) J Valentini (appointed 3 April 2019) M Sperber (appointed 28 May 2020) |
| Registered number | 01531949 |
| Registered office | Third Floor Queensberry House 3 Old Burlington Street London W1S 3AE |
| Independent auditors | Deloitte LLP Hill House 1 Little New Street London EC4A 3TR |

FIERA REAL ESTATE UK LIMITED

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FIERA REAL ESTATE UK LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

Introduction

The directors present their strategic report for the period ended 31 December 2019.

Business review

The period ending 31 December 2019 continued to see good progress across the group in both our investment management activities and in our asset management activities, both directly and via our minority ownership of UK property companies.

The period was dominated by the continued alignment of Palmer Capital Partners Limited within the Fiera Real Estate division of Fiera Capital Corporation ("Fiera"). This involved rebranding the business at the end of the period to become Fiera Real Estate UK Limited, a move to a new London office and continued adoption of operational tools and processes to fit within Fiera.

The investment management business grew during the period, with assets under management increasing to £816m (31 March 2019: £800m). The asset management group performed well, both the in-house team within Fiera Real Estate UK Limited and each of the property companies we back.

Future developments

The group aims to continue to grow predominantly through expansion of the mandates that it manages for third parties. This is in line with the overall desires of Fiera, namely to see profitability and assets under management grow. The opportunity to be part of a highly entrepreneurial and innovative independent asset management group is something that continues to motivate all the staff at Fiera Real Estate UK Limited.

Financial key performance indicators

Revenue was stable on a pro rata basis at £4.5m (31 March 2019: £5.8m) due to a steady level of funds and assets under management. Share of profits from Joint Ventures increased pro rata to £4.2m (31 March 2019: £5.0m) due to several highly profitable deals coming to fruition during the period, achieving a gross profit of £4.5m (31 March 2019: £5.6m). The results for the period are shown in the Consolidated Profit and Loss account on page 12.

Principal risks and uncertainties

There are a range of risks and uncertainties faced by the Group. Risks arise from external sources as well as from those inherent commercial issues that exist within the business environment in which we operate. In addition operational risks contained in the systems and processes employed within the business are a source of risk.

Amongst the major risks to the business strategy is the loss of assets under management by the Group due to markets falling, poor investment performance leading to the loss of mandates or the reduction in market liquidity making sales more difficult. These events would have an immediate impact on the management fees earned by the Group and may also impact on the Group's ability to earn possible performance fees and advisory fees. As referred to in the Note 36 to the financial statements, subsequent to 31 December 2019, financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organisation on 12 March 2020. This has resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on our future financial results.

Political and economic environment

The group continues to believe that it faces political and economic risk from the uncertainty surrounding the UK exit from the European Union. The group monitors this risk on a regular basis and ensures that at all times it operates in a manner that allows it to have the financial and management resources to cater for change.

FIERA REAL ESTATE UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

Litigation risks

There is always a risk of litigation from clients, employees, and other parties although the board believe that we have appropriate procedures in the group, along with external legal advice, to reduce the likelihood of this happening. There are no known actual or potential claims across the group and all of the directors take an active role in overseeing the activity of the company to ensure that this risk is minimised.

Market conditions

The board manages the group in a manner that aims to minimise the potential downside from a market deterioration whilst allowing for potential to be unlocked from growth.

Regulatory risks

The board monitors its regulatory obligations and compliance remains a key issue for the group. The Group focuses on staff training, good external advice and having robust processes in place to mitigate the risk of failing to meet the regulatory standard.

Property specific risks

Each of the assets that are owned or managed by the group, both in its own balance sheet and through third party mandates, are managed by a dedicated team. Assets held by joint ventures and funds are managed by a one of the operating partners (in which the Company holds an associate interest), together with the management of the Company. Each asset is reviewed by the board on a quarterly basis and asset management plans adjusted as required. The board believe that this risk is mitigated through an active and rigorous management.

Financial risk

The Group is exposed to a range financial risks including the effects of changes in interest rates, on debt, liquidity risk and credit risk. The majority of financial instruments held do not feature variable interest rates that are sensitive to interest rate fluctuations to a material degree. The Group's principal currency is Sterling and it often holds large amounts of cash on deposit as a result of its activities. It aims at all time to manage these risks by a robust diligence process when selecting financial partners and instruments, and ongoing monitoring of the risks on a regular basis.

Going Concern

The Group has net assets of £26.8m as at the balance sheet date. Management have considered the risk indicators arising from the COVID-19 pandemic and reviewed multiple scenarios to assess the range of potential impacts on liquidity and the Group's ability to continue as a going concern. Management's conclusion is that, although operating profits may be reduced by the market conditions in the first part of 2020, there are sufficient financial resources available within the Group to enable the Group to continue as a going concern.

The Group has cash holdings at the balance sheet date of £10.6m. The underlying running costs of the Group are approximately £6.0m per annum excluding variable compensation. The Group could therefore continue to trade for the next 2 years in the absence of any turnover or cost reductions. This would be an unlikely event given that the Group has a number of fixed term management contracts from which it receives revenue.

From an operational perspective, the Group retains a strong operational base. It has successfully implemented its business continuity plan and all staff have been working effectively throughout the development of the pandemic and have been carrying out their duties remotely since early March. Whilst these changes have caused the Group to assess and adapt its working practices to continue to operate without interruption, the directors do not consider that the circumstances have caused any material change to the Group's ability to trade, nor affect its status as a Going Concern.

FIERA REAL ESTATE UK LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

Post period end and ongoing market risk

Subsequent to the balance sheet date, the World Health Organisation declared the Covid-19 virus to be a global pandemic and the UK Government introduced restrictions on certain activities and behaviours in an effort to prevent the virus's spread and limit its longer term impact.

Whilst these restrictions have caused the Company to assess and adapt its working practices to continue to operate without interruption, the directors do not consider that the circumstances have caused any material change to the Company's ability to trade, nor affect its status as a Going Concern.

A large proportion of the Group's income is generated by the continued existence and growth of the UK property assets which it manages, for which it receives ongoing profit shares based on total value of assets under management and profits that may arise upon sale of property assets. The global Covid-19 pandemic is likely to have a significant negative impact on the UK property market and the income received by Fiera Real Estate UK Limited will most likely reduce if the market volatility persists. There also exists a risk due to the effects of Covid-19 that investors' appetite for investing new equity in funds may be subdued and market uncertainty may cause redemptions of existing equity from open-ended funds.

The group also invests its own equity in several of the funds and property assets it manages for which it receives a share of any profits generated by the funds' assets. There exists a risk that the market values of these assets may reduce and the ability to dispose of them in a timely manner be much harder, leading to a lower return on the Group's investments being realised. Management are confident that the business has invested into a sufficiently diverse portfolios of assets, both in terms of asset type and anticipated timescales for asset disposals, that any stagnation caused by the effects of Covid-19 will not have a long-lasting impact on returns generated.

During a period where many commercial tenants have been forced to temporarily suspend or reduce their operations, such tenants may find it more difficult to pay rent on time and in full. However, management feel that they have mitigated this risk by pro-actively liaising with tenants to agree mutually acceptable terms. In addition, management have been actively liaising with external debt finance providers for such assets and, where necessary, renegotiating debt facilities to ensure the impact on investor returns and any management fees receivable by the Group is minimised. There are no breaches of debt terms in existence in any of the underlying facilities at the balance sheet date. The Group itself has no external debt.

To further mitigate the risks presented above, the Group has actively sought to reduce its cost base for the foreseeable future. In addition, much of the Group's staff remuneration cost is variable and will see a natural reduction in a period of decreased revenue. In their assessment of Going Concern, the directors have subjected their base profit and loss forecast to a broad sensitivity analysis whereby the negative impact of each of the risks outlined above is applied to illustrate a hypothetical 'worst case' scenario. In this scenario, the Group remains profit-making and retains ample cash and reserves to fund its ongoing operations for a period of at least 12 months from the date of issuance of the financial statements, thus informing the directors conclusion that the Group remains a Going Concern.

This report was approved by the board on 28 January 2021 and signed on its behalf.

A D W Price
Director



FIERA REAL ESTATE UK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their annual report and the audited consolidated financial statements for the period ended 31 December 2019.

Principal activities

The principal activities of the Group continued to be that of fund management and venture capital specialising in the property sector.

On 6 January 2020, the Company changed its name to Fiera Real Estate UK Limited from Palmer Capital Partners Limited.

The Company changed its financial year end date from 31 March to 31 December to align it with its parent's year end. The financial statements for the current period are made up from 1 April 2019 to 31 December 2019. Consequently, comparative amounts for the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes are not entirely comparable.

On 3 April 2019, 113,285 Ordinary A Shares of £0.01 each held on trust by Palmer Capital (EBT) Limited, a subsidiary of the Group, were acquired by Fiera Properties (Europe) Limited. This increased the share capital of the Group issued to external parties from £123,867 to £125,000.

Results and dividends

The Group profit for the period, after taxation and minority interests, amounted to £3,230,924 (31 March 2019: £4,525,160).

No Interim dividend was paid during the period (31 March 2019: £1,762,889).

The Directors proposed a final dividend of £5,000,000 (31 March 2019: £nil) during the period.

Directors

The directors who served during the period and up to the date of signing were:

R J S Palmer
A D W Price
R C T Sheldon (resigned 3 April 2019)
C J Button (resigned 3 April 2019)
C A Allen (appointed 3 September 2018, resigned 3 April 2019)
E N Cullen (resigned 3 April 2019)
P Cuthbert (appointed 3 April 2019)
J Valentini (appointed 3 April 2019)
K V J Lakhani (appointed 3 April 2019, resigned 18 September 2019)
M Sperber (appointed 28 May 2020)

Political contributions

There were no political donations made during the period (31 March 2019: £nil) by the Group and Company.

Matters covered in the strategic report

Information on the future developments, going concern, post period end events and risk management of the Group is included in the Strategic Report. Information on financial instruments, financial risk management and exposure is given in note 30 of the financial statements.

FIERA REAL ESTATE UK LIMITED

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors report and the consolidated financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's and Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Disclosure of information to auditors

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

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

FIERA REAL ESTATE UK LIMITED

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

Auditors

During the year, Simmons Gainsford LLP resigned as auditors and Deloitte LLP were appointed by the Board of Directors to replace them.

Deloitte have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the board on 28 January 2021 and signed on its behalf.

A D W Price
Director



FIERA REAL ESTATE UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIERA REAL ESTATE UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Fiera Real Estate UK Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated and parent company financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statement; and
- the related notes 1 to 36.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

FIERA REAL ESTATE UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIERA REAL ESTATE UK LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

FIERA REAL ESTATE UK LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIERA REAL ESTATE UK LIMITED
(CONTINUED)**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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:

Philip Doherty

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Philip Doherty, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London

Date: 28 January 2021

FIERA REAL ESTATE UK LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019**

| | Note | Period ended 31 December 2019 £ | As restated* Year ended 31 March 2019 £ |
|---|------|--|---|
| Revenue | 7 | 4,549,295 | 5,831,602 |
| Cost of sales | | (96,468) | (264,454) |
| Gross profit | | <u>4,452,827</u> | <u>5,567,148</u> |
| Administrative expenses | | (5,307,904) | (6,558,758) |
| Operating loss for the period/year | 8 | <u>(855,077)</u> | <u>(991,610)</u> |
| Finance income | 9 | 132,109 | 110,512 |
| Finance expense | 9 | (2,433) | (873) |
| Share of results of associates | 19 | - | 191,445 |
| Share of results of joint ventures | 20 | 4,266,301 | 5,017,543 |
| Other income | 10 | 22,117 | 539,259 |
| Other gains | 11 | 82,464 | 854,309 |
| Profit before tax for the period/year | | <u>3,645,481</u> | <u>5,720,585</u> |
| Tax expense | 15 | (381,699) | (1,227,618) |
| Profit for the period/year | | <u>3,263,782</u> | <u>4,492,967</u> |
| Total comprehensive income | | <u><u>3,263,782</u></u> | <u><u>4,492,967</u></u> |
| Profit for the period/year and total comprehensive income attributable to: | | | |
| Owners of the parent | | 3,230,924 | 4,525,160 |
| Non-controlling interest | 29 | 32,858 | (32,193) |
| | | <u><u>3,263,782</u></u> | <u><u>4,492,967</u></u> |

*See note 35 for details of the restatement of the results due to prior year adjustment.

Turnover and operating loss are all derived from continuing operations.

The notes on pages 25 to 85 form part of these financial statements.

FIERA REAL ESTATE UK LIMITED
REGISTERED NUMBER: 01531949

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | | 31 December 2019 £ | As restated* 31 March 2019 £ | As restated* 1 April 2018 £ |
|--------------------------------|------|--------------------------|---------------------------------------|--------------------------------------|
| | Note | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 17 | 575,034 | 108,754 | 118,365 |
| Investment property | 18 | - | - | 1,877,851 |
| Investments in associates | 19 | 309,116 | 309,574 | 220,745 |
| Investments in joint ventures | 20 | 5,675,174 | 4,313,408 | 5,329,072 |
| Other non-current investments | 21 | 1,865,752 | 4,839,209 | 4,616,506 |
| | | <u>8,425,076</u> | <u>9,570,945</u> | <u>12,162,539</u> |
| Current assets | | | | |
| Inventories | | - | - | 424,407 |
| Trade and other receivables | 23 | 11,844,006 | 3,152,539 | 5,630,865 |
| Cash and cash equivalents | 24 | 10,656,437 | 19,982,720 | 11,310,114 |
| | | <u>22,500,443</u> | <u>23,135,259</u> | <u>17,365,386</u> |
| Total assets | | <u>30,925,519</u> | <u>32,706,204</u> | <u>29,527,925</u> |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Deferred tax liability | 15.3 | 68,170 | 599,770 | 473,722 |
| | | <u>68,170</u> | <u>599,770</u> | <u>473,722</u> |
| Current liabilities | | | | |
| Trade and other liabilities | 25 | 4,001,265 | 3,737,428 | 3,168,335 |
| Corporation tax liability | 25 | 23,780 | 217,081 | 444,021 |
| | | <u>4,025,045</u> | <u>3,954,509</u> | <u>3,612,356</u> |
| Total liabilities | | <u>4,093,215</u> | <u>4,554,279</u> | <u>4,086,078</u> |
| Net assets | | <u>26,832,304</u> | <u>28,151,925</u> | <u>25,441,847</u> |

FIERA REAL ESTATE UK LIMITED
REGISTERED NUMBER: 01531949

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

| | | 31 December 2019 £ | As restated* 31 March 2019 £ | As restated* 1 April 2018 £ |
|---|------|--------------------------|---------------------------------------|--------------------------------------|
| | Note | | | |
| Issued capital and reserves attributable to owners of the parent | | | | |
| Share capital | 27 | 125,000 | 123,867 | 244,567 |
| Share premium reserve | 28 | 2,213,839 | 1,799,508 | 1,822,675 |
| Capital redemption reserve | 28 | 1,124,547 | 1,123,414 | 999,547 |
| Other reserve | 28 | 296,253 | 2,952,373 | 4,053,942 |
| Foreign exchange reserve | 28 | 15,037 | 15,037 | 15,037 |
| Retained earnings | 28 | 23,057,628 | 22,170,584 | 18,306,744 |
| | | <u>26,832,304</u> | <u>28,184,783</u> | <u>25,442,512</u> |
| Non-controlling interest | 29 | - | (32,858) | (665) |
| Total equity | | <u><u>26,832,304</u></u> | <u><u>28,151,925</u></u> | <u><u>25,441,847</u></u> |

*See note 35 for details of the restatement of the results due to prior year adjustment.

The financial statements on pages 12 to 85 were approved and authorised for issue by the board of directors and were signed on its behalf by:

A D W Price
 Director



Date: 28 January 2021

FIERA REAL ESTATE UK LIMITED
REGISTERED NUMBER: 01531949

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | | 31 December 2019 £ | As restated* 31 March 2019 £ | As restated* 1 April 2018 £ |
|--------------------------------|------|--------------------------|---------------------------------------|--------------------------------------|
| | Note | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 17 | 575,034 | 108,754 | 118,365 |
| Investments in associates | 22 | 231,751 | 231,751 | 231,772 |
| Investments in joint ventures | 22 | 2,930 | 2,930 | 2,998 |
| Other non-current investments | 22 | 101,054 | 2,294,637 | 1,969,333 |
| | | <u>910,769</u> | <u>2,638,072</u> | <u>2,322,468</u> |
| Current assets | | | | |
| Trade and other receivables | 23 | 16,896,018 | 8,262,209 | 12,303,645 |
| Cash and cash equivalents | 24 | 8,774,687 | 17,695,614 | 8,650,792 |
| | | <u>25,670,705</u> | <u>25,957,823</u> | <u>20,954,437</u> |
| Total assets | | <u>26,581,474</u> | <u>28,595,895</u> | <u>23,276,905</u> |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Deferred tax liability | 15.3 | - | 324,061 | 228,795 |
| | | <u>-</u> | <u>324,061</u> | <u>228,795</u> |
| Current liabilities | | | | |
| Trade and other liabilities | 25 | 3,081,453 | 2,601,340 | 2,498,964 |
| Corporation tax liability | 25 | - | 202,261 | 230,060 |
| | | <u>3,081,453</u> | <u>2,803,601</u> | <u>2,729,024</u> |
| Total liabilities | | <u>3,081,453</u> | <u>3,127,662</u> | <u>2,957,819</u> |
| Net assets | | <u>23,500,021</u> | <u>25,468,233</u> | <u>20,319,086</u> |

FIERA REAL ESTATE UK LIMITED
REGISTERED NUMBER: 01531949

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

| | | 31 December 2019 £ | As restated* 31 March 2019 £ | As restated* 1 April 2018 £ |
|---|------|-----------------------------|---------------------------------------|--------------------------------------|
| | Note | | | |
| Issued capital and reserves attributable to owners of the parent | | | | |
| Share capital | 27 | 125,000 | 125,000 | 250,000 |
| Share premium reserve | 28 | 2,213,839 | 2,090,502 | 2,090,502 |
| Capital redemption reserve | 28 | 1,124,547 | 1,124,547 | 999,547 |
| Other reserve | 28 | - | 1,381,522 | 975,390 |
| Retained earnings | 28 | 20,036,635 | 20,746,662 | 16,003,647 |
| Total equity | | <u>23,500,021</u> | <u>25,468,233</u> | <u>20,319,086</u> |

The Company's profit for the period/year was £2,908,451 (31 March 2019: £6,912,036).

*See note 35 for details of the restatement of the results due to prior year adjustment.

The financial statements on pages 12 to 85 were approved and authorised for issue by the board of directors and were signed on its behalf by:

A D W Price
 Director



Date: 28 January 2021

FIERA REAL ESTATE UK LIMITED

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

| | Share capital | Share premium | Capital redemption reserve | Other reserve (restated*) | Foreign exchange reserve | Retained earnings (restated*) | Total attributable to equity holders of parent (restated*) | Non- controlling interest | Total equity (restated*) |
|---|------------------|------------------|----------------------------------|------------------------------|--------------------------------|-------------------------------------|--|---------------------------------|-----------------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| At 1 April 2019 | 123,867 | 1,799,508 | 1,123,414 | 2,546,241 | 15,037 | 21,522,115 | 27,130,182 | (32,858) | 27,097,324 |
| Prior year adjustment | - | - | - | 406,132 | - | 648,469 | 1,054,601 | - | 1,054,601 |
| At 1 April 2019 (as restated*) | 123,867 | 1,799,508 | 1,123,414 | 2,952,373 | 15,037 | 22,170,584 | 28,184,783 | (32,858) | 28,151,925 |
| Profit for the period | - | - | - | - | - | 3,230,924 | 3,230,924 | 32,858 | 3,263,782 |
| Total comprehensive income for the period | - | - | - | - | - | 3,230,924 | 3,230,924 | 32,858 | 3,263,782 |
| Contributions by and distributions to owners | | | | | | | | | |
| Dividends (note 16) | - | - | - | - | - | (5,000,000) | (5,000,000) | - | (5,000,000) |
| Fair value adjustments to fixed asset investments | - | - | - | (3,187,720) | - | 3,187,720 | - | - | - |
| Excess share disposal proceeds | - | 123,337 | - | - | - | - | 123,337 | - | 123,337 |
| Deferred tax movement | - | - | - | 531,600 | - | (531,600) | - | - | - |
| Shares transferred from/(to) the Employee Benefit Trust | 1,133 | 290,994 | 1,133 | - | - | - | 293,260 | - | 293,260 |
| Total contributions by and distributions to owners | 1,133 | 414,331 | 1,133 | (2,656,120) | - | (2,343,880) | (4,583,403) | - | (4,583,403) |
| At 31 December 2019 | 125,000 | 2,213,839 | 1,124,547 | 296,253 | 15,037 | 23,057,628 | 26,832,304 | - | 26,832,304 |

*See note 35 for details of the restatement of the results due to prior year adjustment.

The notes on pages 25 to 85 form part of these financial statements.

FIERA REAL ESTATE UK LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019**

| | Share capital | Share premium | Capital redemption reserve | Other reserve | Foreign exchange reserve | Retained earnings (restated*) | Total attributable to equity holders of parent (restated*) | Non- controlling interest | Total equity (restated*) |
|--|------------------|------------------|----------------------------------|--------------------|--------------------------------|-------------------------------------|--|---------------------------------|-----------------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| At 1 April 2018 | 244,567 | 1,822,875 | 999,547 | 4,053,942 | 15,037 | 18,331,377 | 25,467,145 | (665) | 25,466,480 |
| Prior year adjustment | - | - | - | - | - | (24,633) | (24,633) | - | (24,633) |
| At 1 April 2018 (as restated) | <u>244,567</u> | <u>1,822,875</u> | <u>999,547</u> | <u>4,053,942</u> | <u>15,037</u> | <u>18,306,744</u> | <u>25,442,512</u> | <u>(665)</u> | <u>25,441,847</u> |
| Profit/(loss) for the year - As restated | - | - | - | - | - | 4,525,160 | 4,525,160 | (32,193) | 4,492,967 |
| Total comprehensive income/(expense) for the period - As restated | - | - | - | - | - | <u>4,525,160</u> | <u>4,525,160</u> | <u>(32,193)</u> | <u>4,492,967</u> |
| Contributions by and distributions to owners | | | | | | | | | |
| Dividends (note 16) | - | - | - | - | - | (1,762,889) | (1,762,889) | - | (1,762,889) |
| Purchase of own shares | (125,000) | - | 125,000 | - | - | - | - | - | - |
| Transfer upon realisation of revaluation of fixed asset investments | - | - | - | (1,715,373) | - | 1,715,373 | - | - | - |
| Fair value adjustments to fixed asset investments - As restated | - | - | - | 702,855 | - | (702,855) | - | - | - |
| Shares transferred from/(to) the Employee Benefit Trust | 4,300 | (23,167) | (1,133) | - | - | - | (20,000) | - | (20,000) |
| Deferred tax movement - As restated | - | - | - | (89,051) | - | 89,051 | - | - | - |
| Total contributions by and distributions to owners - As restated | <u>(120,700)</u> | <u>(23,167)</u> | <u>123,867</u> | <u>(1,101,569)</u> | <u>-</u> | <u>(661,320)</u> | <u>(1,782,889)</u> | <u>-</u> | <u>(1,782,889)</u> |
| At 31 March 2019 - As restated | <u>123,867</u> | <u>1,799,508</u> | <u>1,123,414</u> | <u>2,952,373</u> | <u>15,037</u> | <u>22,170,584</u> | <u>28,184,783</u> | <u>(32,858)</u> | <u>28,151,925</u> |

*See note 35 for details of the restatement of the results due to prior year adjustment.

The notes on pages 25 to 85 form part of these financial statements.

FIERA REAL ESTATE UK LIMITED

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

| | Share capital £ | Share premium £ | Capital redemption reserve £ | Other reserve (restated*) £ | Retained earnings (restated*) £ | Total equity (restated*) £ |
|---|-----------------------|-----------------------|---------------------------------------|--------------------------------------|--|----------------------------------|
| At 1 April 2019 | 125,000 | 2,090,502 | 1,124,547 | 975,390 | 20,285,664 | 24,601,103 |
| Prior year adjustment | - | - | - | 406,132 | 460,998 | 867,130 |
| At 1 April 2019 (as restated) | 125,000 | 2,090,502 | 1,124,547 | 1,381,522 | 20,746,662 | 25,468,233 |
| Profit for the period | - | - | - | - | 2,908,451 | 2,908,451 |
| Total comprehensive income for the period | - | - | - | - | 2,908,451 | 2,908,451 |
| Contributions by and distributions to owners | | | | | | |
| Dividends (note 16) | - | - | - | - | (5,000,000) | (5,000,000) |
| Realisation of fair value | - | - | - | (1,705,583) | 1,705,583 | - |
| Excess share disposal proceeds | - | 123,337 | - | - | - | 123,337 |
| Realisation of deferred tax | - | - | - | 324,061 | (324,061) | - |
| Total contributions by and distributions to owners | - | 123,337 | - | (1,381,522) | (3,618,478) | (4,876,663) |
| At 31 December 2019 | 125,000 | 2,213,839 | 1,124,547 | - | 20,036,635 | 23,500,021 |

*See note 35 for details of the restatement of the results due to prior year adjustment.

The notes on pages 25 to 85 form part of these financial statements.

FIERA REAL ESTATE UK LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019**

| | Share capital £ | Share premium £ | Capital redemption reserve £ | Other reserve £ | Retained earnings (restated*) £ | Total equity (restated*) £ |
|---|-----------------------|-----------------------|---------------------------------------|-----------------------|--|----------------------------------|
| At 1 April 2018 | 250,000 | 2,090,502 | 999,547 | 975,390 | 15,915,473 | 20,230,912 |
| Prior year adjustment | - | - | - | - | 88,174 | 88,174 |
| At 1 April 2018 (as restated) | 250,000 | 2,090,502 | 999,547 | 975,390 | 16,003,647 | 20,319,086 |
| Profit for the year - As restated | - | - | - | - | 6,912,036 | 6,912,036 |
| Total comprehensive income for the period | - | - | - | - | 6,912,036 | 6,912,036 |
| Contributions by and distributions to owners | | | | | | |
| Dividends (note 16) | - | - | - | - | (1,762,889) | (1,762,889) |
| Purchase of own shares | (125,000) | - | 125,000 | - | - | - |
| Transfers between other reserves - As restated | - | - | - | 501,398 | (501,398) | - |
| Deferred tax movement - As restated | - | - | - | (95,266) | 95,266 | - |
| Total contributions by and distributions to owners | (125,000) | - | 125,000 | 406,132 | (2,169,021) | (1,762,889) |
| At 31 March 2019 | 125,000 | 2,090,502 | 1,124,547 | 1,381,522 | 20,746,662 | 25,468,233 |

*See note 35 for details of the restatement of the results due to prior year adjustment.

The notes on pages 25 to 85 form part of these financial statements.

FIERA REAL ESTATE UK LIMITED

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

| | 31 December 2019 £ | As restated* 31 March 2019 £ |
|---|--------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| Profit for the period/year | 3,263,782 | 4,492,967 |
| Adjustments for | | |
| Depreciation of tangible fixed assets (note 8) | 36,986 | 33,756 |
| Interest and dividend income | (132,108) | (148,014) |
| Fair value loss/(gain) on financial assets recognised in profit or loss | 35,242 | (702,854) |
| Interest expense (note 9) | 2,433 | 873 |
| Impairment of financial assets | - | (2,649) |
| Loss/(profit) on disposal of fixed asset investments | 39,667 | (650,565) |
| Income from fixed asset investment | (22,116) | - |
| Depreciation right-of-use assets (note 8) | 258,047 | - |
| Share of profit from associates | - | (191,445) |
| Share of profit from joint ventures | (4,266,301) | (5,017,543) |
| Loss on sale of property, plant and equipment | 55,127 | - |
| Other non-cash movements | 692 | (196) |
| Increase/(decrease) in amounts due to non-controlling interest | 32,858 | (32,193) |
| Income tax expense (note 15.1) | 381,699 | 1,227,618 |
| | (313,992) | (990,245) |
| Movements in working capital: | | |
| Decrease in trade and other receivables | 446,534 | 1,820,761 |
| Decrease in inventories | - | 424,407 |
| Increase in trade and other payables | 263,837 | 1,070,003 |
| Cash generated from operations | 396,379 | 2,324,926 |
| Income taxes paid | (1,100,964) | (670,944) |
| Net cash (used in)/from operating activities | (704,585) | 1,653,982 |

FIERA REAL ESTATE UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

| | 31 December 2019 £ | As restated 31 March 2019 £ |
|---|---------------------------------------|--|
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment (note 17) | (558,393) | (24,145) |
| Proceeds from disposal of investment property | - | 1,877,851 |
| Investment in joint ventures | (1,680,178) | (2,998,320) |
| Acquisition of subsidiaries, net of cash acquired | (868,743) | (359,936) |
| Repayment of loans from joint ventures | 1,670,694 | 3,031,234 |
| Distributions received from unlisted and other investments | 3,760,800 | 839,789 |
| Distributions received from joint ventures | 2,881,780 | 6,001,250 |
| Distributions received from associates | - | 140,000 |
| Income from investments | 22,116 | 164,151 |
| Interest received (note 9) | 132,109 | 110,512 |
| Net cash from investing activities | <u>5,360,185</u> | <u>8,782,386</u> |
| Cash flows from financing activities | | |
| Shares transferred from the Employee Benefit Trust | 416,597 | - |
| Loan to parent company | (9,138,000) | - |
| Principal paid on lease liabilities | (258,047) | - |
| Interest paid on lease liabilities (note 9) | (2,433) | (873) |
| Dividends paid (note 16) | (5,000,000) | (1,762,889) |
| Net cash used in financing activities | <u>(13,981,883)</u> | <u>(1,763,762)</u> |
| Net cash (decrease)/increase in cash and cash equivalents | <u>(9,326,283)</u> | <u>8,672,606</u> |
| Cash and cash equivalents at the beginning of period | 19,982,720 | 11,310,114 |
| Cash and cash equivalents at the end of the period (note 24) | <u><u>10,656,437</u></u> | <u><u>19,982,720</u></u> |

*See note 35 for details of the restatement of the results due to prior year adjustment.

The notes on pages 25 to 85 form part of these financial statements.

FIERA REAL ESTATE UK LIMITED

**COMPANY STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

| | 31 December 2019 £ | As restated* 31 March 2019 £ |
|---|-----------------------------------|---|
| Cash flows from operating activities | | |
| Profit for the period/year | 2,908,451 | 6,912,036 |
| Adjustments for | | |
| Depreciation of tangible assets (note 8) | 36,986 | 33,756 |
| Interest and dividend income | (2,539,150) | (4,658,806) |
| Depreciation of right-of-use assets (note 8) | 258,047 | - |
| Loss on sale of property, plant and equipment | 55,127 | - |
| Impairment of financial assets | - | 175,000 |
| Finance income | (120,186) | - |
| Interest expense | 2,433 | - |
| Fair value gains on financial assets recognised in profit or loss | - | (501,398) |
| Other losses | - | 162,717 |
| Profit on disposal of fixed asset investments | (333,525) | (498,882) |
| Other non-cash movements | - | (1,118) |
| Income tax expense | 116,197 | 782,507 |
| | <hr/> 384,380 | <hr/> 2,405,812 |
| Movements in working capital: | | |
| Decrease in trade and other receivables | 766,415 | 3,542,123 |
| Increase in trade and other payables | 644,263 | 602,376 |
| Increase in amounts owed by group entities | (493,393) | - |
| | <hr/> 1,301,665 | <hr/> 6,550,311 |
| Cash generated from operations | | |
| Income taxes paid | (644,500) | (378,444) |
| | <hr/> 657,165 | <hr/> 6,171,867 |
| Net cash from operating activities | | |

FIERA REAL ESTATE UK LIMITED

COMPANY STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

| | 31 December 2019 £ | As restated 31 March 2019 £ |
|---|-----------------------------|--------------------------------------|
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment (note 17) | (558,393) | (24,145) |
| Acquisition of subsidiaries, net of cash acquired | - | (101) |
| Distributions from investments in subsidiaries | 540,527 | 1,167 |
| Acquisition of unlisted and other investments | - | (17) |
| Distributions from unlisted and other investments | 2,055,581 | - |
| Sale of share in associates | - | 66 |
| Sale of share in joint ventures | - | 68 |
| Interest received | 120,186 | 84,787 |
| Distributions received from associates | - | 37,500 |
| Dividends & distributions received | 2,539,150 | 4,536,519 |
| Net cash from investing activities | <u>4,697,051</u> | <u>4,635,844</u> |
| Cash flows from financing activities | | |
| Shares transferred from the Employee Benefit Trust | 123,337 | - |
| Loan to parent company | (9,138,000) | - |
| Principal paid on lease liabilities | (258,047) | - |
| Interest paid on lease liabilities | (2,433) | - |
| Dividends paid (note 16) | (5,000,000) | (1,762,889) |
| Net cash used in financing activities | <u>(14,275,143)</u> | <u>(1,762,889)</u> |
| Net cash (decrease)/increase in cash and cash equivalents | <u>(8,920,927)</u> | <u>9,044,822</u> |
| Cash and cash equivalents at the beginning of period | 17,695,614 | 8,650,792 |
| Cash and cash equivalents at the end of the period (note 24) | <u><u>8,774,687</u></u> | <u><u>17,695,614</u></u> |

*See note 35 for details of the restatement of the results due to prior year adjustment.

The notes on pages 25 to 85 form part of these financial statements.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

1. Reporting entity

Fiera Real Estate UK Limited (formerly known as Palmer Capital Partners Limited) (the 'Company') is a private company limited by share capital and is incorporated in England and Wales. The Company's registered office is at Third Floor Queensberry House, 3 Old Burlington Street, London, United Kingdom, W1S 3AE. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group' and individually 'Group companies'). The parent company financial statements present information about the Company as a separate entity and not about its Group. The Group is primarily involved in fund management and venture capital specialising in the property sector.

2. Basis of preparation

Both the parent company financial statements and the Group financial statements have been prepared and approved in accordance with EU adopted International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Details of the Group's accounting policies, including changes during the period, are included in note 4.

On publishing the parent financial statements here together with the Group financial statements the Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its individual Statement of Comprehensive Income that form part of these approved financial statements.

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 6.

2.1 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

| Items | Measurement basis |
|-------------------------------|--------------------------|
| Investment property | Fair value |
| Other non-current investments | Fair value |
| Investments in associates | Equity accounting |
| Investments in joint ventures | Equity accounting |
| Loans to joint ventures | Fair value |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Basis of preparation (continued)**2.2 Changes in accounting policies****i) New standards, interpretations and amendments effective from 1 April 2019**

A number of new standards listed below are effective from 1 April 2019 but they do not have a material effect on the Group's financial statements.

- IFRIC 23 Uncertainty over Income Tax Treatments:
- Prepayment Features with Negative Compensation (Amendments to IFRS 9):
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19): and
- Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards.

Adoption of new IFRS**Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)**

The Group has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The Group applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the Group does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

IFRS 16 – Leases

The Group adopted IFRS 16 – Leases on 1 April 2019. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognized right-of-use assets in the consolidated statement of financial position mostly representing its rights to use its office facilities that meet the definition of a lease, and lease liabilities representing its obligations to make lease payment.

The Group has applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 31 March 2019 has not been restated and is presented, as previously reported, under IAS 17. The details of the changes in accounting policies are described below.

Definition of a lease

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration.

Transition

On transition to IFRS 16, the Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 April 2019. For leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Basis of preparation (continued)**2.2 Changes in accounting policies (continued)****i) New standards, interpretations and amendments effective from 1 April 2019 (continued)**

The Group also used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- the Group did not recognise right-of-use assets and liabilities for leases of low value assets;
- the Group has applied a single discount rate to a portfolio of leases with similar characteristics; and
- the Group has excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 2.084%.

The following table provides a reconciliation of the finance lease liabilities and operating lease commitments at 31 March 2019 disclosed in the Group's consolidated financial statements to the lease liabilities recognised at 1 April 2019.

| | As at 1 April 2019 £ |
|--|-------------------------------------|
| Operating lease commitments at 31 March 2019 as disclosed in the Group's consolidated financial statements | 381,875 |
| Commitments prepaid at balance sheet date | (88,125) |
| Additional rent and lease inducements | 39,077 |
| Discounted using incremental borrowing rates as at 1 April 2019 | (3,326) |
| Lease liabilities recognised at 1 April 2019 | 329,501 |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Basis of preparation (continued)**ii) New standards, interpretations and amendments not yet effective**

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

- Amendments to References to Conceptual Framework in IFRS Standards - effective for annual reporting periods beginning on or after 1 January 2020;
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) - effective for annual reporting periods beginning on or after 1 January 2020;
- IFRS 3 Business Combinations (Amendment – Definition of Business) - effective for annual reporting periods beginning on or after 1 January 2020;
- Definition of Material (Amendments to IAS 1 and IAS 8) - effective for annual reporting periods beginning on or after 1 January 2020;
- IFRS 17 Insurance Contracts - effective for annual reporting periods beginning on or after 1 January 2021 (likely to be extended to annual periods beginning on or after 1 January 2022); and
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its or Joint Venture - effective date of the amendments has yet to be set by the IASB.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

3. Reporting period

The company changed its financial year end date from 31 March to 31 December to align it with its parent's year end. The financial statements for the current period are made up from 1 April 2019 to 31 December 2019. Consequently, comparative amounts for the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes are not entirely comparable.

4. Significant accounting policies**4.1 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

4. Significant accounting policies (continued)

4.1 Basis of consolidation (continued)

- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4.2 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting in accordance with IAS 28. The substance of the Group's interests in Joint Ventures is twofold, being separately an equity interest measured using the equity method in accordance with IAS 28 (and potentially producing a variable return to be assessed under IFRS 15) and secondly a loan interest measured at fair value through profit or loss under IFRS 9 Financial Instruments. As such an exercise is undertaken at each balance sheet date to assess the fair value of each loan to a Joint Venture. The returns generated by both the Group's equity interest and its loan interest are aggregated within Share of results of joint ventures in the Statement of Profit or Loss.

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)**4.2 Investments in associates and joint ventures (continued)**

made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

In accounting for a share of results from associates and joint ventures, due to the nature of the income and the underlying contracts, payment terms vary. Investment returns from joint ventures often include a variable component, determined by the outcome of the associated property deal. In these cases, the Group includes in the transaction price variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated property deal is concluded.

4.3 Fair value measurement

Investments in unlisted group shares have been categorised as level 3 in the fair value hierarchy prescribed under the accounting standards. These investments are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period.

4.4 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of issuance of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further details have been given in Strategic Report.

4.5 Revenue

The Group has adopted IFRS 15. This standard applies specific rules whereby the timing of cash payments specified in a contract are different to the transfer of control of the related services to the customer, thus changing when the related revenue is recognised.

Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of promised service is transferred. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates and value added tax.

FIERA REAL ESTATE UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)

4.5 Revenue (continued)

Fund priority profit shares and fund management fees are earned from ongoing fund management services and is recognised over the period of the contract during which the services are provided, representing the value of the service provided to date.

Asset management fee income is earned from ongoing asset management services and is recognised over the period of the contract during which the services are provided, representing the value of the service provided to date.

Transaction fee income is generated by the successful acquisition of eligible investments as defined in the relevant trust instrument or equivalent agreement. Revenue is recognised upon completion of the contract to acquire the asset.

Consultancy fee income is generated by providing ongoing advice and professional support to associated entities. Revenue is recognised at the point the associated entity determines that those services have been successfully provided through the generation of profit for the associated entity, assessed at least quarterly.

Other contractual income is generated by providing advice and professional support to related parties in respect of specific property deals. Revenue is recognised at the point the property deal is proven to have been successfully and the conditions of the Company's rights to profits or fees have been met e.g. the completion of a contract of sale of an asset held by a third party or the recognition of profits in an underlying property vehicle.

Other income is generated from a combination of ancillary services such as accounting and administration services, recognised over the period of the contract during which the services are provided, and profit generated from the unwinding of positions held with related parties, recognised at the point the performance obligations are fully satisfied and profit becomes highly likely.

4.6 Foreign currency

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 the Consolidated Statement of Comprehensive Income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)

4.7 Employee benefits

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

4.8 Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the period to which they relate.

4.9 Taxation

(i) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)

4.9 Taxation (continued)

(ii) Deferred tax (continued)

the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.10 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

| | |
|-------------------------------|----------|
| Short-term leasehold property | 10 years |
| Fixtures and fittings | 5 years |

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)**4.11 Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

4.12 Inventories

Inventories consist of properties held for development and are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

4.13 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.14 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

4. Significant accounting policies (continued)**4.14 Financial assets (continued)****(i) Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity instrument in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iii) *Financial assets at FVTPL*).

(ii) Amortised cost and effective interest method

The effective interest method is a method for calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased and originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised costs of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see (v) *Impairment of financial assets*). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate

FIERA REAL ESTATE UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)

4.14 Financial assets (continued)

(ii) Amortised cost and effective interest method (continued)

to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by the applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased and originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'finance income' line item.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity instrument that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- debt instruments that do not meet the amortised cost criteria or the FVOCI criteria (see (ii) Amortised cost and effective interest method) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'fair value gains/losses' line item. Fair value is determined in the manner described in note 30.

FIERA REAL ESTATE UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)

4.14 Financial assets (continued)

(iv) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'finance income' or 'finance expense' line item for gains and losses respectively.
- for debt instruments measured at FVOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instruments are recognised in profit or loss in the 'finance income' or 'finance expense' line item for gains and losses respectively. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve.
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in the 'finance income' or 'finance expense' line item for gains and losses respectively.
- for equity instruments measured at FVOCI, exchange differences are recognised in other comprehensive income in the investments reconciliation reserve.

(v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised costs or at FVOCI, lease receivables, amounts due from customers under contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, amounts due from customers under contracts and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group'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.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)**4.14 Financial assets (continued)****(v) Impairment of financial assets (continued)**

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(vi) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investments revaluation reserve, and does not reduce the carrying amount of the financial asset in the Consolidated Statement of Financial Position.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)**4.14 Financial assets (continued)****(vii) Derecognition of financial assets**

The Group derecognises a financial asset 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 party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

4.15 Financial liabilities and equity instruments**(i) Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Significant accounting policies (continued)**4.15 Financial liabilities and equity instruments (continued)****(iii) Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss (FVTPL).

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method 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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.16 Dividend payable

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at a general meeting.

4.17 Dividend receivable

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).

4.18 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. Loans to joint ventures are measured at fair value.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

4. Significant accounting policies (continued)

4.19 Creditors

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

4.20 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

4.21 Operating leases: the Group as lessee

The Group has adopted IFRS 16 and recognises new right of use assets and lease liabilities for its operating leases. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Lease assets and lease liabilities will be recognised based on the present value of the future minimum lease payments over the lease term. As the Group's leases do not normally provide an implicit financing rate, it will use its incremental borrowing rate to determine the present value of future payments. The lease term will include options to extend or terminate the lease when it is reasonably certain that the Group will exercise that option. The right of use asset will include lease payments made and initial direct costs.

4.22 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

4.23 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

4.24 Auditor's remuneration

In order to align with the accounting policy of the parent group, the Company has opted to recognise the expense arising from auditors' remuneration in the accounting period during which the service is provided. This is a change to previous periods.

5. Functional and presentational currency

These consolidated financial statements are presented in pound sterling, which is the Company's and Group's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

6. Significant accounting estimates and judgements

In application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements that have a significant impact on the amounts recognised and to make 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. The nature of estimation and judgement means that actual result may differ and may result in a material adjustment to carrying amount of the asset or liability affected in future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

Fair value of unlisted investments

The Group's Statement of Financial Position includes non-controlling interest in unlisted entities, typically unit trusts which invest in funds managed by the Group. In accordance with International Financial Reporting Standards, where the market value of those investments can be reliably determined, they are remeasured at fair value at each financial position date. As these investments are not readily tradable on a public exchange market, the fair value is based on the Statement of Financial Position of the unlisted investments which include market value revaluations of assets held. For carrying amount of this class of investments, please refer to Note 21.

Recognition of variable consideration

The Group holds equity investments in Joint Ventures, measured using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. Within the Joint Ventures there is a variable return to be assessed in accordance with IFRS 15. In accordance with IFRS 15, an entity should recognise variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when any uncertainty associated with the variable consideration is subsequently resolved. As such, in assessing the value of revenue arising from investments in joint ventures, the Directors have identified those projects where the criteria of IFRS 15 have been met, specifically that the performance obligations are adjudged to have been substantially completed.

During the prior year, the Group disposed of its interest in a subsidiary, Palmer Capital Partners (CBX3) Limited, to a related party. The consideration included an enduring right to a share of any future profits distributed to the acquirer in relation to the property asset held in Palmer Capital Partners (CBX3) Limited at the time of disposal. The directors assess that, given the circumstances in existence at the period-end date, the right to profits did not meet the criteria of IFRS 15. Although the Group itself no longer had any remaining performance obligations, the contract being carried out by the disposed entity was not at a stage where it met the recognition criteria of IFRS 15 as uncertainty remained over the successful conclusion of the contract.

Loans to joint ventures held at fair value

The Group holds loan investments in Joint Ventures, measured at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. In assessing the fair value of each loan relationship the directors have considered the intrinsic interest rate associated with each loan instrument, and have undertaken an exercise to assess the circumstances of each project, particularly any forecast profits. Only where those profits are sufficient to support a fair value uplift has such an adjustment been made. Furthermore, where forecasts indicate the loan will not be recovered in full, those expected credit losses are reflected through an impairment of the investment's value. For carrying amount of this class of investments, please refer to Note 20.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. Significant accounting estimates and judgements (continued)**Judgment (continued)****Long-term incentive plan**

The Group has put in place a long-term incentive plan ("LTIP") whereby, if the Group meets certain performance criteria each year, an amount will be made available to management to allocate at its discretion to employees as additional non-contractual remuneration. As the release of these amounts is conditional upon performance targets each year, it is determined that the terms of the LTIP do not meet the recognition criteria of a liability under IAS 19 Employee Benefits until such time as the conditions for release have been met.

Judgements

There were no critical accounting judgements that are material to the financial statements have been made in current or prior period.

7. Revenue

The following is an analysis of the Group's revenue for the period from continuing operations:

| | Period ended 31 December 2019 £ | Restated Year ended 31 March 2019 £ |
|--|---|---|
| Fund priority profit shares and fund management fees | 1,811,524 | 2,381,500 |
| Asset management fees | 1,431,658 | 1,686,472 |
| Transaction fees | 587,432 | 692,188 |
| Consulting fees | 244,909 | 389,258 |
| Other property-related income | 30,000 | 414,085 |
| Other income | 443,772 | 268,099 |
| | <u>4,549,295</u> | <u>5,831,602</u> |

Analysis of revenue by country of destination:

| | Period ended 31 December 2019 £ | Restated Year ended 31 March 2019 £ |
|-------------------|---|---|
| United Kingdom | 4,549,295 | 5,809,276 |
| Rest of the world | - | 22,326 |
| | <u>4,549,295</u> | <u>5,831,602</u> |

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8. Operating loss

The operating loss is stated after charging:

| | Period ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|---------------------------------------|--|-------------------------------------|
| Depreciation of tangible fixed assets | 36,986 | 33,756 |
| Depreciation of right-of-use assets | 258,047 | - |
| Exchange differences | 680 | 83 |
| Other operating lease rentals | 39,960 | 394,971 |
| | <u>335,673</u> | <u>428,810</u> |

9. Finance income and expense

Recognised in profit or loss

| | Period ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|--|--|-------------------------------------|
| Finance income | | |
| Interest on: Bank deposits | 51,865 | 79,079 |
| Interest receivable from related parties | 80,244 | 31,433 |
| | <u>132,109</u> | <u>110,512</u> |
| Finance expense | | |
| Interest on lease liabilities | 2,433 | - |
| Other interest payable | - | 873 |
| | <u>2,433</u> | <u>873</u> |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. Other income

| | Period ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|--|--|-------------------------------------|
| Income from participating interests | 10,065 | 536,610 |
| Income from financial assets held as investments | 12,052 | 2,649 |
| | <u>22,117</u> | <u>539,259</u> |

11. Other gains

| | Period ended 31 December 2019 £ | As restated Year ended 31 March 2019 £ |
|---|--|--|
| Unrealised (loss)/gain on revaluation of other non-current assets | (35,242) | 702,854 |
| Net gain on sale of financial assets | 117,706 | 151,455 |
| | <u>82,464</u> | <u>854,309</u> |

12. Auditors' remuneration

| | Period ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|---|---|-------------------------------------|
| Audit of these financial statements | - | 56,287 |
| Audit of financial statements of subsidiaries | - | 67,162 |
| Other assurance services | - | 21,237 |
| | <u>-</u> | <u>144,686</u> |

As per note 4.24, the audit remuneration expense is now recognised in the accounting period during which the service is provided. Fees payable to Deloitte and their associates for the audit of these financial statements is £185,000 and £7,000 for the audit of financial statements of subsidiaries. The Group is also due to pay £6,700 for non-audit services to Deloitte in relation to FCA reporting. The fees disclosed for 31 March 2019 in table above were due to Simmons Gainsford LLP.

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13. Employee benefit expenses

| | Period ended 31 December 2019 Group and Company £ | As restated Year ended 31 March 2019 Group and Company £ |
|--|--|--|
| Employee benefit expenses (including directors) comprise: | | |
| Wages and salaries | 3,397,848 | 4,202,316 |
| National insurance | 431,269 | 548,034 |
| Defined contribution pension cost | 24,132 | 25,636 |
| | <u>3,853,249</u> | <u>4,775,986</u> |

The average monthly number of employees, including Directors, during the period was as follows:

| | Group and Company 31 December 2019 | Group and Company 31 March 2019 |
|----------------------|---|--|
| Directors | 5 | 6 |
| Administration staff | <u>29</u> | <u>24</u> |
| | 34 | 30 |

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 1 and senior management group involved in day to day decision making.

| | Period ended 31 December 2019 £ | As restated Year ended 31 March 2019 £ |
|-----------------------------------|--|--|
| Wages and salaries | 978,750 | 1,019,866 |
| Short-term employee benefits | 505,000 | 845,000 |
| Social security costs | 204,758 | 257,351 |
| Defined contribution scheme costs | 4,935 | 4,336 |
| | <u>1,693,443</u> | <u>2,126,553</u> |

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14. Directors' remuneration

| | Period ended 31 December | Year ended 31 March |
|-----------------------------------|-----------------------------------|------------------------|
| Directors' emoluments | 450,000 | 1,864,866 |
| Defined contribution scheme costs | 987 | 4,336 |
| | <u>450,987</u> | <u>1,869,202</u> |

During the period retirement benefits were accruing to 1 Director (31 March 2019: 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £225,987 (31 March 2019: £526,210).

15. Tax expense**15.1 Income tax recognised in profit or loss**

| | Period ended 31 December 2019 £ | As restated Year ended 31 March 2019 £ |
|--|--|--|
| Current tax | | |
| Current tax on profits for the period/year | 913,299 | 1,101,570 |
| Total current tax | <u>913,299</u> | <u>1,101,570</u> |
| Deferred tax expense | | |
| Origination and reversal of timing differences | (531,600) | 126,048 |
| Total deferred tax | <u>(531,600)</u> | <u>126,048</u> |
| | <u>381,699</u> | <u>1,227,618</u> |
| Total tax expense | | |
| Tax expense | 381,699 | 1,227,618 |
| | <u>381,699</u> | <u>1,227,618</u> |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. Tax expense (continued)**15.1 Income tax recognised in profit or loss (continued)**

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to profits for the period are as follows:

| | Period ended 31 December 2019 £ | As restated Year ended 31 March 2019 £ |
|---|--|--|
| Profit for the period/year | 3,263,782 | 4,492,967 |
| Income tax expense/credit (including income tax on associate, joint venture and discontinued operation) | 381,699 | 1,227,618 |
| Profit before income taxes | 3,645,481 | 5,720,585 |
| Tax using the Company's domestic tax rate of 19% (2019:19%) | 692,641 | 1,086,911 |
| Fair value movement not subject to corporation tax in the current period | 35,477 | (7,495) |
| Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment | 11,157 | 11,359 |
| Capital allowances for the period in excess of depreciation | (21,759) | 5,739 |
| Movement on deferred tax caused by a change in tax rates | - | 2,276 |
| Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment | - | 128,808 |
| Book profit on chargeable assets | 10,474 | - |
| Utilisation of unrelieved tax losses brought forward | (75,930) | - |
| Other timing differences | (270,361) | 20 |
| Total tax expense | 381,699 | 1,227,618 |
| Effective tax rate | 10.47% | 21.46% |

Factors that may affect future tax charges

The Finance Act 2019, which received Royal Assent in February 2019, would have resulted in the applicable rate being 17% from 1 April 2020. However, it was later announced at Budget 2020 that it will remain unchanged at 19%.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. Tax expense (continued)**15.2 Current tax assets and liabilities**

| | Period ended 31 December 2019 £ | As restated Year ended 31 March 2019 £ |
|--------------------------------|--|--|
| Current tax liabilities | | |
| Corporation tax payable | 23,780 | 217,081 |
| | <u>23,780</u> | <u>217,081</u> |

15.3 Deferred tax balances

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 Group intends to settle its current tax assets and liabilities on a net basis.

The following is the analysis of deferred tax asset/(liabilities) presented in the consolidated statement of financial position:

| | Period ended 31 December 2019 £ | As restated Year ended 31 March 2019 £ |
|--------------------------|--|--|
| Deferred tax liabilities | (68,170) | (599,770) |
| | <u>(68,170)</u> | <u>(599,770)</u> |

Deferred tax assets are recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered. There were no deferred tax asset recognised during the period (31 March 2019: £nil) by the Group and the Company.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. Tax expense (continued)**15.3 Deferred tax balances (continued)****Group**

| | As restated At 1 April 19 £ | Recognised in profit or loss £ | At 31 December 19 £ |
|--|-----------------------------------|--------------------------------------|---------------------------|
| Timing differences on Fixed Asset investments held at FV | (599,770) | 531,600 | (68,170) |
| | <u>(599,770)</u> | <u>531,600</u> | <u>(68,170)</u> |

| | At 1 April 18 £ | Recognised in profit or loss £ | At 31 March 19 £ |
|---|--------------------|--------------------------------------|---------------------|
| Timing differences on Fixed Asset investments held at FV - As restated | (473,722) | (126,048) | (599,770) |
| | <u>(473,722)</u> | <u>(126,048)</u> | <u>(599,770)</u> |

Company

| | As restated- At 1 April 18 £ | Recognised in profit or loss £ | Other £ | At 31 December 19 £ |
|---|------------------------------------|--------------------------------------|------------|---------------------------|
| Timing differences on Fixed Asset investments held at FV | (324,061) | 324,061 | - | - |
| | <u>(324,061)</u> | <u>324,061</u> | <u>-</u> | <u>-</u> |

| | At 1 April 18 £ | Recognised in profit or loss £ | Other £ | At 31 March 19 £ |
|---|--------------------|--------------------------------------|------------|---------------------|
| Timing differences on Fixed Asset investments held at FV - As restated | (228,795) | (95,266) | - | (324,061) |
| | <u>(228,795)</u> | <u>(95,266)</u> | <u>-</u> | <u>(324,061)</u> |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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16. Dividends

| | Period ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|--|--|-------------------------------------|
| Interim dividend of nil (31 March 2019: 14.2 pence) per Ordinary A share paid during the period | - | 1,762,889 |
| Final dividend of 40 pence (31 March 2019: nil) per Ordinary A share proposed and paid during the period | 4,000,000 | - |
| Final dividend of 40 pence (31 March 2019: nil) per Ordinary B share proposed and paid during the period | 1,000,000 | - |
| | <u>5,000,000</u> | <u>1,762,889</u> |

17. Property, plant and equipment**Group and Company**

| | Short-term leasehold property £ | Fixtures and fittings £ | Total £ |
|----------------------------|--|-------------------------------|----------------|
| Cost | | | |
| At 1 April 2018 | 93,102 | 100,311 | 193,413 |
| Additions | 7,786 | 16,359 | 24,145 |
| At 31 March 2019 | <u>100,888</u> | <u>116,670</u> | <u>217,558</u> |
| Additions | 409,081 | 149,312 | 558,393 |
| Disposals | (100,888) | (4,972) | (105,860) |
| At 31 December 2019 | <u>409,081</u> | <u>261,010</u> | <u>670,091</u> |

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17. Property, plant and equipment (continued)

| | Short-term leasehold property £ | Fixtures and fittings £ | Total £ |
|--|--|-------------------------------|----------------|
| Accumulated depreciation and impairment | | | |
| At 1 April 2018 | 27,931 | 47,117 | 75,048 |
| Charge on owned assets for the year | 10,422 | 23,334 | 33,756 |
| At 31 March 2019 | 38,353 | 70,451 | 108,804 |
| Charge on owned assets for the period | 7,817 | 29,169 | 36,986 |
| Disposals | (46,170) | (4,563) | (50,733) |
| At 31 December 2019 | - | 95,057 | 95,057 |
| Net book value | | | |
| At 1 April 2018 | 65,171 | 53,194 | 118,365 |
| At 31 March 2019 | 62,535 | 46,219 | 108,754 |
| At 31 December 2019 | 409,081 | 165,953 | 575,034 |

18. Investment property**Group****(i) Freehold investment property**

| | 31 December 2019 £ | 31 March 2019 £ |
|-----------------|-----------------------------|-----------------------|
| Opening balance | - | 1,877,851 |
| Disposals | - | (1,877,851) |
| | - | - |

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19. Investments in equity-accounted associates

The group has interests in a number of individually immaterial associates that are accounted for using the equity method:

(i) Summarised financial information (immaterial associates)

| | Period ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|--|--|-------------------------------------|
| Profit from continuing operations | - | 191,445 |
| Aggregate carrying amount of the Group's interests in these associates | 309,116 | 309,574 |

20. Joint ventures

| | 31 December 2019 £ | 31 March 2019 £ |
|--|-----------------------------|-----------------------|
| Equity investment in joint ventures | 28,733 | (1,510,272) |
| Loans to joint ventures | 5,646,441 | 5,823,680 |
| Aggregate carrying amount of the Group's investment in joint ventures | 5,675,174 | 4,313,408 |

Investments in the following entities have been included in the consolidated financial statements using the equity method:

| Name | Country of incorporation | Principal activity | Proportion of ownership interest held as at (%) | |
|---|--------------------------|----------------------|---|-------------|
| | | | 31 Dec 2019 | 31 Mar 2019 |
| 1) Manse Opus (Ansty) LLP | England and Wales | Property development | 33 | 33 |
| 2) Bruton (PCDF IV Bristol) FS) LLP | England and Wales | Property development | 4 | 4 |
| 3) Danescroft (Send) LLP | England and Wales | Dormant | 50 | 50 |
| 4) Opus (Kingswood) LLP | England and Wales | Dormant | 33 | 33 |
| 5) Wrenbridge (Woking Project Management) Limited | England and Wales | Nominee Company | 33 | 33 |

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Joint ventures (continued)

20

(i) Summarised financial information (material joint ventures)**Period ended 31 December 2019**

| | Manse Opus (Ansty) LLP | Bruton (PCDF IV Bristol FS) LLP | Danescroft (Send) LLP | Opus (Kingswood) LLP | Wrenbridge (Woking Project Management) Limited |
|---|---------------------------|---------------------------------------|--------------------------|----------------------------|---|
| | £ | £ | £ | £ | £ |
| Non-current assets | - | 20,605,694 | - | - | 4 |
| Current assets | 9,339,014 | - | 3 | 3 | 88,979 |
| Current liabilities | (4,499,874) | (21,780,583) | - | - | (88,980) |
| Included in the above amounts are: | | | | | |
| Cash and cash equivalents | 25,807 | 16,013 | - | - | 7,391 |
| Current financial liabilities (excluding trade and other payables) | (7,124,831) | - | - | - | - |
| Net (liabilities)/assets | 4,839,140 | (1,174,889) | 3 | 3 | 3 |
| Group share of net assets | 1,562,735 | 518,264 | - | - | 26,350 |
| Revenue | 40,977,628 | - | 10,830,719 | 2,693,436 | - |
| Expenses | (36,177,628) | - | (8,677,575) | - | 67 |
| Income tax | - | - | - | - | - |
| Total comprehensive income | 4,800,000 | - | 2,153,144 | 2,693,436 | 67 |
| Group's share in % | 33% | 4% | 50% | 33% | 85% |
| Group share of result in joint ventures after tax | 1,600,000 | - | 1,076,572 | 897,812 | 57 |
| Included in the above amounts are: | | | | | |
| Interest income | - | - | - | - | 70 |
| Reconciliation to carrying amounts: | | | | | |
| Opening net assets 1 April 2019 | - | (1,063,269) | (245,381) | - | 3 |
| Profit for the period | 4,800,000 | - | 2,153,144 | 2,693,436 | 67 |
| Fair value adjustments | (720,864) | - | 245,384 | - | (57,983) |
| Distributions made | - | - | (2,153,147) | (2,693,436) | - |
| Closing net assets 31 December 2019 | 4,079,136 | (1,063,269) | - | - | (57,913) |
| Group's share in % | 33% | 4% | 50% | 33% | 85% |
| Group's share in £ | 1,359,712 | (42,531) | - | - | (49,226) |
| Add: Group share of capital account | 259,591 | 610,644 | - | - | 42,500 |
| Add: Group share of current account b/f | (56,567) | (49,849) | - | - | 33,076 |
| Carrying amount | 1,562,736 | 518,264 | - | - | 26,350 |

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20 Joint ventures (continued)
(i) Summarised financial information (material joint ventures) (continued)

| | Manse Opus (Ansty) LLP | Bruton (PCDF IV Bristol FS) LLP | Danescroft (Send) LLP | Opus (Kingswood) LLP | Wrenbridge (Woking Project Management) Limited |
|--|---------------------------|---------------------------------------|--------------------------|----------------------------|--|
| | £ | £ | £ | £ | £ |
| Non-current assets | - | 18,141,386 | - | - | 4 |
| Current assets | 5,920,033 | - | 3 | 2,079,813 | 805,829 |
| Current liabilities | (5,919,933) | (19,316,175) | - | (2,079,713) | (805,830) |
| Included in the above amounts are: | | | | | |
| Cash and cash equivalents | 54,412 | 20,000 | - | - | 2,992 |
| Net (liabilities)/assets | 100 | (1,174,789) | 3 | 100 | 3 |
| Group share of net assets | 35,766 | 461,452 | 23,167 | - | 575,186 |
| Revenue | 879,647 | - | - | - | 160,983 |
| Expenses | (679,533) | (1,174,889) | - | - | (34,314) |
| Income tax | - | - | - | - | - |
| Total comprehensive income | 200,114 | (1,174,889) | - | - | 126,669 |
| Group's share in % | 33% | 4% | 50% | 33% | 85% |
| Group share of result in joint ventures after tax | 66,705 | (46,996) | - | - | 107,669 |
| Included in the above amounts are: | | | | | |
| Interest income | 1,791 | 122 | - | - | 23 |
| Reconciliation to carrying amounts: | | | | | |
| Opening net assets 1 April 2018 | - | - | 3 | - | 3 |
| Profit for the period | 200,114 | (1,174,889) | - | - | 126,669 |
| Fair value adjustments | (369,816) | 111,620 | (245,384) | - | - |
| Distributions made | - | - | - | - | - |
| Closing net assets | (169,702) | (1,063,269) | (245,381) | - | 126,672 |
| Group's share in % | 33% | 4% | 50% | 33% | 85% |
| Group's share in £ | (56,567) | (42,531) | (122,690) | - | 100,956 |
| Add: Group share of capital account | 92,333 | 503,983 | 145,857 | - | 548,825 |
| Add: Group share of current account b/f | - | - | - | - | (74,595) |
| Carrying amount | 35,766 | 461,452 | 23,167 | - | 575,186 |

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20 Joint ventures (continued)
(ii) Summarised financial information (immaterial joint ventures)

In addition to the interests in joint ventures disclosed above, the group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method:

| | Period ended 31 December 2019 £ | As restated Year ended 31 March 2019 £ |
|--|---|--|
| Profit/loss from continuing operations | 623,815 | 4,890,165 |
| Aggregate carrying amount of the Group's interests in these JV's | 3,567,825 | 3,217,838 |

21. Other non-current Investments

| | Period ended 31 December 2019 £ | As restated Year ended 31 March 2019 £ |
|---|---|--|
| Aggregate carrying amount of the Group's interests in these investments | 1,865,752 | 4,839,209 |

These investments have been measured at fair value. Detailed policy on the fair value measurement have been given in note 4.3.

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22. Fixed assets investments**Company**

| | Investment in subsidiary companies £ | Loans to subsidiaries £ | Investment in associates £ | Investment in joint ventures £ | Unlisted investments (As Restated) £ | Total £ |
|-------------------------------|---|-------------------------------|-------------------------------------|---|---|----------------|
| Cost or valuation | | | | | | |
| At 1 April 2018 | 346,154 | 69,002 | 231,772 | 2,998 | 1,554,177 | 2,204,103 |
| Additions | 101 | - | - | - | 501,415 | 501,516 |
| Disposals | (1,167) | - | (66) | (68) | - | (1,301) |
| Transfers between classes | (45) | - | 45 | - | - | - |
| At 31 March 2019 | 345,043 | 69,002 | 231,751 | 2,930 | 2,055,592 | 2,704,318 |
| Distributions | (243,990) | (69,002) | - | - | (2,055,591) | (2,368,583) |
| At 31 December 2019 | 101,053 | - | 231,751 | 2,930 | 1 | 335,735 |
| Accumulated impairment | | | | | | |
| At 1 April 2018 | - | - | - | - | - | - |
| Charge for period | 175,000 | - | - | - | - | 175,000 |
| At 31 March 2019 | 175,000 | - | - | - | - | 175,000 |
| Distributions | (175,000) | - | - | - | - | (175,000) |
| At 31 December 2019 | - | - | - | - | - | - |
| Net book Value | | | | | | |
| At 1 April 2018 | 346,154 | 69,002 | 231,772 | 2,998 | 1,554,177 | 2,204,103 |
| At 31 March 2019 | 170,043 | 69,002 | 231,751 | 2,930 | 2,055,592 | 2,529,318 |
| At 31 December 2019 | 101,053 | - | 231,751 | 2,930 | 1 | 335,735 |

Investments in subsidiaries, associates, and jointly ventures are measured at cost less accumulated impairment.

Loans to subsidiary undertakings are shown at cost, less provisions.

Unlisted investments have been measured at fair value. Detailed policy on the fair value measurement has been given in note 4.3.

Notes 32 and 33 includes details of all related undertakings.

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23. Trade and other receivables

| | Group 31 December 2019 £ | Group 31 March 2019 £ | Company 31 December 2019 £ | As restated Company 31 March 2019 £ |
|--|---|--|---|--|
| Trade receivables | 690,226 | 531,456 | 586,679 | 446,784 |
| Amounts owed by joint ventures and associated undertakings | 626,767 | 494,196 | 5,520,801 | 5,676,378 |
| Amounts owed by group undertakings | 9,042,696 | - | 10,293,731 | 895,488 |
| Prepayments and accrued income | 1,299,003 | 1,476,143 | 307,511 | 600,983 |
| Tax recoverable | 175,802 | 139,404 | 177,783 | 139,404 |
| Other receivables | 9,512 | 511,340 | 9,513 | 503,172 |
| | <u>11,844,006</u> | <u>3,152,539</u> | <u>16,896,018</u> | <u>8,262,209</u> |

The amounts owed by group undertakings are unsecured, interest-free and repayable on demand. The loans made to associates and joint ventures are also unsecured and have no fixed repayment date. Although loans to joint ventures are interest-free, they generate a variable return depending on profitability, and that return has been evaluated and reflected in the fair value.

The Group does not hold any collateral as security.

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

The ageing analysis of trade receivable at the year-end was as follows:

| | Group 31 December 2019 £ | Group 31 March 2019 £ |
|-------------|---|--|
| 0-30 days | 685,026 | 528,928 |
| 30-91 days | 5,200 | 2,528 |
| 91-180 days | - | - |
| | <u>690,226</u> | <u>531,456</u> |

Of the trade receivables balance at 31 December 2019, 99.3% was less than 1 month old (31 March 2019: 99.5%). No trade receivables are impaired at the period end (31 March 2019: £nil) as the Group has historically suffered no credit losses and doesn't believe there to be any credit risk inherent in the period-end balances.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

24. Cash and cash equivalents

| | Group 31 December 2019 £ | Group 31 March 2019 £ | Company 31 December 2019 £ | Company 31 March 2019 £ |
|----------------------------------|---|--|---|--|
| Cash at bank available on demand | 10,654,601 | 19,981,736 | 8,772,851 | 17,694,630 |
| Cash on hand | 1,836 | 984 | 1,836 | 984 |
| | <u>10,656,437</u> | <u>19,982,720</u> | <u>8,774,687</u> | <u>17,695,614</u> |

25. Trade and other liabilities

| | Group 31 December 2019 £ | As restated Group 31 March 2019 £ | Company 31 December 2019 £ | As restated Company 31 March 2019 £ |
|---|---|--|---|--|
| Trade payables | 221,257 | 259,678 | 216,859 | 255,281 |
| Payables to participating interests | 4,338 | 4,335 | 4,305 | 4,305 |
| Amounts payable to subsidiary undertakings | - | - | - | 164,150 |
| Other payables | 1,829,205 | 848,519 | 1,008,082 | 22,331 |
| Accruals and deferred income | 1,820,170 | 2,432,241 | 1,746,278 | 1,982,182 |
| Other payables - tax and social security payments | 126,295 | 192,655 | 105,929 | 173,091 |
| Corporation tax | 23,780 | 217,081 | - | 202,261 |
| | <u>4,025,045</u> | <u>3,954,509</u> | <u>3,081,453</u> | <u>2,803,601</u> |

Trade payables are non-interest bearing and normally settled within one year.

The amounts owed to parent and subsidiary undertakings are unsecured, interest-free and repayable on demand.

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

26. Leases (Group and Company as a lessee)

| | Right-of-use assets £ |
|---|---------------------------------------|
| Cost | |
| Right-of-use assets recognized as at 1 April 2019 | 390,285 |
| Disposals | (390,285) |
| | <hr/> |
| At 31 December 2019 | - |
| | <hr/> |
| Accumulated depreciation | |
| Charge for the period | 258,047 |
| Disposals | (258,047) |
| | <hr/> |
| At 31 December 2019 | - |
| | <hr/> |
| Carrying amount | |
| At 31 December 2019 | - |
| | <hr/> |
| | <hr/> |
| | 31 December 2019 £ |
| Amounts recognised in profit and loss | |
| Depreciation expense on right-of-use assets | 258,047 |
| Interest expense on lease liabilities | 2,433 |
| | <hr/> |
| | <hr/> |

The only lease entered into by the Group at 1 April 2019 was a lease on the Group's head office at Bruton Street, London, which had a break clause at 2 May 2020. During the period notice was given to terminate the lease and vacate the premises on 3 January 2020. As a result the Right of Use asset and Lease liability were both reduced to £nil at 31 December 2019. No other leases were entered into at 31 December 2019.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

27. Share capital**Authorised, issued and fully paid****Group**

| | 31 December 2019 Number | 31 December 2019 £ | 31 March 2019 Number | 31 March 2019 £ |
|--|--|---------------------------------------|-------------------------------------|--------------------------------|
| Shares treated as equity | | | | |
| Ordinary 'A' Shares shares of £0.01 each | 10,000,000 | 100,000 | 12,386,715 | 123,867 |
| Ordinary 'B' Shares shares of £0.01 each | 2,500,000 | 25,000 | - | - |
| | <u>12,500,000</u> | <u>125,000</u> | <u>12,386,715</u> | <u>123,867</u> |

Company

| | 31 December 2019 Number | 31 December 2019 £ | 31 March 2019 Number | 31 March 2019 £ |
|-----------------------------------|--|---------------------------------------|-------------------------------------|--------------------------------|
| Shares treated as equity | | | | |
| Ordinary 'A' Shares of £0.01 each | 10,000,000 | 100,000 | 12,500,000 | 125,000 |
| Ordinary 'B' Shares of £0.01 each | 2,500,000 | 25,000 | - | - |
| | <u>12,500,000</u> | <u>125,000</u> | <u>12,500,000</u> | <u>125,000</u> |

On 3 April 2019, 10,000,000 'A' shares of £0.01 were acquired by Fiera Properties (Europe) Limited, a subsidiary of Fiera Real Estate Limited, a Canadian multi-product investment manager, whose ultimate parent company is Fiera Capital Corporation, a company registered in Canada.

Simultaneous to the acquisition of shares by Fiera Properties (Europe) Limited, 2,500,000 'A' shares of £0.01 were redesignated as 2,500,000 'B' shares of £0.01.

Voting rights

'A' ordinary shareholders and 'B' ordinary shareholders are entitled to receive notice and attend all general meeting and to vote on all matters relating to the company.

Dividends

'A' ordinary shares and 'B' ordinary shares are entitled to participate in a dividend on profits available for distribution but have no fixed or guaranteed right to any dividend.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

28. Reserves**Share premium**

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Capital redemption reserve

The reserve represents the nominal value of shares repurchased by the Company.

Foreign exchange reserve

The foreign exchange reserve represents adjustments resulting from the translation of a sub group's financial statements into the reporting currency.

Other reserves

The reserve records the non-distributable unrealised gains resulting from fair value remeasurement of unlisted investments and investment property.

Retained earnings

The profit and loss reserve represents the distributable profit for the Group and the Company.

29. Non-controlling interests

| | 31 December 2019 £ | 31 March 2019 £ |
|---------------------------------------|---------------------------------------|--------------------------------|
| Balance at beginning of the period | (32,858) | (665) |
| Share of profit/(loss) for the period | 32,858 | (32,193) |
| | <u>-</u> | <u>(32,858)</u> |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

30. Financial instruments - fair values and risk management**30.1 Accounting classifications and fair values**

There is no significant difference between the carrying amount and fair value of any financial instrument for the Group.

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments; and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Trade and other receivables below exclude prepayments and tax recoverable.

Trade and other payables below exclude corporation tax and other payables - tax and social security payments.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No transfers between levels of the fair value hierarchy occurred in the current period or prior year.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

30. Financial instruments - fair values and risk management (continued)

30.1 Accounting classifications and fair values (continued)

| 31 December 2019 | Note | Mandatorily at FVTPL | Carrying amount | | Level 1 | Level 2 | Level 3 | Fair value | |
|---|------|-------------------------|-----------------|-------------------|---------|---------|-----------|------------|-------|
| | | | £ | Amortised cost | | | | £ | £ |
| | | | | | Total | | | | Total |
| Financial assets measured at fair value | | | | | | | | | |
| Unlisted Investments | 21. | 1,865,752 | - | 1,865,752 | - | - | 1,865,752 | 1,865,752 | |
| Loans to joint ventures | 20. | 5,646,441 | - | 5,646,441 | - | - | 5,646,441 | 5,646,441 | |
| | | 7,512,193 | - | 7,512,193 | | | | | |
| Financial assets not measured at fair value | | | | | | | | | |
| Trade and other receivables | 23. | - | 11,548,693 | 11,548,693 | - | - | - | - | - |
| Cash and cash equivalents | 24. | - | 10,656,437 | 10,656,437 | - | - | - | - | - |
| | | - | 22,205,130 | 22,205,130 | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Trade and other payables | 25. | - | 3,943,015 | 3,943,015 | - | - | - | - | - |
| | | - | 3,943,015 | 3,943,015 | | | | | |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

30. Financial instruments - fair values and risk management (continued)

30.1 Accounting classifications and fair values (continued)

| 31 March 2019 | | Note | Mandatorily at FVTPL | Carrying amount | | Level 1 | Level 2 | Level 3 | Total | Fair value |
|---|-----------------------------|------|-------------------------|-------------------|-------------------|---------|---------|-----------|-----------|------------|
| | | | £ | Amortised cost | £ | £ | £ | £ | £ | £ |
| Financial assets measured at fair value | | | | | | | | | | |
| | Unlisted investments | 21. | 4,839,209 | - | 4,839,209 | - | - | 4,839,209 | 4,839,209 | |
| | Loans to joint ventures | 20. | 5,823,680 | - | 5,823,680 | - | - | 5,823,680 | 5,823,680 | |
| | | | <u>10,662,889</u> | <u>-</u> | <u>10,662,889</u> | | | | | |
| Financial assets not measured at fair value | | | | | | | | | | |
| | Trade and other receivables | 23. | - | 2,658,985 | 2,658,985 | - | - | - | - | |
| | Cash and cash equivalents | 24. | - | 19,982,720 | 19,982,720 | - | - | - | - | |
| | | | <u>-</u> | <u>22,641,705</u> | <u>22,641,705</u> | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | | |
| | Trade and other payables | 25. | - | 3,544,773 | 3,544,773 | - | - | - | - | |
| | | | <u>-</u> | <u>3,544,773</u> | <u>3,544,773</u> | | | | | |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

30. Financial instruments - fair values and risk management (continued)**30.2 Market risk**

The future results of the Group depend on the strength of the property markets in the UK. The directors believe that the projects selected for development have been chosen with a view to minimising the impact of any global shock particularly as the UK property market remains buoyant from a global perspective.

The directors have subjected their balance sheet to a broad sensitivity analysis whereby the negative impact of relevant risks is applied. The directors consider the risk surrounding the fair values of the Group's financial instruments to be broadly proportionate to any downturn in the UK property market. For example, if the average value of UK property fell by 5%, it is estimated that the fair value of the Unlisted investments and Loans to joint ventures on the Group's balances sheet would fall by a maximum of 5%.

30.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's liquidity position is monitored and reviewed on an ongoing basis by the Directors.

Note 25 shows the amounts payable by the Group at 31 December 2019. The maturities of estimated cashflows from all the financial liabilities shown in note 25 are all due within one year or less.

30.4 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and other financial activities. The Group has no history of recording bad debts in the past and the risk of default arising from the Group's activities is considered low. The Group would record a bad debt provision against any trade receivable with ageing greater than 12 months. Amounts owed by associated undertakings are subject to more bespoke repayment terms. The Group would record a bad debt provision against such amounts where specific or general circumstances exist that heighten the risk of default.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The risk is limited because the counterparties are commercial banks or financial institutions with high credit ratings assigned by independent credit-rating agencies.

The Group's maximum exposure to credit risk by class of financial asset is as follows:

| | 31 December 2019 £ | 31 March 2019 £ |
|---|--------------------------|-----------------------|
| Trade and other receivables due within one year | 11,844,006 | 3,152,539 |
| Cash and Cash equivalents | 10,656,437 | 19,982,720 |

The directors' estimate of the Group's expected credit losses is zero.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

30. Financial instruments - fair values and risk management (continued)

30.5 Capital management

The Group manages its capital structure by balancing distributions of profit to shareholders, awarding variable remuneration to employees, and retaining reserves in the Company in a manner consistent with its internal policies to satisfy the objectives of safeguarding the entity's ability to continue as a going concern whilst providing a return on investment.

The Company has no externally imposed capital requirements. One of the Group's subsidiaries, Fiera Real Estate Investors UK Limited, is regulated by the Financial Conduct Authority and is required to maintain regulatory capital of £5,000.

30.6 Significant unobservable inputs used in the fair value measurement of financial assets measured at fair value (Level 3)

Background

Unlisted Investments:

The Group's Unlisted Investments balance typically comprises non-controlling interests in unit trusts which invest in funds managed by the Group.

These funds and their respective unit trusts are valued at each quarter-end based on external property valuations, carried out by independent professionally qualified surveyors.

The sensitivity analysis below states the year-end valuations used in arriving at the fair value stated in the Group's Statement of Financial Position.

Loans to joint ventures:

Loans granted by the Group to the joint ventures ("JVs") in which it invests are classified as fair value through profit or loss in accordance with IFRS 9 – Financial instruments. The fair value at each reporting date represents the amount that would be received from a market participant to acquire the loan from the Group. This price would include priority returns accrued to the date of transfer, to the extent that a market participant would reasonably expect to be able to collect these in the future.

Accordingly, at each reporting date, management's latest forecasted profit is considered in determining the fair value of each loan, and priority returns are accrued up to the maximum amount of the IRR where the deal is expected to return sufficient profit that will ultimately flow to the Group. Similarly, if a deal is expected to be loss making at the reporting date, the fair value of the loan is decreased to reflect the recoverable amount of the loan.

In fund deals, a special purpose vehicle ("SPV") is created in which the JV typically invests 4% of the capital, and the fund invests 96% of the capital. Returns are paid from the SPV based on net assets once the capital has been repaid. Profitability varies primarily as a result of the market value of the property, with variances in other assets and liabilities having an immaterial impact due to the low net values held in the SPV.

In non-fund deals, in order to determine the fair value of loans granted, the Group assesses the profitability of each deal through its quarterly management forecasting process.

In assessing the profitability of each deal, the Group relies on the most recent approved forecasts. The list of projects is reviewed based on management's knowledge of the project stage and ongoing negotiations for sales of properties to identify for a more detailed review any projects for which an updated assessment

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

30. Financial instruments - fair values and risk management (continued)**30.6 Significant unobservable inputs used in the fair value measurement of financial assets measured at fair value (Level 3) (continued)**

would be significantly different from the most recent approved forecasts.

Loans to joint ventures are entitled to earn up to an annual IRR which varies for each joint venture, but only on the basis the joint venture generates sufficient profits. Based on a determination of the profitability of a joint venture, management estimate the fair value of the loan to that joint venture based on the expected future cash flow the loan will generate.

Sensitivity analysis:

Due to loans being to such a large number of joint ventures (31 December 2019: 46, 31 March 2019: 44), each of which has a unique set of variables which shape the assessment of fair value, the directors do not consider there to be any consistent quantifiable inputs which would help the users of the financial statements to better understand the sensitivity of assumptions to the fair value processes described above. If the profitability of an underlying project of a joint venture differs from management's expectation it will change the fair value of the loan instrument. This may not result in a linear relationship between the fair value of the loan and profitability of a joint venture. In particular joint ventures with large movements in expected profitability will not experience a linear relationship with fair value. The exact relationship between a joint ventures profitability and the loan fair value depends on the individual joint venture agreement and profitability forecast.

Sensitivity analysis of financial assets measured at fair value (Level 3)**Unlisted Investments:**

| Investment | Estimated total value of investment | Ownership % | Fair value | Change unit trust value | |
|--------------|---|-------------|------------------|-------------------------|------------------|
| | | | | -5% | +5% |
| PCDFIII GPUT | 29,192,433 | 1.00% | 291,924 | 277,328 | 306,520 |
| PCDFIV GPUT | 105,777,599 | 1.00% | 1,057,776 | 1,004,887 | 1,110,665 |
| FREOV V JPUT | 22,749,000 | 1.00% | 227,490 | 216,116 | 238,865 |
| PREV LP | 1,098,492 | 4.29% | 47,078 | 44,724 | 49,432 |
| GCC UK JPUT | 12,689,582 | 1.57% | 198,920 | 188,974 | 208,866 |
| Other | | | 42,564 | 40,436 | 44,692 |
| | | | 1,865,752 | 1,772,464 | 1,959,040 |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

31. Related party transactions

Transactions with related parties were as follows:

During the period/year, dividend and investment income received were as follows:

| | 31 December 2019 £ | 31 March 2019 £ |
|---------------------|-----------------------------|-----------------------|
| Company only | | |
| Subsidiaries | 2,539,150 | 4,536,519 |

| | 31 December 2019 £ | 31 March 2019 £ |
|------------------------|-----------------------------|-----------------------|
| Group only | | |
| Participating interest | - | 37,500 |

During the period/year, fee income was received from the following related party entities:

| | 31 December 2019 £ | 31 March 2019 £ |
|--------------------------|-----------------------------|-----------------------|
| Group and Company | | |
| Participating interest | 300,909 | 485,258 |
| Company is a member | 387,500 | 450,000 |

| | 31 December 2019 £ | 31 March 2019 £ |
|--|-----------------------------|-----------------------|
| Group only | | |
| General Partners of Limited Partnerships | 80,163 | 125,000 |
| Participating interest | 20,759 | 17,958 |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

31. Related party transactions (continued)

During the period/year, the Group received accountancy and administration fee income from the following related parties:

| | 31 December 2019 £ | 31 March 2019 £ |
|--------------------------|-----------------------------|-----------------------|
| Group and Company | | |
| Participating interest | 36,000 | 48,000 |

Profits attributable from the following related parties have been accounted for within the share of operating profit in joint ventures in the Group profit and loss account:

| | 31 December 2019 £ | 31 March 2019 £ |
|--------------------------|-----------------------------|-----------------------|
| Group and Company | | |
| Participating interest | 2,797,007 | 4,259,140 |
| Company is a member | 194,093 | 175,475 |
| Joint venture | 84,775 | 1,759,993 |

| | 31 December 2019 £ | 31 March 2019 £ |
|---------------------|-----------------------------|-----------------------|
| Company only | | |
| Subsidiaries | - | 153,371 |

| | 31 December 2019 £ | 31 March 2019 £ |
|---------------------------------|-----------------------------|-----------------------|
| Group only | | |
| General partner is a subsidiary | 1,576,035 | 3,727,734 |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

31. Related party transactions (continued)

During the period/year, consultancy fees were paid to the following related party companies:

| | 31 December 2019 £ | 31 March 2019 £ |
|--------------------------|-----------------------------|-----------------------|
| Group and Company | | |
| Participating interest | 15,000 | 30,000 |

| | 31 December 2019 £ | 31 March 2019 £ |
|------------------------|-----------------------------|-----------------------|
| Group only | | |
| Participating interest | - | 234,454 |

Amounts due from related parties were as follows:

| | 31 December 2019 £ | 31 March 2019 £ |
|--------------------------|-----------------------------|-----------------------|
| Group and Company | | |
| Participating interest | 5,246,670 | 4,808,920 |
| Joint ventures | 602,689 | 580,085 |
| Immediate parent company | 9,138,000 | - |
| Common Control | 95,306 | 580,085 |

| | 31 December 2019 £ | 31 March 2019 £ |
|---------------------|-----------------------------|-----------------------|
| Company only | | |
| Subsidiaries | 1,455,423 | 1,424,587 |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

31. Related party transactions (continued)

| | 31 December 2019 £ | 31 March 2019 £ |
|---------------------------------|---------------------------------------|--------------------------------|
| Group only | | |
| Company is a member | 726,092 | 1,037,546 |
| General partner is a subsidiary | 993,378 | 867,275 |
| | <hr/> | <hr/> |

Included within trade debtors are the following inter-company balances owed by:

| | 31 December 2019 £ | 31 March 2019 £ |
|---------------------------------|---------------------------------------|--------------------------------|
| Group and Company | | |
| Participating interest | 184,900 | 106,989 |
| Company is a member | 150,000 | 135,000 |
| General partner is a subsidiary | 1,080 | - |
| | <hr/> | <hr/> |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

32. Subsidiaries

All companies are incorporated in England and Wales, unless otherwise stated.

| Company name | Principal activity | Class of shares held | Proportion of ownership interest held by the Group (%) | |
|--|--|----------------------|--|---------------|
| | | | 31 December 2019 | 31 March 2019 |
| Angle Property (Clink Street Project Management) Limited | Nominee company | Ordinary | 60% | 60% |
| Bruton (Member) Limited | Asset management services | Ordinary | 100% | 100% |
| Bruton Asset Management Limited | Dormant | Ordinary | 100% | 100% |
| Bruton (Bristol FS Project Management) LLP* | Nominee company | Ordinary | 100% | 100% |
| FREOF V (Co-Investment) Limited | Investment company | Ordinary | 100% | - |
| FREOF V (General Partner) LLP* | General partner of limited partnership | Ordinary | 100% | - |
| FREOF V (GP) Limited | Nominee company | Ordinary | 100% | - |
| FREOF V (GP 2) Limited | Nominee company | Ordinary | 100% | - |
| Invista Real Estate Investment Management (CI) Limited** | Property investment management | Ordinary | - | 100% |
| Invista Real Estate Investment Management Holdings Ltd* | Holding company | Ordinary | 100% | 100% |
| Invista Real Estate Investment Management Limited* | Property investment management | Ordinary | 100% | 100% |
| Invista Real Estate Opportunity Fund General Partner Limited* | General partner of limited partnership | Ordinary | 100% | 100% |
| Opus Land (Pipus) Limited | Dormant | Ordinary | 75% | 75% |
| Palmer Capital (Carried Interest Nominee) Limited | Nominee company | Ordinary | 100% | 100% |
| Palmer Capital (Carried Interest) LLP* | Investment company | Ordinary | 100% | 100% |
| Palmer Capital (EBT) Limited | Nominee company | Ordinary | 100% | 100% |
| Palmer Capital (PRS) Limited | Dormant | Ordinary | 100% | 100% |
| Fiera Real Estate UK (Guernsey) Limited** | Investment company | Ordinary | 100% | 100% |
| FRELIF (General Partner II) Limited (Formerly Palmer Capital Income (General Partner II) Limited)* | General partner | Ordinary | 100% | 100% |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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32. Subsidiaries (Continued)

| Company name | Principal activity | Class of shares held | Proportion of ownership interest held by the Group (%) | |
|---|--|----------------------|--|---------------|
| | | | 31 December 2019 | 31 March 2019 |
| FRELIF (General Partner) Limited (Formerly Palmer Capital Income (General Partner) Limited) | General partner | Ordinary | 100% | 100% |
| Palmer Capital Investors (European Advisors) Limited* | Property development | Ordinary | 100% | 100% |
| Fiera Real Estate Investors UK (Invista) Limited (Formerly Palmer Capital Investors (India) Limited)* | Holding company | Ordinary | 100% | 100% |
| Fiera Real Estate Investors UK Limited (Formerly Palmer Capital Investors Limited) | Property development | Ordinary | 100% | 100% |
| Palmer Real Estate Value (General Partner) Limited | General partner | Ordinary | 100% | 100% |
| PCDF III (Co-Investment) Limited | Investment company | Ordinary | 100% | 100% |
| PCDF III (General Partner) Limited | General partner of limited partnership | Ordinary | 100% | 100% |
| FREOF IV (Co-Investment) Limited (Formerly PCDF IV (Co-Investment) Limited) | Investment company | Ordinary | 100% | 100% |
| FREOF IV (General Partner) LLP (Formerly PCDF IV (General Partner) LLP)* | General partner of limited partnership | Ordinary | 100% | 100% |
| FREOF IV (GP 2) Limited (Formerly PCDF IV (GP 2) Limited) | Nominee company | Ordinary | 100% | 100% |
| FREOF IV (GP) Limited (Formerly PCDF IV (GP) Limited) | Nominee company | Ordinary | 100% | 100% |
| Fiera Real Estate (Arcona Holdings) Limited (Formerly PCP European Holdings Limited) | Investment company | Ordinary | 100% | 100% |
| Walbrook Land (Clink Street Project Management) Limited | Nominee company | Ordinary | 90% | 90% |
| Walbrook Land Limited | Property development | Ordinary | 100% | 100% |

*Indirectly held by the Company

**Incorporated in Guernsey

Addresses

The registered office address for Invista Real Estate Investment Management (CI) Limited is Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW.

The registered office address for Fiera Real Estate UK (Guernsey) Limited is Anson Court Les Route des Camps, St Martin, Guernsey, GY4 6AD.

The registered office address for all other subsidiary undertakings listed above; is Third Floor Queensberry House, 3 Old Burlington Street, London, United Kingdom, W1S 3AE.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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32. Subsidiaries (Continued)

The following companies are exempt from publishing audited accounts under Section 479A of the Companies Act 2006:

| Company name | Registration Number |
|--|----------------------------|
| Bruton Asset Management Limited | 5777017 |
| Bruton (Member) Limited | 10079810 |
| FIERA Real Estate (Arcona Holdings) Limited (formerly PCP European Holdings Limited) | 6289352 |
| FIERA Real Estate Investors UK (Invista) Limited (formerly Palmer Capital Investors (India) Limited) | 8092373 |
| FRELIF (General Partner) Limited (formerly Palmer Capital Income (General Partner) Limited) | 6851857 |
| FRELIF (General Partner II) Limited (formerly Palmer Capital Income (General Partner II) Limited) | 7001923 |
| FREOF IV (Co-Investment) Limited (formerly PCDF IV (Co-Investment) Limited) | 10501716 |
| FREOF IV (General Partner) LLP (formerly PCDF IV (General Partner) LLP) | OC414718 |
| FREOF IV (GP) Limited (formerly PCDF IV (GP) Limited) | 10487236 |
| FREOF IV (GP 2) Limited (formerly PCDF IV (GP 2) Limited) | 10487179 |
| Palmer Capital (Carried Interest) LLP | OC385281 |
| Palmer Capital (Carried Interest Nominee) Limited | 8538431 |
| Palmer Real Estate Value (General Partner) Limited | 8538430 |
| PCDF III (Co-Investment) Limited | 8956597 |
| PCDF III (General Partner) Limited | 8927114 |
| Walbrook Land Limited | 5906531 |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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33. Joint ventures & associates

All companies are incorporated in England and Wales, unless otherwise stated.

All entities have a year end of 31 March, unless otherwise stated.

| | | | Proportion of ownership interest held by the Group (%) | |
|---|-----------------------------|-----------|--|---------------|
| Company name | Principal activity | Addresses | 31 December 2019 | 31 March 2019 |
| <u>Associates</u> | | | | |
| Angle Property Limited | Property development | 5 | 33% | 33% |
| Cubex Land Limited | Property development | 5 | 33% | 33% |
| Danescroft Land Limited | Property development | 5 | 34% | 34% |
| Harlex Property Limited | Property development | 5 | 33% | 33% |
| Manse LLP | Property development | 5 | 33% | 33% |
| Opus Land Limited | Property development | 5 | 33% | 33% |
| Opus Land (North) Limited | Property development | 4 | 33% | 33% |
| Packaged Living Limited | Property development | 5 | 33% | 47% |
| Parkserve Limited* | Facility management company | 1 | 25% | 25% |
| Queensbury Capital Limited** | Property development | 5 | 33% | 33% |
| Wrenbridge Land Limited | Property development | 5 | 33% | 33% |
| Wrenbridge (Sport) Limited | Property development | 5 | 25% | 25% |
| <u>Joint Ventures</u> | | | | |
| Angle Property (Amersham Project Management) Limited | Nominee Company | 5 | 38% | 38% |
| Angle Property (Battersea Project Management) Limited | Nominee Company | 5 | 33% | 33% |
| Angle Property (Buckingham Street Project Management) Limited | Property development | 1 | 44% | 44% |
| Angle Property (Development Management) Limited | Property development | 5 | 33% | 33% |
| Angle Property (Headley Court Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Angle Property (Rectory Farm Asset Management) LLP | Nominee Company | 5 | 33% | 33% |
| Angle Property (Rivemook Project Management) Limited | Nominee Company | 5 | 33% | 33% |
| Angle Property (Shepperton Asset Management) LLP | Nominee Company | 5 | 33% | 33% |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

33. Joint ventures & associates (Continued)

| Company name | Principal activity | Addresses | Proportion of ownership interest held by the Group (%) | |
|---|----------------------|-----------|--|---------------|
| | | | 31 December 2019 | 31 March 2019 |
| Angle Property (St Albans Project Management) Limited | Nominee Company | 5 | 33% | 33% |
| Angle Property (Terlings Park Project Management) Limited | Property development | 1 | 44% | 44% |
| Angle Property (Thame Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Angle Property (Olney Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Angle Property (Sunbury Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Bruton (PCDF IV Bristol FS) LLP | Property development | 5 | 4% | 4% |
| Cubex Land (Aurora Project Management) Limited | Nominee Company | 5 | 44% | 44% |
| Cubex Land (Salisbury Project Management) Limited | Nominee Company | 5 | 50% | 50% |
| Danescroft (Albion Court) LLP | Property development | 5 | 33% | 33% |
| Danescroft (Banner Street Project Management) LLP | Property development | 5 | 33% | 33% |
| Danescroft (Barnet Project Management) Limited | Nominee Company | 5 | 33% | 33% |
| Danescroft (Binfield Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Danescroft (Boatmans House PM) LLP | Property development | 5 | 33% | 33% |
| Danescroft (Chichester Asset Management) LLP | Nominee Company | 5 | 33% | 33% |
| Danescroft (Crawley Asset Management) LLP | Nominee Company | 5 | 33% | 33% |
| Danescroft (FREOF V Bracknell PM) LLP | Nominee Company | 5 | 33% | - |
| Danescroft (Kenavon Drive Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Danescroft (Newport Pagnell Asset Management) LLP | Nominee Company | 5 | 33% | 33% |
| Danescroft (Record Street) LLP | Property development | 5 | 33% | 33% |
| Danescroft (Swindon Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Danescroft (Send) LLP | Dormant | 5 | 50% | 50% |
| Danescroft (Warfield Project Management) Limited | Nominee Company | 5 | 42% | 42% |
| Danescroft (West Drayton Project Management) Limited | Nominee Company | 5 | 42% | 42% |
| Danescroft Development Management LLP | Nominee Company | 5 | - | 33% |
| Danescroft (Bromley By Bow 2) Limited | Property development | 5 | 50% | 50% |
| Harlex (Timperley Asset Management) LLP | Nominee Company | 5 | 33% | 33% |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

33. Joint ventures & associates (Continued)

| Company name | Principal activity | Addresses | Proportion of ownership interest held by the Group (%) | |
|---|----------------------|-----------|--|---------------|
| | | | 31 December 2019 | 31 March 2019 |
| Harlex (Wirral Project Management) LLP | Dormant | 5 | - | 33% |
| Manse (Ayr Project Management) LLP | Nominee Company | 5 | 50% | 50% |
| Manse (East Kilbride) LLP | Property development | 5 | 50% | 50% |
| Manse Opus (Ansty) LLP | Property development | 5 | 25% | 25% |
| Newmarket Road LLP | Property development | 2 | 33% | 33% |
| Opus (Kingswood) LLP | Dormant | 5 | 33% | 33% |
| Opus Land (First Choice) Limited | Property development | 3 | 50% | 50% |
| Opus Land (Leamington) LLP | Property development | 5 | 33% | 33% |
| Opus Land (Rybrook) LLP | Property development | 5 | 33% | 33% |
| Opus Land (Tamworth) LLP | Property development | 5 | 33% | 33% |
| Opus Land (Monks Cross) Limited | Dormant | 4 | 33% | 33% |
| Opus Land (Oldbury Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Opus Land (Warwick) LLP | Property development | 5 | 33% | 33% |
| Opus Land (Gallows Hill) LLP | Property development | 5 | 33% | 33% |
| Opus Land North (Armley) Limited | Property development | 4 | 50% | 50% |
| Opus Land North (Cockermouth) Limited | Property development | 4 | 50% | 50% |
| Opus Land North (Darlington) Limited | Dormant | 4 | 50% | 50% |
| Opus Land North (Llandudno) Limited | Property development | 4 | 50% | 50% |
| Opus Land North (Runcom) LLP | Property development | 4 | 50% | 50% |
| Opus Land North (Skipton) Limited | Property development | 4 | 50% | 50% |
| Opus Land North (Union Mills) Limited | Property development | 4 | 50% | 50% |
| Opus North (FREOF V Leeds PM) LLP | Nominee Company | 5 | 33% | - |
| Opus North (Spofforth Project Management) LLP | Nominee Company | 5 | 50% | 50% |
| Opus North (TED Project Management) Limited | Nominee Company | 5 | 50% | 50% |
| Opus North (Worksop) LLP | Property development | 5 | 50% | 50% |
| Packaged Living (FREOF V Heyrod PM) LLP | Nominee Company | 5 | 33% | - |
| Packaged Living (Newcastle PM) LLP | Nominee Company | 5 | 33% | - |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

33. Joint ventures & associates (Continued)

| Company name | Principal activity | Addresses | Proportion of ownership interest held by the Group (%) | |
|---|----------------------|-----------|--|---------------|
| | | | 31 December 2019 | 31 March 2019 |
| Queensbury (Wood Green Project Management) Limited | Nominee Company | 5 | 33% | - |
| Wrenbridge (Barnet Project Management) Limited | Nominee Company | 5 | 33% | 33% |
| Wrenbridge (Belvedere 2 Project Management) Limited | Nominee Company | 5 | 37% | 37% |
| Wrenbridge (Belvedere Project Management) Limited | Nominee Company | 5 | 33% | 33% |
| Wrenbridge (Belvedere) LLP | Property development | 5 | 33% | 33% |
| Wrenbridge (Brackmills) Limited | Dormant | 2 | 33% | 33% |
| Wrenbridge (Cheddars Lane) Limited | Property development | 2 | 46% | 46% |
| Wrenbridge (Cheddars Lane 2) Limited | Dormant | 2 | 46% | 46% |
| Wrenbridge (Colworth Project Management) Limited | Nominee Company | 5 | 33% | 33% |
| Wrenbridge (Grafton) Limited | Dormant | 2 | 33% | 33% |
| Wrenbridge (Hertford) Limited | Dormant | 2 | 33% | 33% |
| Wrenbridge (Rainham) Limited | Property development | 2 | 33% | 33% |
| Wrenbridge (Snodland) LLP | Property development | 5 | 33% | 33% |
| Wrenbridge (Reading 2) Limited | Dormant | 2 | 33% | 33% |
| Wrenbridge (Shelford) Limited | Dormant | 2 | 33% | 33% |
| Wrenbridge (Southampton) LLP | Dormant | 2 | 20% | 20% |
| Wrenbridge (Sutton) Limited | Dormant | 2 | 33% | 33% |
| Wrenbridge (Tufton Street) Limited | Dormant | 2 | 33% | 33% |
| Wrenbridge (Woking Project Management) Limited | Nominee Company | 5 | 33% | 33% |
| Wrenbridge (Basildon Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Wrenbridge (Crawley Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Wrenbridge (Ruislip Project Management) LLP | Nominee Company | 5 | 33% | 33% |
| Wrenbridge (Clapham) LLP | Property development | 2 | 33% | 33% |
| Wrenbridge (Dartford) LLP | Property development | 2 | 33% | 33% |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

33. Joint ventures & associates (Continued)

| Company name | Principal activity | Addresses | Proportion of ownership interest held by the Group (%) | |
|---|----------------------|-----------|--|---------------|
| | | | 31 December 2019 | 31 March 2019 |
| Wrenbridge (Freightmaster Rainham) LLP | Property development | 2 | 33% | 33% |
| Wrenbridge (Harlow) LLP | Property development | 2 | 33% | 33% |
| Wrenbridge (Opus 3) LLP | Property development | 5 | 33% | 33% |

*This entity has a year end of 31 December and was placed into liquidation on 6th July 2019

**The entity has a year end of 31 December

Registered Offices:

1. 15 Westferry Circus, Canary Wharf, London, E14 4HD
2. Mill House Mill Court, Great Shelford, Cambridge, Cambridgeshire, CB22 5LD
3. Time & Life Building, 1 Bruton Street, London, W1J 6TL
4. 35 Brook Street, Ilkley, West Yorkshire, LS29 8AG

34. Parent and controlling party

The Company is subsidiary of Fiera Properties (Europe) Limited which is the immediate parent company, registered in England and Wales. The Company's registered office is at Third Floor Queensberry House, 3 Old Burlington Street, London, United Kingdom, W1S 3AE.

The ultimate controlling party is Fiera Capital Corporation, a company registered in Canada. Other than this set of financial statements, the smallest and largest group in which results of the Company are consolidated is Fiera Capital Corporation. A copy of the consolidated financial statements of Fiera Capital Corporation are available from 1981 McGill College Avenue, Suite 1500 Montreal, Quebec, Canada H3A 0H5.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

35. Prior year adjustments**Consolidated Statement of Financial Position (extract)**

| | 31 March 2019 | Increase/ (Decrease) | 31 March 2019 (Restated) | 31 March 2018 | Increase/ (Decrease) | 1 April 2018 (Restated) |
|--|--------------------------|---------------------------------|---|--------------------------|---------------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Investments in equity-accounted joint ventures | 5,613,305 | (1,299,897) | 4,313,408 | 6,244,883 | (915,811) | 5,329,072 |
| Other non-current investments | 4,337,811 | 501,398 | 4,839,209 | 4,616,506 | - | 4,616,506 |
| Deferred tax assets | 271,919 | (271,919) | - | - | - | - |
| Provisions | (1,449,521) | 1,449,521 | - | - | - | - |
| Deferred tax liability | (504,504) | (95,266) | (599,770) | (473,722) | - | (473,722) |
| Trade and other liabilities | (4,725,273) | 770,764 | (3,954,509) | (4,503,534) | 891,178 | (3,612,356) |
| Change in net assets | | 1,054,601 | | | (24,633) | |
| Other reserve | 2,546,241 | 406,132 | 2,952,373 | 4,053,942 | - | 4,053,942 |
| Retained earnings | 21,522,115 | 648,469 | 22,170,584 | 18,331,377 | (24,633) | 18,306,744 |
| Change in equity | | 1,054,601 | | | (24,633) | |

Consolidated Statement of Profit or Loss and Other Comprehensive Income (extract)

| | 31 March 2019 | Increase/ (Decrease) | 31 March 2019 (Restated) |
|--|--------------------------|---------------------------------|---|
| | £ | £ | £ |
| Revenue | 7,562,301 | (1,730,699) | 5,831,602 |
| Cost of sales | (1,995,153) | 1,730,699 | (264,454) |
| Administrative expense | (8,044,479) | 1,485,721 | (6,558,758) |
| Exceptional income | 248,939 | (248,939) | - |
| Share of net profit of equity accounted joint ventures | 5,401,627 | (384,084) | 5,017,543 |
| Other gains | 352,911 | 501,398 | 854,309 |
| Change in profit before tax | | 1,354,096 | |
| Tax expense | (952,756) | (274,862) | (1,227,618) |
| Change in profit for the year | | 1,079,234 | |

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

35. Prior year adjustments (continued)**Company Statement of Financial Position (extract)**

| | 31 March 2019 | Increase/ (Decrease) | 31 March 2019 (Restated) | 31 March 2018 | Increase/ (Decrease) | 1 April 2018 (Restated) |
|-------------------------------|--------------------------|---------------------------------|---|--------------------------|---------------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Other non-current investments | 1,793,239 | 501,398 | 2,294,637 | 1,969,333 | - | 1,969,333 |
| Deferred tax assets | 271,919 | (271,919) | - | - | - | - |
| Trade and other receivables | 8,812,752 | (550,543) | 8,262,209 | 12,215,471 | 88,174 | 12,303,645 |
| Provisions | (1,449,521) | 1,449,521 | - | - | - | - |
| Deferred tax liability | (228,795) | (95,266) | (324,061) | (228,795) | - | (228,795) |
| Trade and other liabilities | (2,637,540) | (166,061) | (2,803,601) | (2,729,024) | - | (2,729,024) |
| Change in net assets | | 867,130 | | | 88,174 | |
| Other reserve | 975,390 | 406,132 | 1,381,522 | 975,390 | - | 975,390 |
| Retained earnings | 20,285,664 | 460,998 | 20,746,662 | 15,915,473 | 88,174 | 16,003,647 |
| Change in equity | | 867,130 | | | 88,174 | |

The adjustments summarised above had the effect of increasing the Company's profit for the year by £778,956 from £6,133,080 to £6,912,036.

Group and Company**1.**

Subsequent to the finalisation of the 31 March 2019 financial statements, the conclusion of the financial statements for PREV (Bristol) LLP, an entity in which the Group holds an equity stake and has right to a share of profits, showed that an additional profit of £501,398 was due to the Group in relation to that period and as a result the fair value of the Group's investment in that entity was understated. As the discrepancy is considered to be a material misstatement of the comprehensive income for the period ended 31 December 2019, the comparative balances have been restated.

At 31 March 2019, the impact of this adjustment is to increase Other non-current investments by £501,398 (31 March 2018: £nil), increase Deferred tax liability by £95,266 (31 March 2018: £nil) and increase Other reserve by £406,132 (31 March 2018: £nil).

In the year-ended 31 March 2019, the impact of this adjustment is to increase Other gains by £501,398.

FIERA REAL ESTATE UK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

35. Prior year adjustments (continued)

2.

In the 31 March 2019 financial statements, a provision was introduced to reflect the obligations arising from the Group's long-term staff incentive plan ("LTIP"). Subsequently it was determined that the terms of the LTIP did not meet the recognition criteria of a liability under IAS 19 Employee Benefits, and therefore, so far as the provision relates to a future service, the balance and its impact on the Group's comprehensive income as been removed from the comparative statements.

At 31 March 2019, the impact of this adjustment is to decrease Deferred tax assets by £271,919 (31 March 2018: £nil), decrease Provisions by £1,449,521 (31 March 2018: £nil), decrease Trade and other liabilities by £55,546 (31 March 2018: £nil) and increase Retained earnings by £1,233,148 (31 March 2018: £nil).

In the year-ended 31 March 2019, the impact of this adjustment is to decrease Administrative expenses by £1,485,721 and increase Tax expense by £252,573.

3.

In the 31 March 2019 financial statements, the Group accounted for its investments in Joint Ventures using the equity method under IAS 28 Investments in Associates and Joint Ventures, introducing a proportionate share of the Joint Venture's profit or loss as stated in that entity's financial statements or management accounts. Subsequently it was determined that the substance of the Group's interests in those Joint Ventures was twofold, being separately an equity interest measured using the equity method in accordance with IAS 28 (and potentially producing a variable return to be assessed under IFRS 15) and secondly a loan interest measured at fair value through profit or loss under IFRS 9 Financial Instruments. As such an exercise was undertaken to assess the fair value of each loan to a Joint Venture, and the comparative Investments in equity-accounted joint ventures balance, Share of net profits of equity accounted joint ventures, and Retained earnings have been restated to reflect the revised approach.

At 31 March 2019, the impact of this adjustment is to decrease Investments in joint ventures by £74,544 (31 March 2018: £88,175 increase), decrease Trade and other liabilities by £14,163 (31 March 2018: £16,753 increase) and decrease Retained earnings by £60,380 (31 March 2018: £71,422 increase).

In the year-ended 31 March 2019, the impact of this adjustment is to decrease Share of net profit of joint ventures by £162,718 and decrease Tax expense by £30,917.

Group only

4.

In the 31 March 2019 financial statements, the recognition of rebates payable to certain fund investors, arising from priority profit shares receivable by the Group from certain of the funds it manages, was disclosed separately from revenue as a cost of sale in the statement of comprehensive income.

Subsequently it was determined that under IFRS 15 Revenue from Contracts with Customers the nature of the rebate payable is such that, whilst it forms part of a separate contract entered into with a different party, it is essentially a redistribution of the profit share satisfied by the same performance obligation and should therefore be treated as a reduction in revenue rather than a separate cost. As such, the comparative Statement of Comprehensive Income has been restated to disclose revenue net of rebates. In the year-ended 31 March 2019, the impact of this adjustment is to decrease Revenue by £1,730,699 and Cost of sales by £1,730,699.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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35. Prior year adjustments (continued)**5.**

In the 31 March 2019 financial statements, the Group has accounted for its investments in Joint Ventures using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures, introducing a proportionate share of the Joint Venture's profit or loss as stated in that entity's financial statements or management accounts. Subsequently it was determined that certain Joint Ventures had been capitalising costs as inventories where there was insufficient certainty under IFRS 15 Revenue from Contracts with Customers that those costs were directly attributable to an identifiable revenue item. As such it was determined that the Group should reflect its share of those Joint Ventures' profit or loss adjusted to derecognise any inventory assets which don't meet the recognition criteria under IFRS 15. Therefore, the comparative Investments in equity-accounted joint ventures balance, Share of net profits of equity accounted joint ventures, and Retained earnings have been restated to reflect the revised approach.

At 31 March 2019, the impact of this adjustment is to decrease Investments in joint ventures by £1,225,354 (31 March 2018: £1,003,986), decrease Trade and other liabilities by £232,817 (31 March 2018: £190,757) and decrease Retained earnings by £992,536 (31 March 2018: £813,229).

In the year-ended 31 March 2019, the impact of this adjustment is to decrease Share of net profit of joint ventures by £221,367 and decrease Tax expense by £42,060.

6.

During the year ended 31 March 2018, the Group received cash distributions arising from a Joint Venture profit sharing arrangement it had engaged in with a counterparty whereby profits generated by two parallel structures would be shared according to an agreed waterfall. The amount of cash distributed to the group had been calculated to reflect the fact that certain closure costs remained to be incurred by the Group, after which the agreed profit-sharing ratios would be achieved. As such the Group had initially deferred the recognition of income to be released over a period of years as the related costs were incurred, thereby matching income to directly related expenses. This accounting approach continued to be adopted in the 31 March 2019 financial statements. Subsequently it was determined that as there were no remaining performance obligations required to be fulfilled (nor was there any legal obligation for the Group to incur the aforementioned costs), the 2018 distributions had met the revenue recognition criteria under IFRS 15 and thus it was not appropriate to recognise a deferred income balance nor any other liability in relation to the Joint Venture arrangement. Therefore, the comparative Exceptional income, Trade and other liabilities, and Retained earnings have been restated to disclose the income as having been recognised at the point of receipt.

At 31 March 2019, the impact of this adjustment is to decrease Trade and other liabilities by £468,238 (31 March 2018: £717,177) and increase Retained earnings by £468,238 (31 March 2018: £717,177).

In the year-ended 31 March 2019, the impact of this adjustment is to decrease Exceptional income by £248,939.

Company only**7.**

In the 31 March 2019, financial statements the Group tax charge was not properly apportioned to its constituent entities. As a result, the tax liability recorded in the Company balance sheet was understated. Therefore, the Company's comparative balance sheet has been restated to reflect the full tax charge.

At 31 March 2019, the impact of this adjustment is to increase Trade and other liabilities by £711,771 (31 March 2018: £nil) and decrease Retained earnings by £711,771 (31 March 2018: £nil).

In the year-ended 31 March 2019, the impact of this adjustment is to increase Tax expense by £711,771.

FIERA REAL ESTATE UK LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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36. Events after the reporting date

Subsequent to balance sheet date, the World Health Organisation declared the Covid-19 virus to be a global pandemic. The effects of this on the Group and its ability to continue as a Going Concern have been addressed in the Strategic Report.