

OXENWOOD REAL ESTATE LLP
PARTNERSHIP FINANCIAL STATEMENTS

31 DECEMBER 2019

REGISTERED NUMBER OC391406



OXENWOOD REAL ESTATE LLP
PARTNERSHIP FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

CONTENTS	PAGE
Report of the members	1-3
Independent auditor's report	4-6
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9-14

OXENWOOD REAL ESTATE LLP

REPORT OF THE MEMBERS

YEAR ENDED 31 DECEMBER 2019

The members present their report and the audited financial statements of the LLP for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the LLP during the year was that of acting as property advisors for investment portfolios.

During the first half of 2019, Oxenwood went through a process of restructuring whereby Forum and the initial Catalina Investor (CORE) were retired from Oxenwood Real Estate LLP and replaced by increased investment by Management and a new Catalina Investor (CORE II). At the same time, Oxenwood Catalina III Limited was transferred from Oxenwood Real Estate Capital LP to OXW Partners LP. This completed on 19 July 2019 albeit the transactions were structured off 31 December 2018 Balance Sheet values.

RESULTS FOR THE PERIOD AND ALLOCATION TO MEMBERS

During 2019, Oxenwood Real Estate LLP continued investing in the UK on behalf of the OXW Catalina UK Ltd joint venture as well as acquiring a building in Poland let to DHL for the Oxenwood Catalina III Ltd joint venture. It also assisted in the sale of Faroe Investments Swansea Sarl on behalf of Oxenwood Maple Sarl. The net impact of this activity was to grow Oxenwood Real Estate LLP's revenue line in 2019 to £2.5m (2018: £2.4m). The profit for the year was £13,975 (2018: £7,181).

The members made drawings totalling £350,000 during the year (2018: £600,000).

DESIGNATED MEMBERS

The following were designated members during the year and to the date of this report:

Thomas Jeremy Bishop
Stewart Marshall Little
Andrew Nicolas Walker
Killik & Co Trustees Limited re C Fagan (appointed 19 July 2019)
Keith Lyon (appointed 19 July 2019)
Peter Harnik (appointed 19 July 2019)
Stephanie Dwornzyk (appointed 19 July 2019)
Catalina Oxenwood Real Estate II Ltd (appointed 19 July 2019)
Catalina Insurance Ireland DAC (appointed 19 July 2019)

F-Ox Management Company Sarl (Resigned 19 July 2019)
Catalina ORE Limited (Resigned 19 July 2019)

POLICY WITH RESPECT TO MEMBERS' DRAWINGS AND SUBSCRIPTION AND REPAYMENTS OF AMOUNTS SUBSCRIBED OR OTHERWISE CONTRIBUTED BY MEMBERS

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

OXENWOOD REAL ESTATE LLP
REPORT OF THE MEMBERS
YEAR ENDED 31 DECEMBER 2019

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, as applied to LLPs, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

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

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

SMALL LLP PROVISIONS

This report has been prepared in accordance with the provisions applicable to LLPs entitled to the small LLPs exemption.

PRINCIPAL RISKS AND UNCERTAINTIES

Brexit

In relation to the assessment and monitoring of economic, political and regulatory risks, the Company is continuing to evaluate the impact of the outcome of the June 2016 referendum in relation to the UK's membership of the EU on the Company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the Company's business activities, there will be no immediate change in the business strategy and it does not affect the going concern position of the Company. The Company will continue to closely monitor developments and will make appropriate changes to the business strategy once the impact of the referendum result on the UK and European real estate industry is more certain.

OXENWOOD REAL ESTATE LLP

REPORT OF THE MEMBERS

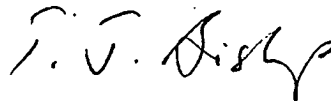
YEAR ENDED 31 DECEMBER 2019

COVID-19

Following the year end, the outbreak of the Coronavirus / COVID-19 pandemic has raised material uncertainties across the global economy and society as a whole. The identification of the virus post 31 December 2019 as a new coronavirus, and its subsequent spread, is considered a non-adjusting subsequent event. Whilst it remains too early to tell the exact impact of the pandemic on commercial property markets, a number of early indicators have begun to emerge. Investment markets, having slowed significantly in the immediate aftermath of lockdown, have begun to return tentatively as investors continue to look to the real estate market for safety and comparative security of return. Within the commercial property markets, Industrial/Logistics remains one of the preferred segments given its exposure to e-commerce and there are very limited signs of distress at present. Amongst the tenant community, there has been a divergence of fortunes with those skewed towards food and pharmaceutical delivery as well as on-line consumer goods such as electronics, office equipment, etc seeing boosts to their usual demand, whilst fashion and other such discretionary purchases have seen some weakness in demand. The significant levels of government stimulus to support small businesses globally will undoubtedly help a number weather the current storm, however, we continue to monitor and work with our tenants closely. As of the date of approval of the financial statements, we have experienced very limited arrears across all the portfolios that we manage and have received all Management Fee/Property Advisory Fees invoiced to our joint ventures.

Registered office:
86 Jermyn Street
London
SW1Y 6JD

Signed on behalf of the members



T J Bishop
Designated member

Approved by the members on19 August 2020.....

OXENWOOD REAL ESTATE LLP

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF OXENWOOD REAL ESTATE LLP

Opinion

We have audited the financial statements of Oxenwood Real Estate LLP ("the Limited Liability Partnership") for the year ended 31 December 2019 which comprise the profit and loss account, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

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 Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Members are responsible for the other information. The other information comprises the information included in the report of the members, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the

OXENWOOD REAL ESTATE LLP

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF OXENWOOD REAL ESTATE LLP (CONTINUED)

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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Members were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the members' report.

Responsibilities of Members

As explained more fully in the members' responsibilities statement, the Members 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 Members 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 Members are responsible for assessing the Limited Liability Partnership'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 Members either intend to liquidate the Limited Liability Partnership 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

OXENWOOD REAL ESTATE LLP

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF OXENWOOD REAL ESTATE LLP (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (*Continued*)

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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership'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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Russell Field (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
Date 21 August 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

OXENWOOD REAL ESTATE LLP
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
TURNOVER	2,523,156	2,387,939
Administrative expenses	(2,509,181)	(2,380,758)
Profit and total comprehensive income for the financial period before members' remuneration and profit shares	<u>13,975</u>	<u>7,181</u>
Member's remuneration charged as an expense	(13,975)	(7,181)
Profit for year available for discretionary division among members	<u><u>-</u></u>	<u><u>-</u></u>

The results stated above are derived from continuing activities.

The notes on pages 8 to 14 form part of these accounts

OXENWOOD REAL ESTATE LLP

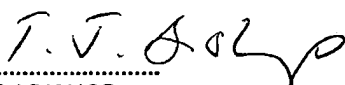
BALANCE SHEET

AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	5	53,967	65,726
CURRENT ASSETS			
Cash at bank		1,255,784	684,482
Debtors	6	134,207	157,418
		<u>1,389,991</u>	<u>841,900</u>
CREDITORS: Amounts falling due within one year	7	<u>(198,377)</u>	<u>(267,584)</u>
NET CURRENT ASSETS		<u>1,191,614</u>	<u>574,316</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>1,245,581</u>	<u>640,042</u>
REPRESENTED BY:			
Loans and other debts due to members within one year			
Members' capital	10	2,275,250	1,721,947
Regulatory capital	10	475,000	475,000
Additional Capital Contribution	10	53,053	53,053
Other amounts	10	(2,340,303)	(2,004,278)
Members' loans	10	<u>782,581</u>	<u>394,320</u>
		1,245,581	640,042
Members' other interests			
Other reserves	10	-	-
		<u>1,245,581</u>	<u>640,042</u>
TOTAL MEMBERS' INTERESTS			
Amounts due from members		(2,340,303)	(2,004,278)
Loans and other debts due to members		<u>3,585,884</u>	<u>2,644,320</u>
		<u>1,245,581</u>	<u>640,042</u>

These financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The financial statements were approved by the members and authorised for issue on 19 August 2020 and are signed on their behalf by:


 T J BISHOP
 Registered Number: OC391406

The notes on pages 8 to 14 form part of these accounts

OXENWOOD REAL ESTATE LLP

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"). The partnership has adopted the provisions of Section 1A of FRS 102 relating to small entities. The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the periods presented in these financial statements.

During the period there have been no judgements made by the members that have significant effect on the financial statements, nor are there estimates with a significant risk of material adjustment in the next period.

Turnover

Turnover represents fee and other income receivable, net of value added tax, in respect of property advisory services provided in the period.

Turnover arises solely in the United Kingdom.

Fixed assets

All fixed assets are initially recorded at cost, and subsequently depreciated evenly over their useful economic life, determined to be three years.

Financial instruments

The LLP's cash at bank and in hand and trade and other debtors and its trade and other creditors are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

OXENWOOD REAL ESTATE LLP

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (Continued)

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the profit and loss account in the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities in the balance sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the profit and loss account and are equity appropriations in the balance sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the profit and loss account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the balance sheet within 'Members' other interests.

2. INFORMATION IN RELATION TO MEMBERS

	2019 No	2018 No
The average number of members during the year was	<u>8</u>	<u>5</u>

Profits are shared among the members in accordance with agreed profit-sharing arrangements. Under the terms of the Sixth Amended and Restated Manager LLP Limited Liability Partnership Agreement dated 19 July 2019, profits are shared 50% to CORE II and 50% to Oxenwood Management.

3. AUDITORS REMUNERATION

The auditor's fee for the audit of the LLP's financial statements was £7,250 (2018: £7,000).

4. EMPLOYEE NUMBERS

The average number of employees during the year was 9 (2018: 8).

OXENWOOD REAL ESTATE LLP

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

5. TANGIBLE FIXED ASSETS

	FIXTURES & FITTINGS £	COMPUTER EQUIPMENT £	TOTAL £
COST			
At 1 January 2019 and 31 December 2019	83,338	21,836	105,174
31 December 2019	<u>83,338</u>	<u>21,836</u>	<u>105,174</u>
DEPRECIATION			
At 1 January 2019	26,329	13,119	39,448
Charge in year	10,338	1,421	11,759
At 31 December 2019	<u>36,667</u>	<u>14,540</u>	<u>51,207</u>
NET BOOK VALUE			
At 31 December 2018	57,009	8,717	65,726
31 December 2019	<u>46,671</u>	<u>7,296</u>	<u>53,967</u>

6. DEBTORS

	2019 £	2018 £
Prepayments	29,152	50,914
Lease deposit	104,938	104,938
Other debtors	117	1,566
	<u>134,207</u>	<u>157,418</u>

All amounts shown under debtors fall due for payment within one year except the lease deposit.

7. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	94,061	43,394
VAT creditor	41,576	21,840
Accruals and deferred income	<u>62,740</u>	<u>202,350</u>
	<u>198,377</u>	<u>267,584</u>

OXENWOOD REAL ESTATE LLP

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

8. COMMITMENTS

The LLP had minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings 2019 £	Land and Buildings 2018 £
Within one year	104,938	104,938
Between one to five years	347,013	452,240
	<u>451,950</u>	<u>557,178</u>

9. RELATED PARTY TRANSACTIONS

In the opinion of the members, the LLP was controlled by the members throughout the current year. All transactions with owners are disclosed within note 10.

The LLP received fee income from the following related party undertakings:

	2019 £	2018 £
Turnover		
<i>Income from entities with minority common ownership interest</i>		
<u>Property advisory fees</u>		
Oxenwood Catalina III Limited	479,429	288,184
OXW Catalina I Limited	-	730,553
OXW Catalina UK Limited	645,575	-
<i>Income from entities with 100% common ownership</i>		
Property advisory fees – Oxenwood Maple Sarl)	<u>1,398,152</u>	<u>1,361,722</u>
	<u>2,523,156</u>	<u>2,380,459</u>

At 31 December 2019, the LLP had the following balances outstanding with related party undertakings:

	2019 £	2018 £
Amounts due from Oxenwood Capital GP Limited	52	39
Amounts due from Oxenwood GP Limited	65	1,527
	<u></u>	<u></u>

OXENWOOD REAL ESTATE LLP
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2019

10. MEMBERS' INTERESTS

Year ended 31 December 2019

Loans and other

	Members' capital £	Regulatory capital £	Additional Capital Contribution £	Members' loans £	Other amount
Balance at 1 January 2019	1,721,947	475,000	53,053	394,320	(2,004,271)
Members' remuneration charged as an expense	-	-	-	-	13,900
Comprehensive income for the financial year	-	-	-	-	-
Members' interests after comprehensive income for the year	1,721,947	475,000	53,053	394,320	(1,990,371)
Members' drawings	-	-	-	-	(350,000)
Members' capital introduced	553,303	-	-	-	-
Members' loans	-	-	-	388,261	-
Balance at 31 December 2019	2,275,250	475,000	53,053	782,581	(2,340,371)

Year ended 31 December 2018

Loans and other

	Members' capital £	Regulatory capital £	Additional Capital Contribution £	Members' loans £	Other amount
Balance at 1 January 2018	1,721,947	475,000	53,053	-	(986,771)
Members' remuneration charged as an expense	-	-	-	-	7,100
Comprehensive income for the financial year	-	-	-	-	-
Members' interests after comprehensive income for the year	1,721,947	475,000	53,053	-	(979,671)
Members' drawings	-	-	-	-	(1,024,700)
Members' loans	-	-	-	394,320	-
Balance at 31 December 2018	1,721,947	475,000	53,053	394,320	(2,004,271)

OXENWOOD REAL ESTATE LLP
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2019

11. SUBSEQUENT EVENTS

COVID-19

Following the year end, the outbreak of the Coronavirus / COVID-19 pandemic has raised material uncertainties across the global economy and society as a whole. The identification of the virus post 31 December 2019 as a new coronavirus, and its subsequent spread, is considered a non-adjusting subsequent event. Whilst it remains too early to tell the exact impact of the pandemic on commercial property markets, a number of early indicators have begun to emerge. Investment markets, having slowed significantly in the immediate aftermath of lockdown, have begun to return tentatively as investors continue to look to the real estate market for safety and comparative security of return. Within the commercial property markets, Industrial/Logistics remains one of the preferred segments given its exposure to e-commerce and there are very limited signs of distress at present. Amongst the tenant community, there has been a divergence of fortunes with those skewed towards food and pharmaceutical delivery as well as on-line consumer goods such as electronics, office equipment, etc seeing boosts to their usual demand, whilst fashion and other such discretionary purchases have seen some weakness in demand. The significant levels of government stimulus to support small businesses globally will undoubtedly help a number weather the current storm, however, we continue to monitor and work with our tenants closely. As of the date of approval of the financial statements, we have experienced very limited arrears across all the portfolios that we manage and have received all Management Fee/Property Advisory Fees invoiced to our joint ventures.