

Registered number: 07489437

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

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GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Business review

The principal activity of the Company during the year was property investment through the Company's holdings in a number of investment vehicles.

The Company is incorporated in the United Kingdom and its registered office is 70 Grosvenor Street, London, W1K 3JP.

The Company is in a net asset position and net current liability position, and was profit making as at 31 December 2019. The balance sheet shows that the Company's net assets increased from £126,804,640 to £139,917,080 during the year and the net current liabilities decreased from £22,185,644 to £5,394,766.

Going concern

The intermediate holding company, Grosvenor Estate Holdings, has provided the directors of the Company with a letter of support confirming that it intends to continue to support the Company for a period of not less than twelve months from the date of signing the accounts, provided that the Company remains a wholly owned subsidiary of Grosvenor Estate Holdings. Grosvenor Estate Holdings intends to enable it to meet its liabilities as they fall due. The directors have made enquiries and understand that the intermediate holding company has adequate resources to be able to provide this financial support, and so these accounts have been prepared on a going concern basis.

The Grosvenor Group ("Group") saw no discernible impact on operations arising from the UK's exit from the European Union (the "EU") on 31 January 2020. During 2020, the Group will review the potential for operational or financial impacts arising from the negotiation of the future trading arrangement between the UK and the EU. Business commitments will be managed dependent on the developing views of the likely outcome of the negotiations. Any related increase or decrease in profitability in the next 12 months is not expected to impact the long-term strategy or going concern position of the Company.

Since the year end, the outbreak of the COVID-19 virus has given rise to material economic and financial uncertainties. The Group is continuing to monitor developments of the COVID-19 virus and the associated near-term uncertainty on the global economy outlook to understand the potential impact for the underlying property businesses and its tenants. The Directors have considered the going concern assumption for the Company in light of these developments and as part of the Group level assessment on the Group's cash flow forecasts for the period ending 31 December 2021, considered the possible impact of COVID-19, for example on rental income, as well as stressed assumptions on the availability of finance and property valuations. On the basis of the Group's continued forecast liquidity, and its support for the company, the Directors still consider it appropriate to prepare the accounts on a going concern basis.

Results and dividends

The profit for the year, after taxation, amounted to £19,781,938 (2018 - loss £3,189,906).

A dividend of £6,669,498 was paid during the year, £nil in preceding year.

Directors

The directors who served during the year and subsequently, except as noted, were:

C J Jukes (resigned 27 September 2019)
C J Taite
M R Preston

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

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

N R Scarles (resigned 31 May 2019)
S J Moore
T L Budden
R A J Marshall
D C Lee (appointed 27 September 2019)
R R Davis (appointed 1 June 2019)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disclosure of information to auditor

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

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

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

Post balance sheet events

Since the year end, the outbreak of the COVID-19 virus has given rise to material economic and financial uncertainties. This is considered to be a non-adjusting post balance sheet event for the Company.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

The directors have taken advantage of the special provisions available to small companies provided by s.415A of the Companies Act 2006 in respect of preparing the directors' report and in preparing a strategic report.

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



.....
S McConnell
Secretary

Date: 21 April 2020

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

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

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

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

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

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

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

Opinion

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

- give a true and fair view of the state of the Company'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 including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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

Basis for opinion

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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 Auditor's Report thereon. Our opinion on the

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR INTERNATIONAL
INVESTMENTS LIMITED (CONTINUED)**

financial statements does not cover the 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 respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR INTERNATIONAL
INVESTMENTS LIMITED (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

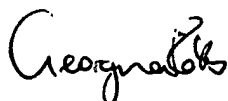
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

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.



Georgina Robb FCA (Senior Statutory Auditor)

for and on behalf of
Deloitte LLP

Statutory Auditor

London
United Kingdom

Date: 21 April 2020

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------|--------------------|
| Administrative expenses | 7 | (852,676) | (945,771) |
| Other operating (loss)/income | | 26,908 | (9,068) |
| Operating loss | | (825,768) | (954,839) |
| Income from investments | 8 | 21,569,563 | - |
| Impairment loss on trade investment | | (854,978) | (1,281,749) |
| Profit/(loss) before taxation | | 19,888,817 | (2,236,588) |
| Total tax charge for the year | 9 | (106,879) | (953,318) |
| Profit/(loss) for the financial year | | 19,781,938 | (3,189,906) |

All activities in the current year and prior year are derived from continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | 2019 | 2018 |
|--|-------------------|--------------------|
| | £ | £ |
| Profit/(loss) for the financial year | 19,781,938 | (3,189,906) |
| Total comprehensive income for the year | 19,781,938 | (3,189,906) |

The notes on pages 11 to 21 form part of these financial statements.


GROSVENOR INTERNATIONAL INVESTMENTS LIMITED
REGISTERED NUMBER: 07489437


BALANCE SHEET
AS AT 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------------------|-------------------------------|
| Fixed assets | | | |
| Investments | 10 | 145,311,846 | 148,990,284 |
| | | <u>145,311,846</u> | <u>148,990,284</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 11 | 24,701,845 | 8,773,971 |
| Cash at bank and in hand | 12 | 334,512 | 446,435 |
| | | <u>25,036,357</u> | <u>9,220,406</u> |
| Creditors: amounts falling due within one year | 13 | (30,431,123) | (31,406,050) |
| Net current liabilities | | <u>(5,394,766)</u> | <u>(22,185,644)</u> |
| Total assets less current liabilities | | <u>139,917,080</u> | <u>126,804,640</u> |
| Net assets | | <u><u>139,917,080</u></u> | <u><u>126,804,640</u></u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 59,440,562 | 59,440,562 |
| Share premium account | 15 | 52,427,124 | 52,427,124 |
| Profit and loss account | 15 | 28,049,394 | 14,936,954 |
| | | <u>139,917,080</u> | <u>126,804,640</u> |

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies exemption.

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


.....
T L Budden
Director
Date: 21 April 2020


.....
D C Lee
Director
Date: 21 April 2020

The notes on pages 11 to 21 form part of these financial statements.

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

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

| | Called up share capital £ | Share premium £ | Profit and loss account £ | Total equity £ |
|-------------------------------|---------------------------------|-----------------------|---------------------------------|--------------------|
| At 1 January 2018 | 54,140,562 | 5,375,075 | 18,126,860 | 77,642,497 |
| Loss for the year | - | - | (3,189,906) | (3,189,906) |
| Shares issued during the year | 5,300,000 | 47,052,049 | - | 52,352,049 |
| At 1 January 2019 | 59,440,562 | 52,427,124 | 14,936,954 | 126,804,640 |
| Profit for the year | - | - | 19,781,938 | 19,781,938 |
| Dividends paid | - | - | (6,669,498) | (6,669,498) |
| At 31 December 2019 | 59,440,562 | 52,427,124 | 28,049,394 | 139,917,080 |

The notes on pages 11 to 21 form part of these financial statements.

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Grosvenor International Investments Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The Company's registered number is 07489437.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Grosvenor Group Limited (the Group). The accounts of the Group are available to the public and can be obtained as set out in note 16.

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

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

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

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

The following accounting policies have been applied:

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 'Financial Instruments: Disclosures'
- the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement'
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers';
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 'Presentation of Financial Statements'
- the requirements of IAS 7 'Statement of Cash Flows'
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures'
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets'.

Where required, equivalent disclosures are given in the group accounts of Grosvenor Group Limited. The group accounts of Grosvenor Group Limited are available to the public and can be obtained as set out in note 16.

2.3 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2019.

The Company has applied IFRS 16 'Leases' which has a mandatory effective date of 1 January 2019.

In accordance with the transitional provisions in IFRS 16, the new rule has been adopted cumulatively using the modified retrospective approach.

There are no adjustments required to be made to the Company's financial statements as a result of the adoption of IFRS 16.

2.4 Valuation of investments

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

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are remeasured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 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 the foreseeable future and for a minimum period of 12 months from the date of signing the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Our assessment on Brexit has been disclosed in the Director's report on page 1.

2.7 Financial instruments

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

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income Statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2.8 Creditors

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

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

2.9 Taxation

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

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

2.10 Functional currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.11 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.

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

i) Significant judgements in applying the Company's accounting policies

There were no critical judgements, apart from those involving estimations (which are dealt with separately below) that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

ii) Key sources of estimation uncertainty

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

Income tax

The Group applies judgement in the application of taxation regulations and makes estimates in calculating current income tax and deferred tax assets and liabilities, including the likely availability of future taxable profits against which deferred tax assets can be utilised.

Impairment of investment

Determining whether the company's investments have been impaired requires estimations of the investments' values in use. COVID-19 and the associated near-term economic uncertainty creates greater uncertainty in the estimation of these investment values and the underlying assets held in these investment companies.

4. Turnover

All turnover in both the current year and prior years is attributable to the principal activity of the company and arose in the United Kingdom.

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Auditor's remuneration

Auditor's remuneration for the audit of the financial statements of the Company is as follows::

| | 2019 £ | 2018 £ |
|-----------------------------|--------------|--------------|
| Fees for assurance services | <u>2,500</u> | <u>2,500</u> |

The audit fee is borne by Grosvenor Estate Holdings, a fellow subsidiary undertaking. No fees were payable to Deloitte LLP and its associates for non-audit services to the Company during the current or preceding year.

6. Employees

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

There were no employees of the Company for the current or preceding year.

7. Administrative expenses

| | 2019 £ | 2018 £ |
|----------------------------|------------------|------------------|
| Staff training and welfare | (62,359) | (12,525) |
| Entertainment and travel | (133,795) | (123,881) |
| Subscription and donations | (200,747) | (313,265) |
| Professional fee | (217,196) | (126,976) |
| Finance charges | (450) | (295) |
| Group recharges and others | (227,322) | (366,400) |
| Office and stationery | (10,810) | (2,429) |
| | <u>(852,676)</u> | <u>(945,771)</u> |

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Income from investments

| | 2019 £ | 2018 £ |
|---|-------------------|-----------|
| Dividends received from trade investments | 4,053,767 | - |
| Dividends from group companies | 17,515,796 | - |
| | <u>21,569,563</u> | <u>-</u> |

9. Taxation

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Corporation tax | | |
| Current tax on profits for the year | 514,694 | 999,598 |
| Adjustments in respect of previous periods | (407,815) | (46,280) |
| Total current tax | <u>106,879</u> | <u>953,318</u> |

Factors affecting tax charge for the year

| | 2019 £ | 2018 £ |
|--|-------------------|--------------------|
| Profit/ (loss) before tax | <u>19,888,817</u> | <u>(2,236,588)</u> |
| Profit/ (loss) multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | 3,778,875 | (424,973) |

Effects of:

| | | |
|---|----------------|----------------|
| Expenses not deductible for tax purposes | 162,446 | 243,532 |
| Adjustments to tax charge in respect of prior periods | (407,815) | (46,280) |
| Other items attracting no tax relief or liability | (3,866,765) | - |
| Group relief | 440,138 | 1,181,039 |
| Total tax charge for the year | <u>106,879</u> | <u>953,318</u> |

Factors that may affect future tax charges

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Taxation (continued)

A current tax rate of 19%, being the UK corporation tax rate throughout the period, has been applied to the year ended 31 December 2019.

10. Fixed Assets

| | Investments in subsidiary companies £ | Investment in joint ventures £ | Trade investments £ | Total £ |
|--------------------------|---|---|---------------------------|--------------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 143,547,849 | 2,823,460 | 2,618,975 | 148,990,284 |
| Impairment | - | - | (854,978) | (854,978) |
| Disposals | - | (2,823,460) | - | (2,823,460) |
| At 31 December 2019 | <u>143,547,849</u> | <u>-</u> | <u>1,763,997</u> | <u>145,311,846</u> |
| Net book value | | | | |
| At 31 December 2019 | <u>143,547,849</u> | <u>-</u> | <u>1,763,997</u> | <u>145,311,846</u> |
| At 31 December 2018 | <u>143,547,849</u> | <u>2,823,460</u> | <u>2,618,975</u> | <u>148,990,284</u> |

During the year, the Company carried out a review of the recoverable amount of its trade investment. The review led to a recognition of an impairment loss of £854,978 which has been recognised in the profit or loss.

The Company has a 100% interest in the following entities:

| Name | Registered office |
|--|--|
| GIO Investments Limited | 70 Grosvenor Street, London W1K 3JP - UK |
| GFAL Limited | 70 Grosvenor Street, London W1K 3JP - UK |
| Grosvenor Americas Investments Limited | 70 Grosvenor Street, London W1K 3JP - UK |
| Grosvenor International Investments (Finance) Ltd | 70 Grosvenor Street, London W1K 3JP - UK |
| Grosvenor Australian Residential Opportunities Ltd | 70 Grosvenor Street, London W1K 3JP - UK |

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Fixed Assets (continued)

| | |
|--|--|
| Grosvenor Investments North America, LLC | One California Street Ste 2500, San Francisco, CA 94111 |
| Grosvenor Investments North America Holdings Inc | One California Street Ste 2500, San Francisco, CA 94111 |
| Grosvenor Fund Management LLC | One California Street Ste 2500, San Francisco, CA 94111 |
| GFM Equity Advisors, Inc. | One California Street Ste 2500, San Francisco, CA 94111 |
| GP Warehouse Member Investment One LLC | One California Street Ste 2500, San Francisco, CA 94111 |
| Grosvenor Australasia Investments Pty Ltd | Level 38, Tower 3, 300 Barangaroo Avenue, Sydney - Australia |

The Company has the following interests in joint ventures during the year, held directly by the Company and held by its subsidiaries:

| Name | Registered office |
|--|---|
| IO Investments LLP – 97.75% owned | 9-10 Carlos Place, London W1K 3AT - UK |
| IO Investment 2 LLP – 27.4% owned | 9-10 Carlos Place, London W1K 3AT - UK |
| IOG2 LLP – 99.2% owned | 9-10 Carlos Place, London W1K 3AT - UK |
| POP III Investment Partnership (Australia) - 89% owned | Level 29, 20 Bond Street, Sydney NSW 2000 - Australia |
| Heathley JV Property Trust (JV Trust) - 50% owned | '01' Suite 7, Level 7, 56 Clarence Street, Sydney NSW 2000 |
| High Street Real Estate Fund IV Inc - 7.1% owned | 53 State Street, 38th Floor, Boston , MA 02109 - USA |
| High Street Real Estate Fund V Inc – 5.2% owned | 53 State Street, 38th Floor, Boston , MA 02109 - USA |
| HS/GP Warehouse Investment Company LLC – 50% owned | 53 State Street, 38th Floor, Boston , MA 02109 - USA |
| Stockdale Parking, LLC – 90% owned | c/o Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801- USA |
| Logic Spain KCRE SL – 40% owned | Calle Segre no 15, 28002 Madrid - Spain |
| AGP JV LLC – 99% owned | 2711 Centerville Road, suite 400, Wilmington, DE 19808 - USA |
| Four Ashes Limited – 40% owned | 4th Floor, 7/10 Chandos Street, Cavendish Square, London W1G 9DQ - UK |
| Brazil Student Housing JV LLC - 80% owned | 200 Bellevue Parkway, Suite 210, Wilmington, DE 19809 - USA |

During the year, the subsidiaries of the Company disposed of their joint venture interests in POP III Investment Partnership (Australia), High Street Real Estate Fund IV Inc and Logic Spain KCRE SL. As at 31 December 2019, the Company no longer had any interests in these disposed joint ventures.

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Debtors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|-------------------|------------------|
| Amounts owed by group undertakings | 24,686,159 | 8,751,997 |
| Other debtors | - | 41 |
| Prepayments and accrued income | 15,686 | 21,933 |
| | <u>24,701,845</u> | <u>8,773,971</u> |

All amounts owed by group undertakings are interest free, repayable on demand and unsecured.

12. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | 334,512 | 446,435 |
| | <u>334,512</u> | <u>446,435</u> |

13. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|-------------------|-------------------|
| Trade creditors | - | 1,790 |
| Amounts owed to group undertakings | 29,269,038 | 30,342,341 |
| Corporation tax | 964,978 | 999,659 |
| Accruals and deferred income | 197,107 | 62,260 |
| | <u>30,431,123</u> | <u>31,406,050</u> |

All amounts owed to group undertakings are interest free, repayable on demand and unsecured.

14. Called up share capital

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Allotted, called up and fully paid | | |
| 59,440,562 (2018 - 59,440,562) Ordinary shares of £1.00 each | <u>59,440,562</u> | <u>59,440,562</u> |

GROSVENOR INTERNATIONAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Called up share capital (continued)

The Company's shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

15. Reserves

Share premium

Share premium represents the excess of proceeds received over the nominal value of new shares issued.

Profit and loss account

The profit and loss account reserve contains the balance of retained earnings to carry forward. Dividends are paid from this reserve.

16. Controlling party

The Company's ultimate parent undertaking is Grosvenor Group Limited, a company incorporated in Great Britain and registered in England and Wales which is wholly owned by trusts on behalf of the Grosvenor family, headed by the 7th Duke of Westminster.

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

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

The address of the registered office of Grosvenor Group Limited and of Grosvenor Estate Holdings Limited is 70 Grosvenor Street, London, W1K 3JP.