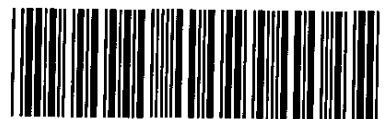


# JPMAM RE GP 2 Limited

Registered number: SC324322

Annual report for the year ended 31 December 2019

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## **JPMAM RE GP 2 Limited**

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## **JPMAM RE GP 2 Limited**

### **Company information**

#### **Directors**

R A Crombie

J R Ehlinger

C J Whittington

#### **Company Secretary**

J.P. Morgan Secretaries (UK) Limited

#### **Registered office**

50 Lothian Road  
Festival Square  
Edinburgh  
Scotland  
EH3 9WJ

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

## **JPMAM RE GP 2 Limited**

### **Directors' report for the year ended 31 December 2019**

The directors present their report and the audited financial statements of JPMAM RE GP 2 Limited for the year ended 31 December 2019.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Company has taken advantage of the exemption under s414B of the Companies Act 2006 not to prepare a Strategic Report on the basis that the Company is small.

#### **Principal activities**

The principal activity of JPMAM RE GP 2 Limited ("the Company") is to act as general partner to limited partnerships which invest in real estate and real estate related assets.

#### **Review of business**

The Greater Europe Opportunistic Property Fund (B) L.P. (the "Fund") sold its last remaining asset during the year, therefore the Company has begun the process of winding up the Fund and its remaining subsidiary entities. Accordingly, these accounts have been prepared on a basis other than that of a going concern.

#### **Results and dividends**

The loss before taxation for the financial year was €2,031 (2018: €746 profit) and after taxation €2,031(2018: €746 profit). This loss/profit after taxation has been transferred to reserves.

A prior period restatement has been made, further details can be found in note 11 on page 17.

The directors do not recommend the payment of a dividend (2018: nil).

#### **Directors**

The names of the directors who were in office during the year and up to the date of signing the financial statements are listed on page 1.

## **JPMAM RE GP 2 Limited**

### **Directors' report for the year ended 31 December 2019**

#### **Principal risks and uncertainties**

Whilst management of the Company's risks and uncertainties is integrated with that of JPMorgan Chase & Co. (the "Firm") and its associated subsidiaries (collectively, the "Group") of which the Company is part, the Company also manages its risks at a legal entity level.

The principal risks and uncertainties relating to the Group as a whole are discussed within the Group's annual report (which does not form part of this report). Those relating specifically to the Company itself are discussed in the financial risk management section of this report.

#### **COVID-19**

The Firm is monitoring Coronavirus Disease 2019 ("COVID-19"), based on the guidance being provided by the relevant health and government authorities, and continues to implement protocols and processes in response to the spread of the virus. For more detail on Firmwide measures refer to operational risk below. The Company was not aware of any material adverse effects on the financial statements as a result of COVID-19, refer to post balance sheet event note 12 (page 17).

#### **Financial risk management**

Risk management is an inherent part of the business activities of the Group of which the Company is a part. The Company has adopted the same risk management policies and procedures as the Group as a whole. The Company's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of its major risks. The Company exercises oversight through the Board of Directors.

The Company's operations expose it to a variety of financial risks, the most significant of which are credit risk and operational risk.

An overview of the key aspects of risk management and the use of financial instruments is provided below. A more detailed description of the policies and processes adopted by all Group companies may be found within the JPMorgan Chase & Co. annual report.

#### **Credit risk**

The Company complies with Group policies which require monthly monitoring and reporting of exposures to all financial institutions. These exposures are subject to a Group concentration limit and are reviewed annually by the relevant risk committees.

#### **Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. To monitor and control operating risk, the Group and the Company maintain a system of comprehensive policies and a control framework designed to provide a well-controlled operational environment and to monitor and record any control failures.

The Firm is monitoring the COVID-19 pandemic closely, based on the guidance being provided by the relevant health and government authorities, and continues to implement protocols and processes in response to the spread of the virus. The Firm has organised a central team to continue to consider what steps should be taken around the globe to protect our employees, prepare our businesses, and serve our clients and the communities where we live and work. In addition, teams across functions, businesses and regions continue to meet regularly to understand the global situation and to ensure any emerging developments relating to the well-being of our employees or the resiliency of our businesses are addressed quickly. Our business remains operational and senior leaders across the firm continue to monitor operational metrics.

## **JPMAM RE GP 2 Limited**

### **Directors' report for the year ended 31 December 2019**

#### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 company will continue in business.

The directors 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **JPMAM RE GP 2 Limited**

### **Directors' report for the year ended 31 December 2019**

#### **Liability insurance for directors**

As permitted by Section 233 of the Companies Act 2006, the directors of the Company are covered for insurance purposes by the Group's insurance maintained at a consolidated level.

#### **Third party indemnities**

An indemnity is provided to the directors of the Company under the by-laws of JPMorgan Chase & Co. against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity was in force during the financial year and also at the date of approval of these financial statements and a copy of the by-laws of JPMorgan Chase & Co. is kept at the registered office of the Company.

#### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office.

Approved by the board on 15<sup>th</sup> September 2020 and signed on its behalf by:



Richard Crombie

**Director**

# ***Independent auditors' report to the members of JPMAM RE GP 2 Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, JPMAM RE GP 2 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2019, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

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### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report.

We have no exceptions to report arising from this responsibility.



Jennifer March (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
15 September 2020

**JPMAM RE GP 2 Limited**

**Statement of comprehensive income for the year ended 31 December 2019**

|   |             | <b>2019</b>           | <b>As restated</b> |
|---|-------------|-----------------------|--------------------|
|   | <b>Note</b> | <b>€</b>              | <b>2018</b>        |
|   |             | <u>€</u>              | <u>€</u>           |
| Turnover  | 2           | 63,176                | 165,105            |
| Administrative expenses   |             | <u>(65,045)</u>       | <u>(164,154)</u>   |
| <b>Operating (loss)/profit</b>  |             | (1,869)               | 951                |
| Interest payable and similar expense  |             | <u>(162)</u>          | <u>(205)</u>       |
| <b>(Loss)/Profit before taxation</b>  |             | (2,031)               | 746                |
| Tax on profit   | 4           | <u>-</u>              | <u>-</u>           |
| <b>(Loss)/Profit for the financial year and total comprehensive income for the year</b> |             | <u><u>(2,031)</u></u> | <u><u>746</u></u>  |

All amounts relate to continuing operations.

**JPMAM RE GP 2 Limited**

**Balance sheet as at 31 December 2019**

|   |             | <b>2019</b>          | <b>2018</b>          |
|---|-------------|----------------------|----------------------|
|   | <b>Note</b> | <b>€</b>             | <b>€</b>             |
| <b>Current assets</b>                                 |             |                      |                      |
| Investments   | 7           | 1,000                | 1,000                |
| Debtors   | 8           | 37,448               | 54,549               |
| Cash at bank and in hand                              |             | <u>34,614</u>        | <u>36,645</u>        |
|   |             | 73,062               | 92,194               |
| <b>Creditors: amounts falling due within one year</b> | 9           | <u>(35,890)</u>      | <u>(52,991)</u>      |
| <b>Net current assets</b>                             |             | <u>37,172</u>        | <u>39,203</u>        |
| <b>Net assets</b>                                     |             | <u><u>37,172</u></u> | <u><u>39,203</u></u> |
| <b>Capital and reserves</b>                           |             |                      |                      |
| Called up share capital                               | 10          | 100                  | 100                  |
| Profit and loss account                               |             | <u>37,072</u>        | <u>39,103</u>        |
| <b>Total shareholders' funds</b>                      |             | <u><u>37,172</u></u> | <u><u>39,203</u></u> |

The financial statements on pages 9 to 17 were approved by the board of directors on 15<sup>th</sup> September 2020 and signed on its behalf by:

  
Richard Crombie

**Director**

Company registered number: SC324322

The notes on pages 12 to 17 form an integral part of these financial statements.

**JPMAM RE GP 2 Limited****Statement of changes in equity for the year ended 31 December 2019**

|  | <b>Called up<br/>share capital</b> | <b>Profit and<br/>loss account</b> | <b>Total<br/>shareholders'<br/>funds</b> |
|--|------------------------------------|------------------------------------|--|
|  | <b>€</b>                           | <b>€</b>                           | <b>€</b>                                 |
| <b>At 1 January 2018</b>   | 100                                | 38,357                             | 38,457                                   |
| Profit for the financial year and total<br>comprehensive income for the year | -                                  | 746                                | 746                                      |
| <b>At 31 December 2018</b>   | 100                                | 39,103                             | 39,203                                   |
| Loss for the financial year and total<br>comprehensive income for the year   | -                                  | (2,031)                            | (2,031)                                  |
| <b>At 31 December 2019</b>   | <u>100</u>                         | <u>37,072</u>                      | <u>37,172</u>                            |

The following describes the nature and purpose of each reserve within equity:

- Called up share capital - nominal value of share capital subscribed for.
- Profit and loss account - all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

The notes on pages 12 to 17 form an integral part of these financial statements.

## **JPMAM RE GP 2 Limited**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **1 Accounting policies**

The Company is a private company limited by shares and is incorporated and domiciled in Scotland. The address of its registered office is 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

##### **Basis of preparation**

The financial statements have been prepared in accordance with UK Financial Reporting Standard 100 "Application of Financial Reporting Requirements" and Financial Reporting Standard 101 "Reduced Disclosure Framework".

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared on a basis other than that of a going concern, and in accordance with the Companies Act 2006.

Disclosure exemptions adopted:

In preparing these financial statements the Company has taken advantage of disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by JPMorgan Chase & Co.

The financial statements of JPMorgan Chase & Co. can be obtained as described in note 12.

##### **Going concern**

The Greater Europe Opportunistic Property Fund (B) L.P. (the "Fund") sold its last remaining asset during the year, therefore the Company has begun the process of winding up the Fund and its remaining subsidiary entities. Accordingly, these accounts have been prepared on a basis other than that of a going concern.

All assets are classified as current assets. No adjustments were needed in these financial statements to reduce assets to their realisable values or provide for liabilities arising from this decision.

## **JPMAM RE GP 2 Limited**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **Changes in accounting policy**

Effective 1 January 2019, the Company adopted IFRS 16 Leases, which superseded IAS 17 Leases. The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial information to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

The adoption of IFRS 16 did not result in any changes to the classification and measurement of leases due to the Company not having any leases.

#### **Investments**

Investments are included at fair value. Given the nature of these investments, the fair value is deemed to be the recoverable value of the investment.

#### **Income and expenditure**

Income and expenditure are recognised on an accruals basis. Income comprises of management fees (General Partner's Share) receivable from the Limited Partnership.

#### **Judgements and key areas of estimation uncertainty**

Due to the nature of business undertaken by the Company, no significant accounting estimates or judgements were required in preparation of these financial statements.

#### **Cash at bank and in hand**

This includes deposits held on demand with banks with a maturity of less than 30 days and cash in hand.

#### **Functional and presentational currency**

Items included in the financial statements, are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euros, which is the Company's functional and presentation currency and the currency in which the majority of the Company's revenue streams, assets, liabilities and funding is denominated.

## **JPMAM RE GP 2 Limited**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **Financial instruments**

The Company recognises financial instruments from the trade date, and continues to recognise them until, in the case of assets, *the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership*, or in the case of liabilities, until the liability has been settled, extinguished or has expired. Realised and recognised gains or losses arising from changes in fair value are included in the profit and loss account of the period in which they arise.

#### Impairment of financial assets

The Company's approach to measuring expected credit losses ("ECLs") depends on the type of instrument.

#### Fee receivables

For fee receivables arising from contracts with customers (e.g. investment management fee receivables), the Company applies a provision matrix as a practical expedient for calculating expected credit losses. The matrix provides that in the case of institutional customers, a receivable is considered to have had a significant increase in credit risk ("SICR") if it is 90 days past due and credit-impaired, if it is 180 days past due at which point an ECL for 100% of the amount owned is recognised. In the case of non-institutional customers, a receivable is considered to have had a SICR if it is 30 days past due and credit-impaired and if it is 90 days past due at which point an ECL for 100% of the amount owned is recognised.

#### Other financial instruments

The Company has determined that ECLs on other financial instruments are immaterial due to: the existence of credit risk mitigants such as the credit quality (e.g. investment-grade); and/or the short-term nature of the instrument. Similarly the Company has determined that these other financial instruments are without SICR due to the credit quality and/or the short-term nature of the instrument.

For inter-company loans and receivables, the Company evaluates the counterparty based tenor of the loan/receivable, and any collateral received. The Company has not experienced any losses on inter-company loans and receivables.

The Company continues to monitor its financial instruments to ensure the described framework is appropriate and its exposure to credit risk and ECLs on these instruments are adequately reflected in the allowance for credit losses.

## **2 Turnover**

Turnover comprises a management fee (General Partner's Share) receivable from Greater Opportunistic Property Fund (B) L.P. The Company has only one class of business and operates in the United Kingdom.

Please refer to the prior year restatement note 11 on page 17 for further details.

## **3 Administrative expenses**

Auditors' remuneration was €10,514 (2018: €9,403), wholly for audit services. The audit remuneration costs are borne by a fellow subsidiary.

Please refer to the prior year restatement note 11 on page 17 for further details.

## **4 Employee information**

The Company had no employees during the year (2018: nil).



## JPMAM RE GP 2 Limited

### Notes to the financial statements for the year ended 31 December 2019

#### 5 Directors' emoluments

The directors did not receive any remuneration from the Company (2018: €nil). Remuneration for their services is provided elsewhere in the Group, and it is not possible to apportion the amount specific to this entity.

#### 6 Tax on (loss)/profit

|  | 2019     | 2018     |
|--|----------|----------|
|  | €        | €        |
| Current tax:                                 |          |          |
| Current tax on (losses)/profits for the year | -        | -        |
| <b>Total current tax</b>                     | <u>-</u> | <u>-</u> |

#### Factors affecting tax charge for year

The tax charge for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.00% (2018: 19.00%). The differences are explained below:

|   | 2019           | 2018         |
|---|----------------|--------------|
|   | €              | €            |
| (Loss)/profit before taxation                                       | <u>(2,031)</u> | <u>746</u>   |
| Tax on loss/profit at standard UK tax rate of 19.00% (2018: 19.00%) | (386)          | 142          |
| <b>Effects of:</b>  |                |              |
| Effects of group relief   | <u>386</u>     | <u>(142)</u> |
| <b>Total tax charge</b>   | <u>-</u>       | <u>-</u>     |

The Chancellor announced as part of his 2020 Budget that the rate of corporation tax would remain at 19% with effect from 1 April 2020, which was subsequently substantively enacted in March 2020.

## JPMAM RE GP 2 Limited

### Notes to the financial statements for the year ended 31 December 2019

#### 7 Investments

The Company holds an investment in JPMAM RE CIP 2 L.P.. The Company does not have significant influence over this and therefore the investment is held at fair value as it cannot be classified as an investment in associate or subsidiary.

| Undertaking         | Activity        | Country and registration | %    |
|---------------------|-----------------|--------------------------|------|
| JPMAM RE CIP 2 L.P. | Limited Partner | England & Wales          | 0.01 |

The directors are of the opinion that the value of the investment at the year end is not less than the value at which it is stated at the balance sheet date.

|                                |              |
|--------------------------------|--------------|
|                                | €            |
| Fair value at 1 January 2019   | 1,000        |
| Additions                      | -            |
| Fair value at 31 December 2019 | <u>1,000</u> |

#### 8 Debtors

|                                    | 2019<br>€     | 2018<br>€     |
|------------------------------------|---------------|---------------|
| Amounts owed by Group undertakings | <u>37,448</u> | <u>54,549</u> |

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

#### 9 Creditors: amounts falling due within one year

|                                    | 2019<br>€     | 2018<br>€     |
|------------------------------------|---------------|---------------|
| Amounts owed to Group undertakings | 33,323        | 50,424        |
| Corporation tax                    | 2,567         | 2,567         |
|                                    | <u>35,890</u> | <u>52,991</u> |

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

## JPMAM RE GP 2 Limited

### Notes to the financial statements for the year ended 31 December 2019

#### 10 Called up share capital

|  | 2019       | 2018       |
|--|------------|------------|
|  | €          | €          |
| <b>Authorised, allotted and fully paid</b> |            |            |
| 100 (2018: 100) ordinary shares of €1 each | <u>100</u> | <u>100</u> |

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

#### 11 Prior period restatement

The prior period restatement is to present certain income and expenses on a gross basis rather than net. In the prior period JPMAM RE GP 2 Ltd was incorrectly accounted for as an agent under IFRS 15.

The restatement had no overall impact on the Shareholder's funds.

|  | As<br>originally<br>reported<br>€ | Adjustment<br>€ | As restated<br>€ |
|--|-----------------------------------|-----------------|------------------|
| <b>Statement of comprehensive income for the year ended 31 December 2018</b> |                                   |                 |                  |
| Turnover   | 2000                              | 163,105         | 165,105          |
| Administrative expenses  | (1,049)                           | (163,105)       | (164,154)        |

#### 12 Ultimate parent undertaking

The immediate parent undertaking and controlling party is JPMorgan Asset Management Holdings (Luxembourg) S.a.r.l.

The parent company of the largest and smallest group for which consolidated financial statements are prepared, and whom the directors regard as the ultimate holding company, is JPMorgan Chase & Co. which is incorporated in the United States of America.

The consolidated financial statements of JPMorgan Chase & Co. are available to the public and may be obtained from the Company's registered office at:

The Company Secretary  
25 Bank Street  
Canary Wharf  
London  
E14 5JP

#### 13 Post balance sheet event

Following the outbreak of the COVID-19 pandemic in early 2020, the Company and the Firm are monitoring the development of the pandemic and evaluating its impact on the financial position and operating results of the Company. As at the date on which this set of financial statements were authorised for issue, the Company was not aware of any material adverse effects on the financial position, operations or capital position as a result of the COVID-19 pandemic. For more detail on Firmwide measures refer to Financial risk management.

There were no other post balance sheet events.

**JPMAM RE CIP 2 L.P.**

**Audited Financial Statements  
For the year ended December 31, 2019**

50 Lothian Road  
Festival Square  
Edinburgh EH3 9WJ  
Scotland

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No. SC 524322

|                   |
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## General information

2019

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| <b>Partnership Number:</b>               | SC324322   |
| <b>General Partner:</b>                  | JPMAM RE GP 2 Limited  |
| <b>Directors of the General Partner:</b> | R.A. Crombie<br>J.C. Ehlinger<br>C.J. Whittington  |
| <b>Operator:</b>                         | JPMorgan Asset Management (UK) Limited<br>25 Bank Street<br>Canary Wharf<br>London E14 5JP<br>United Kingdom                                 |
| <b>Accountants:</b>                      | JPMorgan Chase Bank, N.A.<br>200 Capital Dock,<br>79 Sir John Rogerson's Quay<br>Dublin 2<br>Ireland   |
| <b>Independent Auditors:</b>             | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Audit Firm<br>7 More London Riverside<br>London, SE1 2RT<br>United Kingdom |
| <b>Legal Advisers:</b>                   | Stroock & Stroock & Lavan LLP<br>180 Maiden Lane<br>New York<br>N.Y. 10038<br>USA  |
| <b>Tax Advisers:</b>                     | Deloitte LLP<br>2 New Street Squares<br>London EC4A 3BZ<br>United Kingdom  |

The Board of Directors of the General Partner of JPMAM RE CIP 2 L.P. (the "Partnership") presents the financial statements for the year ended December 31, 2019.

The Partnership has taken advantage of the small companies exemption and has not presented a strategic report.

#### **Principal activities**

The Partnership has been established to invest in Greater Europe Opportunistic Property Fund (B) L.P. (the "Fund") for the purposes of seeking capital appreciation. The Partnership is the carried interest partner of the Fund.

As the activity of the Partnership is directly linked to the activity of the Fund, the General Partner's report reflects the activities of the underlying fund. These financial statements should be read in conjunction with the financial statements of the Fund.

*The Partnership is a qualifying partnership in accordance with the Partnerships (Accounts) Regulation 2008.*

#### **Business Review and Future Developments**

In the current year, the Fund realised its last remaining investment in Parkhurst Gardens in the UK. The Fund is now in the process of liquidating all remaining subsidiary entities.

#### *Disposal*

On August 9, 2019, GEOPF Luxembourg Holding S.à.r.l sold 100% of its shareholding in Parkhurst Road Limited, realising cash proceeds of approximately £10.9 million net of disposal costs. The sale was based on a headline valuation of the property of £12.2 million.

#### *Distributions*

During the year ended December 31, 2019, the Fund made distribution of €10.91 million (December 31, 2018: Nil) and called no capital from investors (December 31, 2018: Nil). During the year ended December 31, 2019, the Partnership made no distributions (December 31, 2018: Nil) and called no capital from investors (December 31, 2018: Nil).

#### *Investment Period*

The Fund's investment period ended on December 31, 2013 and the Fund sold its final investment during the current year.

The term of the Fund was 10 years, plus an additional 2 years at the Fund Manager's discretion and with Limited Partners' Special Consent. The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. Accordingly, these accounts have been prepared on a basis other than that of a going concern.

#### *Economy*

The UK exited the European Union on January 31, 2020 and has entered into a transition period during which the UK and EU will negotiate trade and other relationships. The UK's exit from the European Union has increased economic uncertainty in both the UK economy and the wider European and global economy.

This uncertainty presents risks to property values, finance and tenants. The General Partner does not believe that the outcomes of the Brexit negotiations are expected to have a material impact on the performance of the Fund. Historically, the Fund has mitigated the risk of economic uncertainty by making investments in the three most liquid markets in the EU, both inside and outside the Eurozone and in a variety of sectors: office and retail. The General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties and given the Fund is now outside of its investment period, intends to execute its original strategy and remaining asset specific development plans.

**Business Review and Future Developments (continued)***Economy (continue)*

Recently, the outbreak of the novel coronavirus in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents uncertainty and risk with respect to the funds' performance and financial results. At this stage, the General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties. The General Partner has reviewed business continuity plans for itself, the operator and service providers and expects the Fund to be in a position to continue operations throughout this period of uncertainty.

**Financial risk management objectives and policies**

Refer to Note 3 in the notes to the financial statements for details on financial risk management objectives and policies.

**Subsequent events**

Refer to Note 13 in the notes of the financial statements for details on the subsequent events.

**Statement of General Partner's responsibilities in respect of the financial statements**

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with the applicable law and regulations.

The Partnership has taken advantage of the small companies exemption and has not presented a strategic report. Under Company Law, the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a basis other than that of a going concern.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Partnership (Accounts) Regulation 2008. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are made available through the FIS Data Exchange, a third party hosted site. The maintenance and integrity of the FIS Data Exchange site is the responsibility of the General Partner; the work carried out by the auditors do not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom and Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, the General Partner report shall include a statement, in the case of each director in office at the date the General Partner report is approved, that:



**Statement of General Partner's responsibilities in respect of the financial statements (continued)**

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

**Going concern**

The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. The financial statements of the Fund have therefore been prepared on a basis other than that of a going concern. As the primary activity of the Partnership is dependent on the activities of the Fund, the Partnership adopts the same basis of preparation of the Fund and accordingly, these accounts have been prepared on a basis other than that of a going concern.

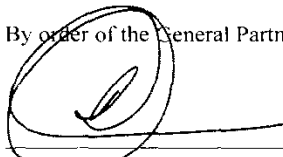
The General Partner continues to value its assets and liabilities at fair value which is approximate to the net realisable value. The Partnership has adequate resources based on its Aggregate Undrawn Fund Advance Commitments to meet its liabilities as they fall due.

**Independent Auditors**

The General Partner confirms that so far as it is aware, there is no relevant audit information of which the Partnership's auditors are unaware, and it has taken all the steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

PricewaterhouseCoopers LLP has expressed its willingness to continue in the office as Independent Auditors.

By order of the General Partner



For and on behalf of JPMAM RE GP 2 Limited  
Director

Date: 17 April, 2020

# ***Independent auditors' report to the partners of JPMAM RE GP CIP 2 L.P.***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, JPMAM RE GP CIP 2 L.P.'s financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Audited financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, the statement of cash flows, the statement of changes in net asset attributable to partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

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

- the general partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the general partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *General Partner's Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the General Partner's Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the General Partner's Report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the general partner for the financial statements*

As explained more fully in the Statement of General Partner's Responsibilities set out on page 4, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they 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 general partner is responsible for assessing the qualifying 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 general partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

### *Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinion, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

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### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

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**Entitlement to exemptions**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, the general partner were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
17 April 2020

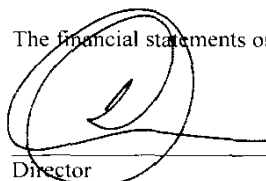
# Financial Statements for the Partnership

2019

**JPMAM RE CIP 2 L.P.**  
**Statement of Financial Position**  
**As at December 31, 2019**

|  | Notes | December 31, 2019<br>EUR | December 31, 2018<br>EUR |
|--|-------|--------------------------|--------------------------|
| <b>ASSETS</b>                                    |       |                          |                          |
| <b>Current assets</b>                            |       |                          |                          |
| Investments at fair value through profit or loss | 4     | 320,377                  | 934,189                  |
| Due from Fund                                    | 5     | 6,660,464                | 6,381,198                |
| Due from Operator                                |       | 188,564                  | 193,984                  |
| Due from Limited Partner                         |       | 505                      | 505                      |
| Cash and cash equivalents                        | 6     | 13,828,929               | 13,237,063               |
| <i>Total current assets</i>                      |       | <u>20,998,839</u>        | <u>20,746,939</u>        |
| <b>Total assets</b>                              |       | <b><u>20,998,839</u></b> | <b><u>20,746,939</u></b> |
| <b>LIABILITIES</b>                               |       |                          |                          |
| <b>Current liabilities</b>                       |       |                          |                          |
| Due to Limited Partners                          | 7     | 12,274                   | 12,151                   |
| Deferred contributions                           | 8     | 6,208                    | 6,208                    |
| <i>Total current liabilities</i>                 |       | <u>18,482</u>            | <u>18,359</u>            |
| <b>Net current assets</b>                        |       | <b><u>20,980,357</u></b> | <b><u>20,728,580</u></b> |
| <b>Net assets attributable to Partners</b>       |       | <b><u>20,980,357</u></b> | <b><u>20,728,580</u></b> |
| <b>Total liabilities</b>                         |       | <b><u>20,998,839</u></b> | <b><u>20,746,939</u></b> |

The financial statements on pages 9 to 25 were approved by the General Partner on April 17, 2020 and signed on its behalf by



Director

Date: April 17, 2020

The accompanying notes form an integral part of these financial statements

**JPMAM RE CIP 2 L.P.**  
**Statement of Comprehensive Income**  
**For the year ended December 31, 2019**

|  | Notes | 2019<br>EUR     | 2018<br>EUR        |
|--|-------|-----------------|--------------------|
| <b>Income/(loss)</b>   |       |                 |                    |
| Carried interest   | 5     | 279,266         | (1,997,664)        |
| Net change in fair value of investments at fair value through profit or loss | 4     | <u>(27,489)</u> | <u>(385,079)</u>   |
| <b>Operating gain/(loss)</b>   |       | <u>251,777</u>  | <u>(2,382,743)</u> |
| <b>Net gain/(loss) for the year</b>  |       | <u>251,777</u>  | <u>(2,382,743)</u> |
| <b>Net increase/(decrease) in net assets attributable to Partners</b>        |       | <u>251,777</u>  | <u>(2,382,743)</u> |

All items of Comprehensive Income/(expense) relate to discontinued operations for the year 2019 and 2018

The accompanying notes form an integral part of these financial statements

# Financial Statements for the Partnership

2019

**JPMAM RE CIP 2 L.P.**  
**Statement of Changes in Net Assets Attributable to Partners**  
**For the year ended December 31, 2019**

| Notes  | Contribution     | Other Reserves    | Retained Earnings | Total             | Carried Interest | Carried Interest Holdback | Total             |
|--|------------------|-------------------|-------------------|-------------------|------------------|---------------------------|-------------------|
|  | EUR              | EUR               | EUR               | EUR               | EUR              | EUR                       | EUR               |
| <b>Balance at January 1, 2019</b>  | <b>6,323,141</b> | <b>12,795,490</b> | <b>122,325</b>    | <b>19,240,956</b> | <b>743,812</b>   | <b>743,812</b>            | <b>20,728,580</b> |
| Tax Distribution   | -                | -                 | -                 | -                 | -                | -                         | -                 |
| Net change in fair value of investments at fair value through profit or loss | -                | (27,489)          | -                 | (27,489)          | -                | -                         | (27,489)          |
| Carried interest   | -                | 279,266           | -                 | 279,266           | -                | -                         | 279,266           |
| <b>Balance at December 31, 2019</b>  | <b>6,323,141</b> | <b>13,047,267</b> | <b>122,325</b>    | <b>19,492,733</b> | <b>743,812</b>   | <b>743,812</b>            | <b>20,980,357</b> |

|  | Contribution     | Other Reserves    | Retained Earnings | Total             | Carried Interest | Carried Interest Holdback | Total             |
|--|------------------|-------------------|-------------------|-------------------|------------------|---------------------------|-------------------|
|  | EUR              | EUR               | EUR               | EUR               | EUR              | EUR                       | EUR               |
| <b>Balance at January 1, 2018</b>  | <b>6,323,141</b> | <b>15,331,147</b> | <b>122,325</b>    | <b>21,776,613</b> | <b>743,812</b>   | <b>743,812</b>            | <b>23,264,237</b> |
| Tax Distribution   | 10               | -                 | (152,914)         | -                 | (152,914)        | -                         | (152,914)         |
| Net change in fair value of investments at fair value through profit or loss | -                | (385,079)         | -                 | (385,079)         | -                | -                         | (385,079)         |
| Carried interest   | -                | (1,997,664)       | -                 | (1,997,664)       | -                | -                         | (1,997,664)       |
| <b>Balance at December 31, 2018</b>  | <b>6,323,141</b> | <b>12,795,490</b> | <b>122,325</b>    | <b>19,240,956</b> | <b>743,812</b>   | <b>743,812</b>            | <b>20,728,580</b> |

The accompanying notes form an integral part of these financial statements

**JPMAM RE CIP 2 L.P.**  
**Statement of Cash Flows**  
**For the year ended December 31, 2019**

|   | Notes | 2018<br>EUR       | 2018<br>EUR       |
|---|-------|-------------------|-------------------|
| Result for the year   |       | 251,777           | (2,382,743)       |
| <i>Adjustments in relation to:</i>  |       |                   |                   |
| Unrealised loss on fair value of investments at fair value through profit or loss |       | 27,489            | 385,079           |
| Change in due from affiliates   |       | (279,266)         | 1,997,664         |
| Changes in due to affiliates  |       | 5,543             | (62,820)          |
| <i>Net cash used in operating activities</i>                                      |       | <u>5,543</u>      | <u>(62,820)</u>   |
| <b>Cash flows from investing activities</b>                                       |       |                   |                   |
| Proceeds received from investments at fair value through profit or loss           | 4     | <u>586,323</u>    | -                 |
| <i>Net cash generated by investing activities</i>                                 |       | <u>586,323</u>    | -                 |
| <b>Cash flows from financing activities</b>                                       |       |                   |                   |
| Tax Distribution to Limited Partners  |       | -                 | (152,914)         |
| <i>Net cash generated by financing activities</i>                                 |       | -                 | (152,914)         |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                       |       | <u>591,866</u>    | <u>(215,734)</u>  |
| Cash and cash equivalents at the beginning of the year                            |       | 13,237,063        | 13,452,797        |
| <b>Cash and cash equivalents at the end of the year</b>                           | 6     | <u>13,828,929</u> | <u>13,237,063</u> |

The accompanying notes form an integral part of these financial statement



## 1. General information

JPMAM RE CIP 2 L.P. (the "Partnership") was registered on July 14, 2008 as a Scottish Limited Partnership under the Limited Partnerships Act 1907 with number 6663.

The address of the Fund and Partnership's registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland.

The Partnership was established by a limited partnership agreement (the "LPA") on July 11, 2008 to carry on the business of investing, as the carried interest partner and a limited partner, in Greater Europe Opportunistic Property Fund (B) L.P. (the "Fund").

JPMAM RE CIP 2 L.P. is the Carried Interest Partner of the Fund (the "Carried Interest Partner"). On July 21, 2014, JPMorgan Funds Limited ("JPMF") was appointed as Alternative Investment Fund Manager (the "AIFM" and "Fund Manager") of the Fund and the Feeder Fund, replacing JPMorgan Asset Management (UK) Limited as Operator (the "Operator") of the Fund and the Feeder Fund. JPMF is a private limited company incorporated in Scotland whose registered office is at 3 Lochside View, Edinburgh, EH12 9DH. JPMF is authorized by the UK Financial Conduct Authority as an AIFM for the purposes of the Alternative Investment Fund Managers Directive. On July 21, 2014 the Fund Manager then appointed JPMorgan Asset Management (UK) Limited (the "Portfolio Manager") to provide portfolio management and transaction arrangement services to the Fund.

The Fund commenced its investment activity in July 2007. The term of the Fund was ten years, plus an additional two years at the Fund Manager's discretion and with Limited Partners' Special Consent. The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. This therefore means that the financial statements are prepared on a basis other than that of a going concern.

Limited Partners participate in the Partnership by purchasing either Class A voting interests or Class B non-voting interests directly into the Partnership. Class B Limited Partner interests are awarded to key employees by a committee appointed by JPMorgan Investment Management Inc.

The Partnership had an initial closing on August 12, 2008 with Capital Commitments totalling €25,253,527. On June 30, 2011, the Partnership made its second closing and two new Limited Partners were admitted into the Partnership. At the same time, the JPMorgan Investments Limited Class B Limited Partner's interests were fully transferred to the existing Limited Partners and the new Limited Partners. On September 30 2016, JPMorgan Investments Limited transferred its entire Class A interest to JPMorgan Asset Management Holdings (UK) Limited.

As at December 31, 2019, the Partnership had total Capital Commitments of €25,263,290 (December 31, 2018: €25,263,290), consisting of Class A Limited Partner committed capital of € 25,000,000 (December 31, 2018: €25,000,000), Class B Limited Partner committed capital of €252,530 (December 31, 2018: €252,530) and Class B Limited Partner premium commitment of €9,760 (December 31, 2018: €9,760).

### *Drawdown and redemptions*

As of December 31, 2019, the Partnership had drawn down €6,323,141 (December 31, 2018: €6,323,141) of capital, representing circa 25% (December 31, 2018: circa 25%) of the Partnership's total commitments from Limited Partners.

## 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### *A. Basis of preparation*

The financial statements have been prepared in accordance with IFRSs as adopted by the EU and in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulation 2008. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The General Partner has assessed that the values of all assets and liabilities at the reporting date

## 2. Summary of significant accounting policies (continued)

### A. Basis of preparation (continued)

approximate their net realisable values and therefore no changes to accounting policies or adjustments have been made to the financial statements as they already reflect the requirements of the fund not being a going concern.

The Partnership meets the definition of an investment entity as defined by IFRS 10 and is required to account for the investment in the Fund at fair value through profit or loss. These separate financial statements are the only financial statements presented by the Partnership. Refer to Note 2 (C) in these financial statements for further information on investment entities.

The presentation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to financial statements are disclosed in Note 2 (H).

The Partnership has taken advantage of the small companies exemption and has not presented a strategic report.

### B. Changes in accounting policy and disclosures

#### i) Standards and amendments to existing standards for the financial year beginning January 1, 2019

IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense is replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest continues to be presented as operating cash flows. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Partnership's financial statements.

The amendments made to IFRS 9 Financial Instruments regarding Prepayment Features with Negative Compensation in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

Interpretation 23 Uncertainty over income tax treatments clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

When there is uncertainty over income tax treatments, this Interpretation addresses:

- whether an entity considers uncertain tax treatments separately;
- the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- how an entity considers changes in facts and circumstances.

**2. Summary of significant accounting policies (continued)****B. Changes in accounting policy and disclosures (continued)**

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

**ii) Standards, amendments and interpretations effective for the financial year beginning January 1, 2020 and adopted early**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning January 1, 2020 that have been adopted early.

**iii) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2020 and not adopted early***Amendments to IAS 1 and IAS 8 - Definition of Material*

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The General Partner considered the impact of IFRS 3, IAS 1 and IAS 8 and expects the new standard will have no material impact on the Fund's financial statements.

The General Partner will consider the impact of these new standards and amendments in the next financial year.

**C. Investment Entity**

The Partnership, which is closed-end, has multiple investors. Net assets attributable to the limited partners are classified as a financial liability, due to a finite life and contractual payment provisions to each of the limited partners within the LPA. Net assets attributable to limited partner's capital are carried at fair value and are classified as debt in accordance with IAS 32. The limited partner's interests are exposed to variable returns from changes in the fair value of the Fund's net assets.

The Partnership has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- i) The Partnership, which is closed-end, has obtained funds for the purpose of providing investors with investment management services.
- ii) The Partnership's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the use of a Master-Feeder structure.
- iii) The performance of investments made through the subsidiaries are measured and evaluated on a fair value basis.
- iv) The Limited Partners ownership interests in the Partnership are in the form of capital and advance contributions. They are exposed to variable returns from changes in the fair value of the Partnership's net assets.

**2. Summary of significant accounting policies (continued)*****D. Foreign currency translation***

The financial statements of the Partnership are presented in Euro (EUR or €).

**(i) Functional and presentational currency**

Items included in the financial statements of the Partnership are measured using the currency of the primary economic environment in which the Partnership operates (the “functional currency”).

The financial statements are presented in Euros, which is the Partnership’s functional and presentational currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

When gains or losses on a non-monetary item are recognised directly in other comprehensive income, the exchange component of that gain or loss shall be recognised directly in the statement of other comprehensive income. Conversely when gains or losses on a non-monetary item are recognised directly in the profit or loss within the statement of comprehensive income, the exchange component of that gain or loss shall be recognised in the profit or loss within the statement of comprehensive income.

As at December 31 the exchange rate was as follows:

**2019:** 1 EUR = 0.847 British Pound (GBP)

**2018:** 1 EUR = 0.898 British Pound (GBP)

***E. Receivables***

Receivables are recognised initially at fair value and subsequently measured at fair value.

***F. Investments at fair value through profit or loss***

All investments are initially recognised at fair value, being fair value of the consideration given and including acquisition charges associated with the investments. Given the nature of the investments into the Fund it is classified as fair value through profit or loss.

After initial recognition, investments which are classified as fair value through profit or loss are measured at fair value. Changes in the fair value are recognised directly in the profit or loss and allocated to net assets attributable to Limited Partners until the investment is derecognised. 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. Refer to Note 3 (B) in the Fund financial statements for further details on the fair valuation policy of the investments.

The investments in the Fund consists of non-marketable, Limited Partnership interests. The cost basis of the investments held by the Feeder Partnership includes all amounts contributed to the Fund. The fair value of investments represents the cost of the investment adjusted for the Feeder Partnership’s allocated share of investment income, expenses, realised and unrealised gains or losses, based on its percentage interest in the Fund. Distributions received from the Fund are recorded as a reduction in its investments in the Fund.

***G. Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short term investments in an active market with original maturities of three months or less and bank overdrafts.

**2. Summary of significant accounting policies (continued)*****H. Critical accounting estimates and judgements***

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income, expenses and unrealised gains or losses during the reporting period. Actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors. These include expectations of future events that are believed to be reasonable under the circumstances.

The General Partner makes estimates and assumptions concerning:

- i) the treatment of investments in the Partnership at fair value through profit or loss (See note 2C)
- ii) fair value of investments and financial assets through profit or loss (See note 2F); and
- iii) the going concern of the Partnership (See note 2M).

The resulting accounting estimates will, by definition, seldom equal the related actual results.

***I. Limited Partners' capital***

The contributions to the Partnership consist of capital contribution and advance contribution.

The Capital Contribution of each Limited Partner amounts to 25% of each Limited Partner's Commitment. Each Limited Partner contributes the full amount of its Capital Contribution on the closing date on which it is admitted to Partnership. The Capital contributions are not returned to the Limited Partners until the end of the life of the Partnership. No interest will be paid or payable by the Partnership upon any Capital Contribution.

In order to fund the capital calls from the Fund, the Partnership draws down from the Limited Partners' commitments. The advances are drawn down pro rata to the aggregate Undrawn Commitments to the Partnership, until the commitments from the Limited Partners are fully paid up. No interest will be paid or payable by the Partnership upon any Advance Contributions.

On termination of the Partnership, the Limited Partners will be subordinate to all other creditors as regards repayment of any Advances outstanding.

***J. Distributions to Limited Partners***

Distributions are made to Partners as follows:

***Capital Investments***

Distributable cash received as a return of, or income or gain on a Partner's Contribution to the Partnership in respect of investments shall be initially apportioned to the Partners' pro-rata on their commitments.

***Carried Interest***

Fifty percent (50%) of the distributable cash received from the Fund in respect of carried interest shall be apportioned to the Class A Limited Partners and the remaining fifty percent (50%) shall be apportioned to the Class B Limited Partners. Class B Limited Partners distributable carried interest amounts may be withheld in a designated carried interest holdback account until certain criteria are met.

***Carried Interest Holdback Account***

Distributable cash received as a return of, or income or gain on, carried interest holdback investments shall be apportioned to each Class B Limited Partner in proportion to the ratio that such Class B Limited Partner's carried interest holdback account bears to the Class B Limited Partner holdback account of all the Class B Limited Partners.

## 2. Summary of significant accounting policies (continued)

### **K. Revenue recognition**

#### *Carried Interest*

Revenue from carried interest is recognised on an accrual basis when the Partnership is entitled to receive a share of the realised profits of the Fund, based on the hypothetical realisation of the portfolio at each period end. The Partnership may receive its share of realised investment gains on a deal by deal basis throughout the life of the Partnership. The carried interest receivable is included in the statement of comprehensive income when earned.

### **L. Provisions**

Provisions are recognised when the Partnership has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

### **M. Going concern**

The original term of the Fund was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. Accordingly, the financial statements of the Fund have therefore been prepared on a basis other than that of a going concern. As the primary activity of the Partnership is dependent on the activities of the Fund, the Partnership adopts the same basis of preparation of the Fund and accordingly, these accounts have been prepared on a basis other than that of a going concern.

The General Partner continues to value its assets and liabilities at fair value which is approximate to the net realisable value. The Partnership has adequate resources based on its Aggregate Undrawn Fund Advance Commitments (refer to note 5) to meet its liabilities as they fall due.

## 3. Financial risk management

### **3.1 Financial risk factors**

The Partnership's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and foreign exchange risk), credit risk and liquidity risk.

The Partnership only invests into the Fund. An investment in the Fund involves certain risks relating to the Fund's structure and to the investment policy which applies to the Fund. Where possible the Partnership and its advisers will take the necessary actions to mitigate these risks. Refer to Note 3 in the Fund's financial statements for further detail on the Fund's financial risk management.

### **3.2 Market risk**

#### *(a) Price risk*

The Partnership is not exposed to property price and property rental risk since the sale of the Fund's last investment property, Parkhurst Road Limited.

#### *(b) Cash flow and fair value interest rate risk*

The Partnership is exposed to interest rate risk through its investment in the Fund.

Given the illiquid nature of the underlying Investments, the Partnership's remaining cash flow risk is largely considered to be liquidity, and this is further considered in 3.4.

**3. Financial risk management (continued)***(c) Foreign exchange risk*

The Partnership's income and operating cash flows are substantially independent of changes in market exchange rates as the Partnership is not directly involved in foreign currency transactions.

From inception up to the statement of financial position date, the Partnership did not have any hedging policy with respect to foreign exchange risk and interest rate risks as exposure to such risks was not considered to be significant by the General Partner.

**3.3 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Partnership's exposure to credit risk is indicated by the carrying amount of its assets which consist principally of the investments held at fair value through profit or loss in the Fund and amounts due from affiliates and limited partners.

The credit risk on investments held at fair value through profit or loss is mainly related to the underlying investments held by the Partnership through the Fund. The Partnership has no significant concentration of credit risk. As at December 31, 2019 (and 31 December 2018), excess cash is held in short term cash accounts with creditworthy financial institutions (held with RBS International, Jersey Branch which has a credit rating of "Ba1" for long term debt from the credit agency Moody's).

The accounts receivable balances of the Partnership are neither past due nor impaired. The Partnership is also not deemed to have any significant credit risk.

**3.4 Liquidity risk**

The commitment of the Partnership into the Fund is limited to the Commitment of the Limited Partners into the Partnership. The limited partner's commitment to the Partnership is available for drawdown for any working capital or investment purposes. The Fund aims to maintain flexibility in funding by keeping committed credit lines available.

The table below summarises the Partnership's financial liabilities (excluding net assets attributable to Partners) into relevant maturity based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| <b>At December 31, 2019</b>        | <b>Less than<br/>3 months<br/>EUR</b> | <b>3 months -<br/>1 year<br/>EUR</b> | <b>Total<br/>EUR</b> |
|------------------------------------|---------------------------------------|--------------------------------------|----------------------|
| <b>Current liabilities</b>         |                                       |                                      |                      |
| Accrued liabilities                | 18,482                                | -                                    | 18,482               |
| <b>Total financial liabilities</b> | <b>18,482</b>                         | <b>-</b>                             | <b>18,482</b>        |
| <br>                               |                                       |                                      |                      |
| <b>At December 31, 2018</b>        | <b>Less than<br/>3 months<br/>EUR</b> | <b>3 months -<br/>1 year<br/>EUR</b> | <b>Total<br/>EUR</b> |
| <b>Current liabilities</b>         |                                       |                                      |                      |
| Accrued liabilities                | 18,359                                | -                                    | 18,359               |
| <b>Total financial liabilities</b> | <b>18,359</b>                         | <b>-</b>                             | <b>18,359</b>        |

**3. Financial risk management (continued)****3.5 Fair value estimation**

Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties transacting at "arm's length". This requires the Partnership to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The adoption of this standard does not have a material impact on the financial statements of the Partnership and does not require retrospective application. The fair value hierarchy has the following levels.

**Level 1**

Quoted price (unadjusted) in active markets for identical assets or liabilities.

**Level 2**

Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).

**Level 3**

Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs)

The following table analyses within the fair value hierarchy the Partnership's financial assets and liabilities (by class) measured at fair value as at December 31, 2019.

|  | <b>Level 1</b>      |                     | <b>Level 2</b>      |                     | <b>Level 3</b>      |                     | <b>Total</b>        |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | <b>2019<br/>EUR</b> | <b>2018<br/>EUR</b> | <b>2019<br/>EUR</b> | <b>2018<br/>EUR</b> | <b>2019<br/>EUR</b> | <b>2018<br/>EUR</b> | <b>2019<br/>EUR</b> | <b>2018<br/>EUR</b> |
| <b>Assets</b>  |                     |                     |                     |                     |                     |                     |                     |                     |
| Investments at fair value through profit or loss     | -                   | -                   | -                   | -                   | 320,377             | 934,189             | 320,377             | 934,189             |
| <b>Total financial assets measured at fair value</b> | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>320,377</b>      | <b>934,189</b>      | <b>320,377</b>      | <b>934,189</b>      |

The Partnership held no level 1 or level 2 investments in the current year and in the prior year.. There were no movements between level 1, 2 and 3 during the current year and in the prior year. The carrying value of receivables and payables are approximate to their fair values. The fair value of financial liabilities due after one year, for disclosure purposes is estimated by discounting the future cash flows at the comparable market rates. Refer to Note 3B in the Fund's financial statements for the valuation process for level 3 assets.



**3. Financial risk management (continued)****3.5 Fair value estimation (continued)**

The following table analyses within the fair value hierarchy the Partnership's assets and liabilities (by class) not measured at fair value at December 31, 2019 but for which fair value is disclosed.

|                                     | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b>    | <b>Total</b>      |
|-------------------------------------|-------------------|----------------|-------------------|-------------------|
|                                     | <b>2019</b>       | <b>2019</b>    | <b>2019</b>       | <b>2019</b>       |
|                                     | <b>EUR</b>        | <b>EUR</b>     | <b>EUR</b>        | <b>EUR</b>        |
| <b>Assets</b>                       |                   |                |                   |                   |
| Receivables                         | -                 | -              | 6,849,533         | 6,849,533         |
| Cash and cash equivalents           | 13,828,929        | -              | -                 | 13,828,929        |
| <b>Total</b>                        | <b>13,828,929</b> | <b>-</b>       | <b>6,849,533</b>  | <b>20,678,462</b> |
| <b>Liabilities</b>                  |                   |                |                   |                   |
| Other payables and accrued expenses | -                 | -              | 18,482            | 18,482            |
| Net assets attributable to Partners | -                 | -              | 20,980,357        | 20,980,357        |
| <b>Total</b>                        | <b>-</b>          | <b>-</b>       | <b>20,998,839</b> | <b>20,998,839</b> |

The current assets and liabilities are carried at values that reflect a reasonable approximation of their fair values.

The following table analyses within the fair value hierarchy the Partnership's assets and liabilities (by class) not measured at fair value at December 31, 2018 but for which fair value is disclosed.

|                                     | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b>    | <b>Total</b>      |
|-------------------------------------|-------------------|----------------|-------------------|-------------------|
|                                     | <b>2018</b>       | <b>2018</b>    | <b>2018</b>       | <b>2018</b>       |
|                                     | <b>EUR</b>        | <b>EUR</b>     | <b>EUR</b>        | <b>EUR</b>        |
| <b>Assets</b>                       |                   |                |                   |                   |
| Receivable                          | -                 | -              | 6,575,687         | 6,575,687         |
| Cash and cash equivalents           | 13,237,063        | -              | -                 | 13,237,063        |
| <b>Total</b>                        | <b>13,237,063</b> | <b>-</b>       | <b>6,575,687</b>  | <b>19,812,750</b> |
| <b>Liabilities</b>                  |                   |                |                   |                   |
| Other payables and accrued expenses | -                 | -              | 18,359            | 18,359            |
| Net assets attributable to Partners | -                 | -              | 20,728,580        | 20,728,580        |
| <b>Total</b>                        | <b>-</b>          | <b>-</b>       | <b>20,746,939</b> | <b>20,746,939</b> |

The current assets and liabilities are carried at values that reflect a reasonable approximation of their fair values.

**3.6 Capital risk management**

The Partnership's objective when managing capital are to safeguard the Partnership's ability to meet its liabilities as they fall due in order to provide returns to Limited Partners and maintain an optimal capital structure to reduce the cost of capital.

Since inception, the Partnership was financed by Contributions from the Limited Partners hence, did not enter into any borrowings.

**4. Investments at fair value through profit or loss**

|  | <b>Total<br/>EUR</b>  |
|--|-----------------------|
| <b>Cost:</b>   |                       |
| As at January 1, 2019  | 381,998               |
| Acquisitions   | -                     |
| Disposals-return of capital during the year                    | (261,000)             |
| As at December 31, 2019  | <u>120,998</u>        |
| <b>Fair Value Movement:</b>                                    |                       |
| As at January 1, 2019  | 552,191               |
| Distributions – profit during the year                         | (325,323)             |
| Net change in investments at fair value through profit or loss | (27,489)              |
| As at December 31, 2019  | <u>199,379</u>        |
| <b>Fair Value:</b>   |                       |
| As at December 31, 2018  | <b>934,189</b>        |
| As at December 31, 2019  | <b><u>320,377</u></b> |

Investments at fair value through profit or loss include the following:

|   | <b>December 31, 2019<br/>EUR</b> | <b>December 31, 2018<br/>EUR</b> |
|---|----------------------------------|----------------------------------|
| Unlisted securities:                                |                                  |                                  |
| Greater Europe Opportunistic Property Fund (B) L.P. | <u>320,377</u>                   | <u>934,189</u>                   |
| Total   | <b><u>320,377</u></b>            | <b><u>934,189</u></b>            |

In order to comply with the Volcker Rule, JPMorgan as the Operator determined, effective from July 1, 2012, to exercise its discretion, pursuant to sub-clauses 10.3(a)(iii) and (viii) of the Fund's limited partnership agreement to partially cancel the Partnership's undrawn advance commitment, with the effect that from the date of the cancellation the Partnership's undrawn advance commitment in aggregate with other JPMorgan entities' aggregate undrawn advance commitment is now equal to 3% of the Fund's aggregate commitments.

Therefore, the Partnership's commitment to the Fund was reduced to €5,749,422 (December 31, 2018: €5,749,422) from €25,132,577. At the statement of financial position date, the Partnership had a 5.32% (December 31, 2018: 5.32%) interest in the Fund, based on the percentage of its holding into the Fund.

As at December 31, 2019, the Fund had net assets of €3,999,258 (December 31, 2018: €13,575,728) and the Partnership's share of the Fund's net assets amounted to €320,377 (December 31, 2018: €934,189).

**5. Carried interest**

In accordance with the Fund's limited partnership agreement, the Partnership is entitled to receive a share of the realised profits of the Fund, otherwise referred to as the carried interest.

As at December 31, 2019, €6,660,464 of hypothetical carried interest has been recognised in the Partnership (December 31, 2018: €6,381,198). This is calculated and recorded as if the Fund was to realise its portfolio as of the current year end and is included as a balance due from affiliate.

Refer to Note 6 in the Fund's financial statements for more detail on carried interest.

# Notes to the Financial Statements of the Partnership

2019

## 6. Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following balances with original maturity of less than 90 days:

|              | <b>December 31, 2019</b><br>EUR | <b>December 31, 2018</b><br>EUR |
|--------------|---------------------------------|---------------------------------|
| Cash at bank | 13,828,929                      | 13,237,063                      |
|              | <u>13,828,929</u>               | <u>13,237,063</u>               |

## 7. Due to Limited Partners

|   | <b>December 31, 2019</b><br>EUR | <b>December 31, 2018</b><br>EUR |
|---|---------------------------------|---------------------------------|
| Redemptions of Capital Investment Account | 11,227                          | 11,227                          |
| Interest payable on redemptions           | 1,047                           | 924                             |
|   | <u>12,274</u>                   | <u>12,151</u>                   |

Redemptions of Capital Investment Account relate to the fair market value of forfeited points for Limited Partners who were released early from the Partnership.

## 8. Deferred contributions

|  | <b>December 31, 2019</b><br>EUR | <b>December 31, 2018</b><br>EUR |
|--|---------------------------------|---------------------------------|
| Amounts due to the General Partner - excess contributions      | 750                             | 750                             |
| Amounts due to Class B Limited Partners - excess contributions | 5,458                           | 5,458                           |
|  | <u>6,208</u>                    | <u>6,208</u>                    |

## 9. Related party transactions

The General Partner, JPMAM RE GP 2 Limited; together with the Fund Manager to the Fund, JPMorgan Funds Limited (the "Fund Manager"); the Portfolio Manager to the Fund, JPMorgan Asset Management (UK) Limited (the "Portfolio Manager") and the Accountants, JPMorgan Chase Bank, N.A. (the "Accountant"), are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co. Under the terms of LPA, the Class A Limited Partner, or an affiliate thereof, pays the operating expenses of the Partnership.

**10. Partners' contributions and commitments**

At the statement of financial position date, the Undrawn Commitments were as follows:

| December 31, 2019             | General Partner<br>EUR | Class A<br>EUR    | Class B<br>EUR | TOTAL<br>EUR       |
|-------------------------------|------------------------|-------------------|----------------|--------------------|
| Commitments                   | *1,000                 | 25,000,000        | **252,530      | <b>25,253,530</b>  |
| Premium Commitment            | -                      | -                 | 9,760          | <b>9,760</b>       |
| Contributions                 | (250)                  | (6,250,000)       | (72,891)       | <b>(6,323,141)</b> |
| Aggregate Undrawn Commitments | <u>750</u>             | <u>18,750,000</u> | <u>189,399</u> | <u>18,940,149</u>  |
| December 31, 2018             | General Partner<br>EUR | Class A<br>EUR    | Class B<br>EUR | TOTAL<br>EUR       |
| Commitments                   | *1,000                 | 25,000,000        | **252,530      | <b>25,253,530</b>  |
| Premium Commitment            | -                      | -                 | 9,760          | <b>9,760</b>       |
| Contributions                 | (250)                  | (6,250,000)       | (72,891)       | <b>(6,323,141)</b> |
| Aggregate Undrawn Commitments | <u>750</u>             | <u>18,750,000</u> | <u>189,399</u> | <u>18,940,149</u>  |

\* The General Partner contributed their full committed capital of €1,000 and the excess contribution of €750 has been recognised as a liability by the Partnership and this amount will be kept in the Partnership's bank account and utilised against future capital call requirements of the General Partner.

\*\* Some of the Limited Partners made contributions in excess of their drawn down amounts by €5,458. These excess contributions have been recognised as a liability (deferred contributions) by the Partnership and these amounts will be kept in the Partnership's bank account and utilised against future drawdown requests for the respective Limited Partners.

\*\*\* On April 10, 2017, in line with the provisions of Section 6.11 of the LPA, the Partnership made a cash distribution of €774,869 to enable certain Limited Partners to discharge their tax liabilities arising from the allocations of taxable income and gain made to them in accordance with the LPA.

\*\*\*\* On October 25, 2018, in line with the provisions of Section 6.11 of the LPA, the Partnership made a cash distribution of €152,914 to enable certain Limited Partners to discharge their tax liabilities arising from the allocations of taxable income and gain made to them in accordance with the LPA.

\*\*\*\*\* On June 30, 2011 additional points were awarded, resulting in a total Class B commitments of €262,290. The commitment has been calculated with reference to the underlying NAV of the Fund as at the date of issuance, and of this commitment. €9,760 has been classified as premium commitment. Premium commitment is included within the total commitment drawn as at the end of the period.

**11. Income tax**

The Partnership is income tax transparent for the purposes of UK taxation.

**12. Ultimate controlling party**

In the opinion of the directors of the General Partner, JPMorgan Asset Management International Limited is the ultimate controlling party.

**13. Events after the date of the statement of financial position**

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) to be a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19. The ultimate impact of the COVID-19 pandemic is highly uncertain. The full extent of the economic impacts on the financial performance of the Fund, its operations or the global economy as a whole is as yet unknown.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date. Consequently COVID-19 is considered to be a non-adjusting post balance sheet event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact. The impact of COVID-19 is uncertain; the General Partner is in dialogue with the Portfolio Manager and will continue to monitor the situation.

**14. Approval for financial statements**

The financial statements were authorised for issue by the General Partner on April 17, 2020.

**GREATER EUROPE OPPORTUNISTIC PROPERTY  
FUND (B FEEDER) L.P.**

**Audited financial statements for the year ended December 31, 2019**

50 Lothian Road  
Festival Square  
Edinburgh EH3 9WJ  
Scotland

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No. SC 324322

|                   |      |
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|   |   |
|---|---|
| <b>Partnership Number:</b>                  | SL006193  |
| <b>General Partner:</b>                     | JPMAM RE GP 2 Limited   |
| <b>Directors of the General Partner:</b>    | R.A. Crombie<br>J.C. Ehlinger<br>C.J. Whittington   |
| <b>Alternative Investment Fund Manager:</b> | JPMorgan Funds Limited<br>3 Lochside View<br>Edinburgh EH12 9HD<br>Scotland   |
| <b>Portfolio Manager:</b>                   | JPMorgan Asset Management (UK) Limited<br>25 Bank Street, Canary Wharf<br>London, E14 5JP<br>United Kingdom   |
| <b>Accountants:</b>                         | JPMorgan Chase Bank, N.A.<br>200 Capital Dock,<br>79 Sir John Rogerson's Quay<br>Dublin 2<br>Ireland  |
| <b>Independent Auditors:</b>                | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>7 More London Riverside,<br>London, SE1 2RT<br>United Kingdom                                 |
| <b>Legal Advisers:</b>                      | Allen & Overy LLP<br>One Bishops Square<br>London, E1 6AD<br>United Kingdom<br><br>Burness LLP<br>50 Lothian Road<br>Festival Square<br>Edinburgh EH3 9WJ<br>United Kingdom |
| <b>Tax Advisers:</b>                        | Deloitte LLP<br>2 New Street Squares<br>London EC4A 3BZ<br>United Kingdom   |
| <b>Depositary:</b>                          | J.P. Morgan Europe Limited<br>25 Bank Street<br>London, E14 5JP<br>United Kingdom   |



The Board of Directors of the General Partner presents the financial statements for the year ended December 31, 2019.

#### **Principal activities**

Greater Europe Opportunistic Property Fund (B Feeder) L.P. (the "Feeder Fund") has been established to invest in Greater Europe Opportunistic Property Fund (B) L.P. (the "Fund") for the purposes of income generation and capital appreciation.

As the activity of the Feeder Fund is directly linked to the activity of the Fund, the General Partner's report reflects the activities of the underlying fund. Any change in the investment strategy taken by the general partner of the underlying Fund will not change the investment strategy for this entity. These financial statements should be read in conjunction with the financial statements of the Fund.

The Feeder Fund has taken advantage of the small companies exemption and has not presented a strategic report.

#### **Business Review and Future Developments**

In the current year, the Fund realised its last remaining investment Parkhurst Road Limited in the UK. The Fund is now in the process of liquidating all remaining subsidiary entities.

##### *Disposal*

On August 9, 2019, GEOPF Luxembourg Holding S.à r.l sold 100% of its shareholding in Parkhurst Road Limited, realising cash proceeds of approximately £10.9 million net of disposal costs. The sale was based on a headline valuation of the property of £12.2 million.

##### *Distributions*

During the year ended December 31, 2019, the Fund made distribution of €10.91 million (December 31, 2018: Nil) and called no capital from investors (December 31, 2018: Nil). The Feeder Fund made a distribution of €9.95 million (December 31, 2018: Nil) and called no capital from investors (December 31, 2018: Nil).

##### *Investment Period*

The Fund's investment period ended on December 31, 2013 and the Fund sold its final investment during the current year.

The term of the Fund was 10 years, plus an additional 2 years at the Fund Manager's discretion and with Limited Partners' Special Consent. The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. Accordingly, these accounts have been prepared on a basis other than that of a going concern.

#### **Economy**

The UK exited the European Union on January 31, 2020 and has entered into a transition period during which the UK and EU will negotiate trade and other relationships. The UK's exit from the European Union has increased economic uncertainty in both the UK economy and the wider European and global economy.

This uncertainty presents risks to property values, finance and tenants. The General Partner does not believe that the outcomes of the Brexit negotiations are expected to have a material impact on the performance of the Fund. Historically, the Fund has mitigated the risk of economic uncertainty by making investments in the three most liquid markets in the EU, both inside and outside the Eurozone and in a variety of sectors: office and retail. The General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties and given the Fund is now outside of its investment period, intends to execute its original strategy and remaining asset specific development plans.

Recently, the outbreak of the novel coronavirus in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents uncertainty and risk with respect to the funds' performance and financial results. At this stage, the General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties. The General Partner has reviewed business

continuity plans for itself, the operator and service providers and expects the Fund to be in a position to continue operations throughout this period of uncertainty.

#### **Financial risk management objectives and policies**

Refer to Note 3 in the notes to the financial statements for details on financial risk management objectives and policies.

#### **Subsequent Events**

Refer to Note 13 in the notes to the financial statements for details on subsequent events.

#### **Statement of General Partner's responsibilities in respect of the financial statements**

The General Partner is responsible for preparing the General Partner's report and the financial statements in accordance with applicable law and regulations.

Companies Act 2006 as applied to qualifying partnerships by the Partnership (Accounts) Regulation 2008 ("Company Law") requires the General Partner to prepare financial statements for each financial year. Under Company Law, the General Partner has prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Under Company Law, the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Feeder Fund and of the profit or loss of the Feeder Fund for that year. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a basis other than that of a going concern.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Feeder Fund's transactions and disclose with reasonable accuracy at any time the financial position of the Feeder Fund and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Partnership (Accounts) Regulation 2008. The General Partner is also responsible for safeguarding the assets of the Feeder Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Feeder Fund has taken advantage of the small companies exemption and has not presented a strategic report.

The financial statements are made available through FIS Data Exchange, a third party hosted site. The maintenance and integrity of the FIS Data Exchange site is the responsibility of the General Partner; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom and Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418 of the Companies Act 2006, the General Partner report shall include a statement, in the case of each director in office at the date the General Partner report is approved, that:

- a. so far as each director of the General Partner is aware, there is no relevant audit information of which the Feeder Fund's auditors are unaware; and
- b. each director of the General Partner has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Feeder Fund's auditors are aware of that information.

**Statement of General Partner's responsibilities in respect of the financial statements (continued)****Going concern**

The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. The financial statements of the Fund have therefore been prepared on a basis other than that of a going concern. As the primary purpose of the Feeder Fund is to invest into the Fund, the Feeder Fund adopts the same basis of preparation of the Fund and accordingly, these accounts have been prepared on a basis other than that of a going concern.

The General Partner continues to value its assets and liabilities at fair value which is approximate to the net realisable value. The Feeder Fund has adequate resources based on its Aggregate Undrawn Advance Commitments (refer to note 5) to meet its liabilities as they fall due.

**Independent Auditors**

The General Partner confirms that so far as it is aware, there is no relevant audit information of which the Feeder Fund's auditors are unaware, and it has taken all the steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the Feeder Fund's auditors are aware of that information.

PricewaterhouseCoopers LLP has expressed its willingness to continue in the office as Independent Auditors.

By order of the General Partner

\_\_\_\_\_  
For and on behalf of JPMAM RE GP 2 Limited  
Director

Date: April 3, 2020

# ***Independent auditors' report to the partners of Greater Europe Opportunistic Property Fund (B Feeder) L.P.***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Greater Europe Opportunistic Property Fund (B Feeder) L.P.'s financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Audited financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, the statement of cash flows, the statement of changes in net assets attributable to limited partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the general partner's reasons why the financial statements have been prepared on a basis other than going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *General Partner's Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the General Partner's Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the General Partner's Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the general partner for the financial statements*

As explained more fully in the Statement of General Partner's responsibilities set out on page 4, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they 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 general partner is responsible for assessing the qualifying 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 general partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

#### *Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinion, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

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### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

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**Entitlement to exemptions**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, the general partner were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
3 April 2020

## Statement of Financial Position

2019

**Greater Europe Opportunistic Property Fund (B Feeder) L.P.**  
**Statement of Financial Position**  
**As at December 31, 2019**  
**All amounts in € 000s**

|  | Notes | 2019                | 2018                 |
|--|-------|---------------------|----------------------|
| <b>ASSETS</b>                                      |       |                     |                      |
| <b>Current assets</b>                              |       |                     |                      |
| Investments at fair value through profit or loss   | 4     | 3,569               | 12,065               |
| Cash and cash equivalents                          |       | 5                   | 6                    |
| <i>Total current assets</i>                        |       | <u>3,574</u>        | <u>12,071</u>        |
| <b>Total assets</b>                                |       | <u><b>3,574</b></u> | <u><b>12,071</b></u> |
| <b>LIABILITIES</b>                                 |       |                     |                      |
| <b>Current liabilities</b>                         |       |                     |                      |
| Accrued expenses                                   | 6     | 116                 | 51                   |
| Due to affiliates                                  | 7     | 116                 | 91                   |
| <i>Total current liabilities</i>                   |       | <u>232</u>          | <u>142</u>           |
| <b>Net current assets</b>                          |       | <u><b>3,342</b></u> | <u><b>11,929</b></u> |
| <b>Net assets attributable to Limited Partners</b> |       | <u><b>3,342</b></u> | <u><b>11,929</b></u> |
| <b>Total liabilities</b>                           |       | <u><b>3,574</b></u> | <u><b>12,071</b></u> |

The financial statements from pages 9 -26 were approved by the General Partner on April 3, 2020 and signed on its behalf by

  
 \_\_\_\_\_  
 Director

Date: April 3, 2020

The accompanying notes form an integral part of these financial statements

## Statement of Comprehensive Income

2019

**Greater Europe Opportunistic Property Fund (B Feeder) L.P.**  
**Statement of Comprehensive Income**  
**For the year ended December 31, 2019**  
**All amounts in € 000s**

|  | Notes | 2019         | 2018            |
|--|-------|--------------|-----------------|
| <b>Income</b>  |       |              |                 |
| Unrealised gain/(loss) on fair value of investments at fair value through profit or loss | 4     | 1,453        | (10,561)        |
| <b>Expense</b>   |       |              |                 |
| Other operating expenses   | 8     | (90)         | (16)            |
| <b>Operating gain/(loss) for the year</b>  |       | <b>1,363</b> | <b>(10,577)</b> |
| Finance costs  | 9     | (1)          | -               |
| <b>Net gain/(loss) for the year</b>  |       | <b>1,362</b> | <b>(10,577)</b> |
| Net increase/(decrease) in net assets attributable to Limited Partners                   |       | <b>1,362</b> | <b>(10,577)</b> |

All items of comprehensive income/(expense) relate to discontinued operations for the year 2019 and 2018.

The accompanying notes form an integral part of these financial statements



|  |      |
|--|------|
| Statement of Change in Net Assets Attributable to Limited Partners | 2019 |
|--|------|

**Greater Europe Opportunistic Property Fund (B Feeder) L.P.**  
**Statement of Changes in Net Assets attributable to Limited Partners**  
**For the year ended December 31, 2019**  
**All amounts in € 000s**

|  | Contributions/<br>(distributions) | Retained<br>Earnings | Other Reserves | Total         |
|--|-----------------------------------|----------------------|----------------|---------------|
| <b>Balance as at January 1, 2019</b>   | <b>16,735</b>                     | <b>(201)</b>         | <b>(4,605)</b> | <b>11,929</b> |
| Net loss for the year  | -                                 | (91)                 | -              | (91)          |
| Distributions  | (8,390)                           | -                    | (1,559)        | (9,949)       |
| Net change in fair value of<br>investments at fair value through<br>profit or loss | -                                 | -                    | 1,453          | 1,453         |
| <b>Balance as at December 31, 2019</b>   | <b>8,345</b>                      | <b>(292)</b>         | <b>(4,711)</b> | <b>3,342</b>  |

|  | Contributions/<br>(distributions) | Retained<br>Earnings | Other Reserves | Total         |
|--|-----------------------------------|----------------------|----------------|---------------|
| <b>Balance as at January 1, 2018</b>   | <b>16,735</b>                     | <b>(185)</b>         | <b>5,956</b>   | <b>22,506</b> |
| Net loss for the year  | -                                 | (16)                 | -              | (16)          |
| Net change in fair value of<br>investments at fair value through<br>profit or loss | -                                 | -                    | (10,561)       | (10,561)      |
| <b>Balance as at December 31, 2018</b>   | <b>16,735</b>                     | <b>(201)</b>         | <b>(4,605)</b> | <b>11,929</b> |

The accompanying notes form an integral part of these financial statements

## Statement of Cash Flows

2019

**Greater Europe Opportunistic Property Fund (B Feeder) L.P.**  
**Statement of Cash Flows**  
**For the year ended December 31, 2019**  
**All amounts in € 000s**

|  | Notes | 2019           | 2018     |
|--|-------|----------------|----------|
| <b>Cash flows from operating activities</b>  |       |                |          |
| Net gain/(loss) for the year   |       | 1,362          | (10,577) |
| <i>Adjustments in relation to:</i>   |       |                |          |
| Unrealised (gain)/loss on fair value of investments at fair value through profit or loss | 4     | (1,453)        | 10,561   |
| Finance costs  | 9     | 1              | -        |
| Changes in working capital   | 8     | 90             | 16       |
| <i>Net cash used in operations</i>   |       | <u>-</u>       | <u>-</u> |
| Finance costs paid   | 9     | (1)            | -        |
| <i>Net cash used in operating activities</i>   |       | <u>(1)</u>     | <u>-</u> |
| <b>Cash flows from investing activities</b>  |       |                |          |
| Distribution received from investments at fair value through profit or loss              |       | 9,949          | -        |
| <i>Net cash generated from investing activities</i>                                      |       | <u>9,949</u>   | <u>-</u> |
| <b>Cash flows from financing activities</b>  |       |                |          |
| Distributions paid   | 5     | (9,949)        | -        |
| <i>Net cash used in financing activities</i>   |       | <u>(9,949)</u> | <u>-</u> |
| <b>Net decrease in cash and cash equivalents</b>   |       | <u>(1)</u>     | <u>-</u> |
| Cash and cash equivalents at the beginning of the year                                   |       | 6              | 6        |
| <b>Cash and cash equivalents at the end of the year</b>                                  |       | <u>5</u>       | <u>6</u> |

The accompanying notes form an integral part of these financial statements

## 1. General information

Greater Europe Opportunistic Property Fund (B Feeder) L.P. (the "Feeder Fund"), was established by a limited partnership agreement on July 24, 2007. The Feeder Fund is registered as a Scottish limited partnership under the Limited Partnerships Act 1907 with number 6193. The address of the Feeder Fund's registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland. The Feeder Fund has appointed JPMAM RE GP 2 Limited as its General Partner (the "General Partner"). The Feeder Fund is a qualifying partnership in accordance with the Partnerships (Accounts) Regulation 2008.

The Feeder Fund was established to invest in Greater Europe Opportunistic Property Fund (B) L.P. (the "Fund"), for the purposes of income generation and capital appreciation. The Fund was established by a limited partnership agreement (the "LPA") on July 24, 2007, and is registered as a Scottish limited partnership under the Limited Partnerships Act 1907 with number 6194. The Fund is closed-end and Limited Partners participate in the Fund by purchasing (i) interests directly in the Fund; or (ii) interests in the Feeder Fund.

The investment strategy of the Fund is to invest in real estate and real estate related assets across target markets in Europe. The Fund disposed of its last asset during 2019 and no longer holds any real estate assets.

JPMAM RE CIP 2 L.P. is the Carried Interest Partner of the Fund (the "Carried Interest Partner"). On July 21, 2014, JPMorgan Funds Limited ("JPMF") was appointed as Alternative Investment Fund Manager (the "AIFM" and "Fund Manager") of the Fund and the Feeder Fund, replacing JPMorgan Asset Management (UK) Limited as Operator (the "Operator") of the Fund and the Feeder Fund. JPMF is a private limited company incorporated in Scotland whose registered office is at 3 Lochside View, Edinburgh, EH12 9DH. JPMF is authorized by the UK Financial Conduct Authority as an AIFM for the purposes of the Alternative Investment Fund Managers Directive. On July 21, 2014 the Fund Manager then appointed JPMorgan Asset Management (UK) Limited (the "Portfolio Manager") to provide portfolio management and transaction arrangement services to the Fund.

The Fund commenced its investment activity in July 2007. The term of the Fund was ten years, plus an additional two years at the Fund Manager's discretion and with Limited Partners' Special Consent. The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. This therefore means that the financial statements are prepared on a basis other than that of a going concern.

### *Commitments*

The Fund held its initial closing on August 21, 2007 with Aggregate Fund Commitments of €155 million and held its final closing on April 9, 2009 with Aggregate Fund Commitments of €178 million. In order to comply with the Volcker Rule, JPMorgan Chase & Co. (individually, or collectively with its affiliates, as the context requires. JPMorgan) determined, effective from July 1, 2012, to exercise its discretion, pursuant to sub-clauses 10.3(a)(iii) and (viii) of the LPA, to (a) cancel JPMorgan Investment Limited ("JPMIL")'s Undrawn Advance Commitment in full, and (b) partially cancel the Carried Interest Partner's Undrawn Advance Commitment, with the effect that from the date of the cancellation of JPMIL's Undrawn Advance Commitment and the partial cancellation of the Carried Interest Partner's Undrawn Advance Commitment, JPMorgan's Aggregate Undrawn Advance Commitment will be equal to 3% of the Fund's Aggregate Commitments. This has resulted in a reduction of Aggregate Fund Commitments from €178 million to €108 million. Of the aggregate reduction, the Feeder Fund's Commitments were reduced from €126,999,836 to €99,178,342, following the consequential reduction of Commitments by two Limited Partners in the Feeder Fund in order to maintain their Partnership Interest at 20% of Aggregate Commitments. On September 30, 2014, JPMIL transferred its entire holdings to JP Morgan Asset Management Holdings (UK) Limited.

As of December 31, 2019, the Feeder Fund's Net Aggregate Contributions were €8,344,928 (December 31, 2018: €16,735,445).

**1. General information (continued)***Investment Period*

In accordance with the terms of the LPA, the Investment Period was scheduled to end on April 9, 2013, i.e. the fourth anniversary of the Final Closing Date (April 9, 2009). In light of the real estate market conditions, the Aggregate Commitments that remained available for drawdown and anticipated future investment opportunities, on October 19, 2012 the Operator sought consent to extend the Investment Period to (and including) December 31, 2013. Limited Partner consent was consequently granted.

In accordance with the newly stated terms, the Investment Period ended on December 31, 2013.

*Investment Strategy Guidelines*

Following the reduction in Aggregate Fund Commitments, the Operator also sought consent to amend the Investment Strategy Guidelines, as the existing guidelines would have restricted the Fund to investing no more than €16.2 million in any one investment. Limited Partners' Consent was duly granted to increase this limit to no more than €25.0 million.

**2. Summary of significant accounting policies**

The audited financial statements of the Fund as at December 31, 2019 are appended to this set of financial statements.

**A. Basis of preparation**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

The financial statements have been prepared in accordance with IFRSs as adopted by the EU and in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulation 2008. The financial statements have been prepared on a basis other than that of a going concern (refer to Note 2L) under the historical cost convention as modified for the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The General Partner has assessed that the values of all assets at the reporting date approximate their net realisable values and therefore no changes to accounting policies or adjustments have been made to the financial statements in order to reflect that fact that the partnership will not be able to realise its assets or to extinguish its liabilities in the normal course of business.

The Feeder Fund meets the definition of an investment entity as defined by IFRS 10 and is required to account for the investment in the Fund at fair value through profit or loss. These separate financial statements are the only financial statements presented by the B Feeder Partnership. Refer to Note 2 (C) in these financial statements for further information on investment entities.

The presentation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Feeder Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to financial statements are disclosed in Note 2 (G).

The Feeder Fund has taken advantage of the small companies exemption and has not presented a strategic report

**2. Summary of significant accounting policies (continued)****B. Changes in accounting policy and disclosures****i. Standards and amendments to existing standards for the financial year beginning January 1, 2019**

IFRS 16 effects primarily the accounting by lessees and results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The income statement is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

The amendments made to IFRS 9 Financial Instruments regarding Prepayment Features with Negative Compensation in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

Interpretation 23 Uncertainty over income tax treatments clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

When there is uncertainty over income tax treatments, this Interpretation addresses:

- a. whether an entity considers uncertain tax treatments separately;
- b. the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- c. how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- d. how an entity considers changes in facts and circumstances.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

**ii. Standards, amendments and interpretations effective for the financial year beginning January 1, 2020 and adopted early**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning January 1, 2020 that have been adopted early.

**iii. New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2020 and not adopted early**

*Amendments to IAS 1 and IAS 8 - Definition of Material*

**2. Summary of significant accounting policies (continued)****B. Changes in accounting policy and disclosures (continued)****iii. New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2020 and not adopted early (continued)**

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

*Amendments to IFRS 3 - Definition of a Business*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

*Amendment to IFRS 7, IFRS 9 and IAS 39 - Interest rate benchmark reform*

The amendments modify some specific hedge accounting requirements to provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

The General Partner considered the impact of IFRS 3, IAS 1 and IAS 8 and expects the new standard will have no material impact on the Fund's financial statements.

The General Partner will consider the impact of these new standards and amendments in the next financial year.

**C. Investment entity**

The Feeder Fund, which is closed-end, has multiple investors and holds multiple investments through the Master Fund. Net assets attributable to the limited partners are classified as a financial liability, due to a finite life and contractual payment provisions to each of the limited partners within the LPA. Net assets attributable to limited partner's capital are carried at Fair value and are classified as debt in accordance with IAS 32. The limited partner's interests are exposed to variable returns from changes in the fair value of the Fund's net assets.

The Feeder Fund has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- i) The Feeder Fund, which is closed-end, has obtained funds for the purpose of providing investors with investment management services.
- ii) The Feeder Fund's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the use of a Master-Feeder structure.
- iii) The performance of investments made through the subsidiaries are measured and evaluated on a fair value basis.
- iv) The investors' ownership interests in the Feeder Fund are in the form of Capital and Advance Contributions. They are exposed to variable returns from changes in the fair value of the Feeder Fund's net assets

## 2. Summary of significant accounting policies (continued)

### D. Foreign currency translation

The financial statements of the Feeder Fund are presented in Euro (€).

#### (i) Functional and presentational currency

Items included in the financial statements of the Feeder Fund are measured using the currency of the primary economic environment in which the Feeder Fund operates (the “functional currency”).

The financial statements are presented in Euro, which is the Feeder Fund’s functional and presentational currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

When gains or losses on a non-monetary item are recognised directly in the other comprehensive income, the exchange component of that gain or loss shall be recognised directly in the other comprehensive income. Conversely when gains or losses on a non-monetary item are recognised directly in the profit or loss within the statement of comprehensive income, the exchange component of that gain or loss shall be recognised in the profit or loss within the statement of comprehensive income.

As at December 31 the exchange rate was as follows:

**2019:** 1 EUR = 0.847 British Pound (GBP)

**2018:** 1 EUR = 0.898 British Pound (GBP)

### E. Receivables

Receivables are recognised initially at fair value and subsequently measured at fair value.

### F. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short term investments in an active market with original maturities of three months or less and bank overdrafts.

### G. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income, expenses and unrealised gains or losses during the reporting period. Actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors. These include expectations of future events that are believed to be reasonable under the circumstances.

The Feeder Fund makes estimates and assumptions concerning:

- i) the fair value of investments through profit or loss (See note 2H)
- ii) the treatment of the investments in the Fund at fair value through profit or loss (See note 2C), and
- iii) the going concern of the Feeder Fund (see note 2L)

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

**2. Summary of significant accounting policies (continued)*****H. Investments at fair value through profit or loss***

All investments are initially recognised at fair value, being fair value of the consideration given and including acquisition charges associated with the investment. Given the nature of the investment into the Fund it is classified as fair value through profit or loss.

The investment in the Fund consists of non-marketable, Limited Partnership interests. The cost basis of the investment held by the Feeder Partnership includes all amounts contributed to the Fund. The fair value of investments represents the cost of the investment adjusted for the Feeder Partnership's allocated share of investment income, expenses, realised and unrealised gains or losses, based on its percentage interest in the Fund. Distributions received from the Fund are recorded as a reduction in its investment in the Fund.

***I. Limited Partners' capital***

The Contributions to the Feeder Fund consists of Capital Contributions and Advance Contributions.

The Capital Contribution of each Limited Partner amounts to 0.01% of each Limited Partner's Commitment. Each Limited Partner contributes the full amount of its Capital Contribution on the closing date on which it is admitted to the Feeder Fund. The Capital Contributions are not returned to the Limited Partners until the end of the life of the Feeder Fund. No interest is paid or payable by the Feeder Fund on any Capital Contributions.

In order to fund the capital calls, the Feeder Fund draws down from the Limited Partners' Commitments. The advances are drawn down pro rata to the Aggregate Undrawn Commitments to the Feeder Fund, until the Commitments from the Limited Partners are fully paid up. No interest is paid or payable by the Feeder Fund on any Advance Contributions.

On termination of the Feeder Fund, the Limited Partners will be subordinated to all other creditors as regards repayment of any advances outstanding.

Distributions, made by the Fund, attributable to any particular property investment are made at the discretion of the Fund Manager, in the following order of priority:

- (a) First 100% to the General Partner until the General Partner has received the General Partner's Share;
- (b) Second, 100% to the Limited Partners until they have received cumulative distributions equal to the aggregate of: (i) their Advance Contributions used to fund the investment in respect of which distributions are being made and all realised investments, plus their proportionate share of any write-downs of unrealised investments, as of that time; and (ii) the Advance Contributions used to fund all Fund expenses allocated to the investments included in (i);
- (c) 100% to the Limited Partners until the cumulative distributions to the Limited Partners under this paragraph (c) and paragraphs (d) and (e) equal the 9% preferred return;
- (d) 60% to the Carried Interest Partner and 40% to the Limited Partners, until the Carried Interest Partner has received 20% of the aggregate distributions under paragraph (c) and this paragraph (d); and
- (e) 80% to the Limited Partners and 20% to the Carried Interest Partner.



**2. Summary of significant accounting policies (continued)****J. Revenue recognition***Interest income*

Interest income is recognised upon receipt. Interest income is included in finance income in the statement of comprehensive income.

**K. Provisions**

Provisions are recognised when the Feeder Fund has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

**L. Going concern**

The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. Accordingly, the financial statements of the Fund have therefore been prepared on a basis other than that of a going concern. As the primary purpose of the Feeder Fund is to invest into the Fund, the Feeder Fund adopts the same basis of preparation of the fund and accordingly, these accounts have been prepared on a basis other than that of a going concern.

The General Partner continues to value its assets and liabilities at fair value which is approximate to the net realisable value. The Feeder Fund has adequate resources based on its Aggregate Undrawn Fund Advance Commitments (refer to note 5) meet its liabilities as they fall due.

**3. Financial risk management****A. Financial risk factors**

The Feeder Fund's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and foreign exchange risk), credit risk and liquidity risk.

The Feeder Fund only invests into the Fund. An investment in the Feeder Fund involves certain risks relating to the Fund's structure and to the investment policy which applies to the Fund. Where possible the Feeder Fund and its advisers will take the necessary actions to mitigate these risks. Refer to Note 3 in the Fund's financial statements for further detail on the Fund's financial risk management.

**3.1 Market risk***(a) Price risk*

The Feeder Fund is not exposed to property price and property rental risk since the sale of the Fund's last investment property, Parkhurst Road Limited.

**3. Financial risk management (continued)****A. Financial risk factors (continued)****3.1 Market risk (continued)***(b) Cash flow and fair value interest rate risk*

The Feeder Fund was not exposed to interest rate risk as its assets and liabilities were non-interest bearing or its interest bearing assets and liabilities were insignificant.

Given the illiquid nature of the underlying Investments, the Feeder Fund's remaining cash flow risk is largely considered to be liquidity, and this is further considered in 3.3.

*(c) Foreign exchange risk*

The Feeder Fund's income and operating cash flows are substantially independent of changes in market exchange rates as the Feeder Fund is not directly involved in foreign currency transactions. From inception up to the statement of financial position date, the Feeder Fund did not have any hedging policy with respect to foreign exchange and interest rate risks as exposure to such risks was not considered to be significant by the General Partner.

**3.2 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially subject the Feeder Fund to concentrations of credit risk, consist of investment held at fair value through profit or loss in the Fund and cash and cash equivalents.

The credit risk on investments held at fair value through profit or loss is mainly related to the underlying investments held by the Feeder Fund through the Fund in real estate properties. The Fund has no significant concentrations of credit risk. As at December 31, 2019 and December 31, 2018, excess cash is held in short term cash accounts with creditworthy financial institutions (held with RBS International, Jersey Branch which has a credit rating of "Ba1" for long term debt from the credit agency Moody's). The asset managers of the Fund together with its local advisers (including property managers) ensure that rental contracts are made with tenants with an appropriate credit history. The real estate investments are held in various property types and countries based on the advice and guidance received from the Portfolio Manager. Cash and cash equivalents balances are held with banks with good credit risk.

**3.3 Liquidity risk**

The commitment of the Feeder Fund into the Fund is limited to the Commitment of the Limited Partners into the Feeder Fund. The Fund had maintained flexibility in funding by keeping committed credit lines available. In addition the Fund can call outstanding capital commitments made by its investors by giving ten business days' notice.

**3. Financial risk management (continued)****A. Financial risk factors (continued)****3.3 Liquidity risk (continued)**

The table below summarises the Feeder Fund's financial liabilities (excluding net assets attributable to Partners) into relevant maturity based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

| <b>At December 31, 2019</b>        | <b>Less than<br/>3 months<br/>€ 000s</b> | <b>3 months to<br/>1 year<br/>€ 000s</b> | <b>Total<br/>€ 000s</b> |
|------------------------------------|--|--|-------------------------|
| <b>Current liabilities</b>         |  |  |                         |
| Accrued expenses                   | 116                                      | -  | 116                     |
| Due to affiliates                  | 116                                      | -  | 116                     |
| <b>Total financial liabilities</b> | <b>232</b>                               | <b>-</b>                                 | <b>232</b>              |
| <br>                               |  |  |                         |
| <b>At December 31, 2018</b>        | <b>Less than<br/>3 months<br/>€ 000s</b> | <b>3 months to<br/>1 year<br/>€ 000s</b> | <b>Total<br/>€ 000s</b> |
| <b>Current liabilities</b>         |  |  |                         |
| Accrued expenses                   | 51                                       | -  | 51                      |
| Due to affiliates                  | 91                                       | -  | 91                      |
| <b>Total financial liabilities</b> | <b>142</b>                               | <b>-</b>                                 | <b>142</b>              |

**B. Fair value estimation**

Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties transacting at "arm's length". This requires the Feeder Fund to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

## Level 1

Quoted price (unadjusted) in active markets for identical assets or liabilities.

## Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

## Level 3

Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs).

**3. Financial risk management (continued)****B. Fair value estimation (continued)**

The following table analyses within the fair value hierarchy the Feeder Fund's financial assets and liabilities (by class) measured at fair value as at December 31, 2019

|  | Level 1        |                | Level 2        |                | Level 3        |                | Total          |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2019<br>€ 000s | 2018<br>€ 000s | 2019<br>€ 000s | 2018<br>€ 000s | 2019<br>€ 000s | 2018<br>€ 000s | 2019<br>€ 000s | 2018<br>€ 000s |
| <b>Current assets</b>                                |                |                |                |                |                |                |                |                |
| Investments at fair value through profit or loss     | -              | -              | -              | -              | 3,569          | 12,065         | 3,569          | 12,065         |
| <b>Total financial assets measured at fair value</b> | -              | -              | -              | -              | <b>3,569</b>   | <b>12,065</b>  | <b>3,569</b>   | <b>12,065</b>  |

The Feeder Fund held no level 1 or level 2 investments in the current year and in the prior year. There were no movements between level 1, 2 and 3 during the year and during the prior year. The carrying value less impairment provision of receivables and payables are approximate to their fair values. The fair value of financial liabilities due after one year, for disclosure purposes is estimated by discounting the future cash flows at the comparable market rates. Refer to Note 3B in the Fund's financial statements for the valuation process for level 3 assets.

The following table analyses within the fair value hierarchy the Feeder Fund's assets and liabilities (by class) not measured at fair value at December 31, 2019 but for which fair value is disclosed.

|   | Level 1<br>2019<br>€ 000s | Level 2<br>2019<br>€ 000s | Level 3<br>2019<br>€ 000s | Total<br>2019<br>€ 000s |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| <b>Assets</b>                               |                           |                           |                           |                         |
| Cash and cash equivalents                   | 5                         | -                         | -                         | 5                       |
| <b>Total</b>                                | <b>5</b>                  | <b>-</b>                  | <b>-</b>                  | <b>5</b>                |
| <b>Liabilities</b>                          |                           |                           |                           |                         |
| Other payables and accrued expenses         | -                         | -                         | 232                       | 232                     |
| Net assets attributable to Limited Partners | -                         | -                         | 3,342                     | 3,342                   |
| <b>Total</b>                                | <b>-</b>                  | <b>-</b>                  | <b>3,574</b>              | <b>3,574</b>            |

The current assets and liabilities are carried at values that reflect a reasonable approximation of their fair value.

**3. Financial risk management (continued)****B. Fair value estimation (continued)**

The following table analyses within the fair value hierarchy the Feeder Fund's assets and liabilities (by class) measured at fair value at December 31, 2018 but for which fair value is disclosed.

|   | Level 1<br>2018<br>€ 000s | Level 2<br>2018<br>€ 000s | Level 3<br>2018<br>€ 000s | Total<br>2018<br>€ 000s |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| <b>Assets</b>                               |                           |                           |                           |                         |
| Cash and cash equivalents                   | 6                         | -                         | -                         | 6                       |
| <b>Total</b>                                | <u>6</u>                  | <u>-</u>                  | <u>-</u>                  | <u>6</u>                |
| <b>Liabilities</b>                          |                           |                           |                           |                         |
| Other payables and accrued expenses         | -                         | -                         | 142                       | 142                     |
| Net assets attributable to Limited Partners | -                         | -                         | 11,929                    | 11,929                  |
| <b>Total</b>                                | <u>-</u>                  | <u>-</u>                  | <u>12,071</u>             | <u>12,071</u>           |

The current assets and liabilities are carried at values that reflect a reasonable approximation of their fair value.

**C. Capital risk management**

The Feeder Fund's objective when managing capital is to safeguard the Feeder Fund's ability to continue as a going concern in order to provide returns to Limited Partners and to maintain an optimal capital structure to reduce the cost of capital.

Since inception, the Feeder Fund was financed by Contributions from the Limited Partners and by cash advances from the Fund.

**4. Investments at Fair Value through profit or loss**

Movements during the year were as follows:

|  | Total<br>€ 000s |               |
|--|-----------------|---------------|
| <b>Cost:</b>   |                 |               |
| As at January 1, 2019  | 9,446           |               |
| Acquisitions   | -               |               |
| Disposals-return of capital during the year  | (8,390)         |               |
| <b>As at December 31, 2019</b>   | <u>1,056</u>    |               |
| <b>Fair value movement:</b>  |                 |               |
| As at January 1, 2019  | 2,619           |               |
| Distributions – profit during the year   | (1,559)         |               |
| Net change in investments at fair value through profit or loss                         | 1,453           |               |
| <b>As at December 31, 2019</b>   | <u>2,513</u>    |               |
| <b>Fair Value:</b>   |                 |               |
| <b>As at December 31, 2018</b>   | 12,065          |               |
| <b>As at December 31, 2019</b>   | <u>3,569</u>    |               |
| Investments at fair value through profit or loss include the following:                |                 |               |
|  | <b>2019</b>     | <b>2018</b>   |
|  | <b>EUR</b>      | <b>EUR</b>    |
| Unlisted securities: Investment in Greater Europe Opportunistic Property Fund (B) L.P. | 3,569           | 12,065        |
|  | <u>3,569</u>    | <u>12,065</u> |

**4. Investments at Fair Value through profit or loss (continued)**

At the statement of financial position date, the Feeder Fund had a 92% (December 31, 2018: 92%) interest in the Fund, based on the percentage of its commitment into the Fund. The Feeder Fund does not exercise significant influence over the Fund as under clause 5.4 of the LPA, the Fund Manager has full power and authority in respect of the affairs of the Fund and the management and control of the Fund's business shall rest exclusively with the Fund Manager.

As at December 31, 2019, the Fund had net assets attributable to Limited Partners of €3,999,258 (December 31, 2018: €13,575,728) and the Feeder Fund's share of the Fund's net assets amounted to €3,569,261 (December 31, 2018: €12,065,403).

**5. Limited Partners' Contributions and Commitments**

As at the statement of financial position date, the Aggregate Undrawn Advance Commitments were as follows:

|  | <b>2019</b>          | <b>2018</b>          |
|--|----------------------|----------------------|
|  | <b>€ 000s</b>        | <b>€ 000s</b>        |
| Aggregate Commitments*   | 99,178               | 99,178               |
| Aggregate Contributions*   | (77,256)             | (77,256)             |
| Return of Advance Contributions <sup>(1)</sup>                           | 68,911               | 60,521               |
| Return of Advance Contributions – after December 31, 2013 <sup>(1)</sup> | (43,340)             | (34,950)             |
| Aggregate Undrawn Advance Commitments                                    | <u><b>47,493</b></u> | <u><b>47,493</b></u> |

\*Excludes a €100 Commitment from JP Morgan Investments Ltd. ("JPMIL") contributed as the initial Limited Partner. On September 30, 2014, JPMIL transferred its entire holdings to its affiliate, JP Morgan Asset Management (UK) Limited. There were no further commitments from JPMIL in the Feeder Fund.

(1) As per clause 8.6 of the LPA ("Re-investment of Advances"), any return of contributions made to the Limited partners after the investment period are not available for further drawdown and therefore are excluded from the undrawn advance commitments.

The Capital Commitment of each Limited Partner amounts to 0.01% of each Limited Partner's Commitment. Each Limited Partner contributed the full amount of its Capital Contribution at the date of its first admittance to the Feeder Fund. The Capital Contribution remains as forming part of the capital of the Feeder Fund until the Feeder Fund is wound up.

No interest is paid or payable by the Feeder Fund upon any Capital Contribution.

In order to fund the Drawdown Notices from the Fund, the Feeder Fund calls advances from its Limited Partners from the remaining 99.99% of each Limited Partner's Commitment. The Advance Commitments are drawn down pro rata to the Aggregate Undrawn Advance Commitments to the Feeder Fund, until the Aggregate Commitments from the Limited Partners are fully paid up.

No interest is paid or payable by the Feeder Fund upon any advances. On termination of the Feeder Fund, the Limited Partners will be subordinated to all other creditors as regards repayment of any advances outstanding.

Following the reduction of Aggregate Fund Commitments, as detailed in Note 1 the Aggregate Commitments for the Feeder Fund were reduced from €127.00 million to €99.18 million. The reduction in the Feeder Fund Aggregate Commitments was caused by a reduction of Commitments by two Limited Partners in order to maintain their respective Commitments at 20% of the Aggregate Fund Commitments.

*Contributions and Distributions*

The Feeder Fund received no contributions during 2019 (December 31, 2018: Nil).

During the year ended December 31, 2019, the Feeder Fund made distributions €9.95 million (December 31, 2018: Nil).

**6. Accrued expenses**

|                              | <b>2019</b>   | <b>2018</b>   |
|------------------------------|---------------|---------------|
|                              | <b>€ 000s</b> | <b>€ 000s</b> |
| Accrued audit fees           | 13            | 25            |
| Irrecoverable VAT accrual    | 12            | 12            |
| Tax Preparation Fees Accrual | 14            | 14            |
| Liquidation costs*           | 77            | -             |
|                              | <u>116</u>    | <u>51</u>     |

\* Liquidation costs represent Feeder Fund running cost accruals until liquidation of the Fund

**7. Due to affiliates**

|                       | <b>2019</b>   | <b>2018</b>   |
|-----------------------|---------------|---------------|
|                       | <b>€ 000s</b> | <b>€ 000s</b> |
| Fund - Other expenses | 116           | 91            |
|                       | <u>116</u>    | <u>91</u>     |

Fund-Other expenses represent other expenses incurred by the Fund on behalf of the Feeder.

**8. Other operating expenses**

|                         | <b>2019</b>   | <b>2018</b>   |
|-------------------------|---------------|---------------|
|                         | <b>€ 000s</b> | <b>€ 000s</b> |
| Audit fees              | 13            | 14            |
| Other professional fees | 77            | 2             |
|                         | <u>90</u>     | <u>16</u>     |

**9. Finance costs**

|              | <b>2019</b>   | <b>2018</b>   |
|--------------|---------------|---------------|
|              | <b>€ 000s</b> | <b>€ 000s</b> |
| Bank charges | 1             | -             |
|              | <u>1</u>      | <u>-</u>      |

**10. Related party transactions**

The General Partner, the Fund Manager, the Portfolio Manager and JPMorgan Chase Bank, N.A. (the "Accountant") are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

The Fund Manager has appointed JPMorgan Asset Management (UK) Limited to provide portfolio management and transaction arrangement services to the Fund.

*Investments in : transactions with affiliates*

The Feeder Fund invests in the Fund, and as at December 31, 2019 the value of the investment was €3.57 million (December 31, 2018: €12.07 million), Refer to Note 3.

The balances due to affiliates are detailed below.

|                            | <b>December 31, 2019</b> | <b>December 31, 2018</b> |
|----------------------------|--------------------------|--------------------------|
|                            | € 000s                   | € 000s                   |
| Amounts due to affiliates: |                          |                          |
| Cash advances              | 30                       | 30                       |
| Due to Fund                | 86                       | 61                       |
|                            | <b>116</b>               | <b>91</b>                |

**11. Income tax**

The Feeder Fund is tax transparent for the purposes of UK taxation.

**12. Ultimate controlling party**

In the opinion of the directors of the General Partner, there is no ultimate controlling party.

**13. Events after the date of the statement of financial position**

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) to be a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19. The ultimate impact of the COVID-19 pandemic is highly uncertain. The full extent of the economic impacts on the financial performance of the Fund, its operations or the global economy as a whole is as yet unknown.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date. Consequently COVID-19 is considered to be a non-adjusting post balance sheet event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact. The impact of COVID-19 is uncertain; the General Partner is in dialogue with the Portfolio Manager and will continue to monitor the situation.

**14. Approval for financial statements**

The financial statements were authorised for issue by the General Partner on April 3, 2020.



**GREATER EUROPE OPPORTUNISTIC PROPERTY FUND (B) L.P.**

**Financial statements for the year ended December 31, 2019**

50 Lothian Road  
Festival Square  
Edinburgh EH3 9WJ  
Scotland

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No. SC324322

|                   |      |
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|   |  |
|---|--|
| <b>Partnership Number:</b>                  | SC324322   |
| <b>General Partner:</b>                     | JPMAM RE GP 2 Limited  |
| <b>Directors of the General Partner:</b>    | R.A. Crombie<br>J.C. Ehlinger<br>C.J. Whittington  |
| <b>Alternative Investment Fund Manager:</b> | JPMorgan Funds Limited<br>3 Lochside View<br>Edinburgh EH12 9HD<br>Scotland  |
| <b>Portfolio Manager:</b>                   | JPMorgan Asset Management (UK) Limited<br>25 Bank Street, Canary Wharf<br>London, E14 5JP<br>United Kingdom  |
| <b>Accountants:</b>                         | JPMorgan Chase Bank, N.A.<br>200 Capital Dock,<br>79 Sir John Rogerson's Quay<br>Dublin 2<br>Ireland   |
| <b>Statutory Auditors:</b>                  | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>7 More London Riverside,<br>London, SE1 2RT<br>United Kingdom                                  |
| <b>Legal Advisers:</b>                      | Allen & Overy LLP<br>One Bishops Square<br>London, E1 6AD<br>United Kingdom<br><br>Burness LLP<br>50 Lothian Road<br>Festival Square<br>Edinburgh, EH3 9WJ<br>United Kingdom |
| <b>Tax Advisers:</b>                        | Deloitte LLP<br>2 New Street Square<br>London, EC4A 3BZ<br>United Kingdom  |
| <b>Depositary:</b>                          | J.P. Morgan Europe Limited<br>25 Bank Street<br>London, E14 5JP<br>United Kingdom  |

The Board of Directors of the General Partner presents the financial statements of Greater Europe Opportunistic Property Fund (B) L.P. (formerly JPMorgan Greater Europe Opportunistic Property Fund (B) L.P.) for the year ended December 31, 2019.

### **Principal activities**

Greater Europe Opportunistic Property Fund (B) L.P. (the "Fund") has been established to invest in investment property and related investments for the purpose of earning rental revenue and capital appreciation.

The Fund has taken advantage of the small companies exemption and has not presented a strategic report.

### **Business Review and Future Developments**

In the current year, the Fund realised its last remaining investment in Parkhurst Gardens in the UK. The Fund is now in the process of liquidating all remaining subsidiary entities.

#### *Disposal*

On August 9, 2019, GEOPF Luxembourg Holding S.à r.l. sold 100% of its shareholding in Parkhurst Road Limited, realising cash proceeds of approximately £10.9 million net of disposal costs. The sale was based on a headline valuation of the property of £12.2 million.

#### *Distributions*

During the year ended December 31, 2019, the Fund made a distribution of €10.9 million (December 31, 2018: Nil) and called no capital from investors (December 31, 2018: Nil)

#### *Investment Period*

The Fund's investment period ended on December 31, 2013 and the Fund sold its final investment during the current year.

The term of the Fund was 10 years, plus an additional 2 years at the Fund Manager's discretion and with Limited Partners' Special Consent. The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. Accordingly, these accounts have been prepared on a basis other than that of a going concern.

#### *Economy*

The UK exited the European Union on January 31, 2020 and has entered into a transition period during which the UK and EU will negotiate trade and other relationships. The UK's exit from the European Union has increased economic uncertainty in both the UK economy and the wider European and global economy.

This uncertainty presents risks to property values, finance and tenants. The General Partner does not believe that the outcomes of the Brexit negotiations are expected to have a material impact on the performance of the Fund. Historically, the Fund has mitigated the risk of economic uncertainty by making investments in the three most liquid markets in the EU, both inside and outside the Eurozone and in a variety of sectors: office and retail. The General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties and given the Fund is now outside of its investment period, intends to execute its original strategy and remaining asset specific development plans

Recently, the outbreak of the novel coronavirus in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents uncertainty and risk with respect to the funds' performance and financial results. At this stage, the General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties. The General Partner has reviewed business continuity plans for itself, the operator and service providers and expects the Fund to be in a position to continue operations throughout this period of uncertainty.

**Financial risk management objectives and policies**

Refer to Note 3 in the notes to the financial statements for details on financial risk management objectives and policies.

**Subsequent Events**

Refer to Note 16 in the notes to the financial statements for details on subsequent events.

**Statement of General Partner's responsibilities in respect of the financial statements**

The General Partner is responsible for preparing the General Partner's report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the General Partner to prepare financial statements for each financial year. Under that law, the General Partner has prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Under Company Law, the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Fund and of the profit or loss of the Fund for that year. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a basis other than that of a going concern.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Fund's transactions and disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Partnership (Accounts) Regulation 2008. The General Partner is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Fund has applied the Investment Entities amendment to IFRS 10 'Consolidated financial statements'. Since the Fund is an investment entity under the standard, it is exempt from consolidating underlying subsidiaries and instead it is required to account for these subsidiaries at fair value through profit or loss. Refer to Notes 2B, 2C and 4.

The Fund has taken advantage of the small companies exemption and has not presented a strategic report.

The financial statements are made available through FIS Data Exchange, a third party hosted site. The maintenance and integrity of the FIS Data Exchange site is the responsibility of the General Partner; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom and Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418 of the Companies Act 2006, the General Partner report shall include a statement, in the case of each director in office at the date the General Partner report is approved, that:

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

**Going concern**

The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. The financial statements of the Fund have therefore been prepared on a basis other than that of a going concern.

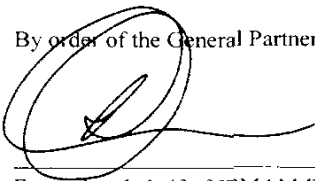
The General Partner continues to value its assets and liabilities at fair value which is approximate to the net realisable value. The Fund has adequate resources based on its Aggregate Undrawn Advance Commitments (refer to note 5) to meet its liabilities as they fall due. The Fund has sufficient resources to settle the outstanding provision for carried interest.

**Independent Auditors**

The General Partner confirms that so far as it is aware, there is no relevant audit information of which the Fund's auditors are unaware, and it has taken all the steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the Fund's auditors are aware of that information.

PricewaterhouseCoopers LLP has expressed its willingness to continue in office as Independent Auditors.

By order of the General Partner



For and on behalf of JPMAM RE GP 2 Limited  
Director

Date: April 3, 2020

# ***Independent auditors' report to the partners of Greater Europe Opportunistic Property Fund (B) L.P.***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Greater Europe Opportunistic Property Fund (B) L.P.'s financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Audited financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, the statement of cash flows, the statement of changes in net assets attributable to limited partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the general partner's reasons why the financial statements have been prepared on a basis other than going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *General Partner's Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the General Partner's Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the General Partner's Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the general partner for the financial statements*

As explained more fully in the Statement of General Partner's responsibilities set out on page 4, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they 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 general partner is responsible for assessing the qualifying 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 general partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

#### *Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinion, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### **Other required reporting**

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#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



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**Entitlement to exemptions**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, the general partner were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
3 April 2020

## Statement of Financial Position

2019

**Greater Europe Opportunistic Property Fund (B) L.P.**  
**Statement of Financial Position**  
**As at December 31, 2019**  
**All amounts in EUR in Thousands**

|  | Notes | 2019          | 2018          |
|--|-------|---------------|---------------|
| <b>ASSETS</b>  |       |               |               |
| <b>Current assets</b>                                    |       |               |               |
| Investments at fair value through profit or loss         | 4     | 3,182         | 10,488        |
| Trade and other receivables                              | 7     | 113           | 88            |
| Cash and cash equivalents                                | 8     | 9,542         | 9,650         |
| <b>Total current assets</b>                              |       | <u>12,837</u> | <u>20,226</u> |
| <b>Total assets</b>                                      |       | <u>12,837</u> | <u>20,226</u> |
| <b>LIABILITIES</b>                                       |       |               |               |
| <b>Current liabilities</b>                               |       |               |               |
| Accrued expenses   | 11    | 2,178         | 269           |
| Carried interest payable to the Carried Interest Partner | 6     | 6,660         | 6,381         |
| <b>Total current liabilities</b>                         |       | <u>8,838</u>  | <u>6,650</u>  |
| <b>Net current assets</b>                                |       | <u>3,999</u>  | <u>13,576</u> |
| <b>Net assets attributable to Partners</b>               |       | <u>3,999</u>  | <u>13,576</u> |
| <b>Total liabilities</b>                                 |       | <u>12,837</u> | <u>20,226</u> |

The financial statements on pages from 9 to 33 were approved by the General Partner on April 3, 2020 and signed on its behalf by



Director

Date: April 3, 2020

The accompanying notes form an integral part of these financial statements

## Statement of Comprehensive Income

2019

**Greater Europe Opportunistic Property Fund (B) L.P.**  
**Statement of Comprehensive Income**  
**For the year ended December 31, 2019**  
**All amounts in EUR in Thousands**

|  | Notes | 2019         | 2018            |
|--|-------|--------------|-----------------|
| Unrealised gain/(loss) on fair value of investments at fair value through profit or loss | 4     | 26,129       | (15,952)        |
| Realised (loss)/ income on investments   | 9     | (19,329)     | 3,420           |
| <b>Net investment gain/(loss)</b>  |       | <b>6,800</b> | <b>(12,532)</b> |
| General and administrative expenses  | 12    | (2,443)      | (296)           |
| General partner's share  | 6     | (63)         | (165)           |
| Carried interest (credit)/expense  | 6     | (279)        | 1,998           |
| <b>Net operating gain/(loss)</b>   |       | <b>4,015</b> | <b>(10,995)</b> |
| Finance costs  | 10    | (2,677)      | (21)            |
| <b>Net result for the period attributable to Limited Partners</b>                        |       | <b>1,338</b> | <b>(11,016)</b> |

All items of comprehensive income/(expense) relate to discontinued operations for the year 2019 and 2018.

The accompanying notes form an integral part of these financial statements

|   |
|---|
| Statement of Changes in Net Assets attributable to Limited Partners |
|---|

|      |
|------|
| 2019 |
|------|

**Greater Europe Opportunistic Property Fund (B) L.P.**  
**Statement of Changes in Net Assets attributable to Limited Partners**  
**For the year ended December 31, 2019**  
**All amounts in EUR in Thousands**

|   | Contributions/<br>(distributions) | Retained Earnings | Total         |
|---|-----------------------------------|-------------------|---------------|
| <b>Balance at January 1, 2019</b>                       | 17,209                            | (3,633)           | 13,576        |
| Distribution  | (8,700)                           | (2,215)           | (10,915)      |
| Increase in net assets attributable to Limited Partners |                                   | 1,338             | 1,338         |
| <b>Balance at December 31, 2019</b>                     | <b>8,509</b>                      | <b>(4,510)</b>    | <b>3,999</b>  |
|   | Contributions/<br>(distributions) | Retained Earnings | Fund Total    |
| <b>Balance at January 1, 2018</b>                       | 17,209                            | 7,383             | 24,592        |
| Decrease in net assets attributable to Limited Partners | -                                 | (11,016)          | (11,016)      |
| <b>Balance at December 31, 2018</b>                     | <b>17,209</b>                     | <b>(3,633)</b>    | <b>13,576</b> |

The accompanying notes form an integral part of these financial statements

## Statement of Cash Flows

2019

**Greater Europe Opportunistic Property Fund (B) L.P.**  
**Statement of Cash Flows**  
**For the year ended December 31, 2019**  
**All amounts in EUR in Thousands**

|  | Notes | 2019            | 2018           |
|--|-------|-----------------|----------------|
| <b>Cash flows from operating activities</b>  |       |                 |                |
| Net result for the period attributable to Limited Partners                               |       | 1,338           | (11,016)       |
| <i>Adjustments in relation to:</i>   |       |                 |                |
| Unrealised (gain)/loss on fair value of investments at fair value through profit or loss | 4     | (26,129)        | 15,952         |
| Realised expense/(income) on investments   | 9     | 19,329          | (3,420)        |
| Finance costs  | 10    | 2,677           | 21             |
| Changes in working capital   | 13    | 2,163           | (2,615)        |
| <i>Cash used in operations</i>   |       | <u>(622)</u>    | <u>(1,078)</u> |
| Finance costs paid   |       | (2,677)         | (21)           |
| <i>Net cash used in operating activities</i>   |       | <u>(3,299)</u>  | <u>(1,099)</u> |
| <b>Cash flows from investing activities</b>  |       |                 |                |
| Investment in subsidiaries   | 4     | (27)            | (153)          |
| Capital returned from investments  | 4     | 33,462          | 5,817          |
| Realised (loss)/income on investments  | 9     | (19,329)        | 3,420          |
| <i>Net cash generated by investing activities</i>  |       | <u>14,106</u>   | <u>9,084</u>   |
| <b>Cash flows from financing activities</b>  |       |                 |                |
| Distributions paid to Limited Partners   |       | (10,915)        | -              |
| <i>Net cash used in financing activities</i>   |       | <u>(10,915)</u> | <u>-</u>       |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                              |       | <u>(108)</u>    | <u>7,985</u>   |
| Cash and cash equivalents at the beginning of the year                                   |       | 9,650           | 1,665          |
| <b>Cash and cash equivalents as at the end of the year</b>                               | 8     | <u>9,542</u>    | <u>9,650</u>   |

The accompanying notes form an integral part of these financial statements

**1. General information**

Greater Europe Opportunistic Property Fund (B) L.P. (the "Fund"), was established by a Limited Partnership Agreement (the "LPA") on July 24, 2007. The Fund is registered as a Scottish Limited Partnership under the Limited Partnerships Act 1907 with number 6194. JPMAM RE GP 2 Limited is the General Partner to the Fund. The Fund is a qualifying partnership in accordance with the Partnerships (Accounts) Regulation 2008.

The address of the Fund's registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland.

The Fund is closed-end and Limited Partners participate in the Fund by purchasing (i) interests directly in the Fund; or (ii) interests in the Feeder vehicle, *Greater Europe Opportunistic Property Fund (B Feeder) L.P. (the "Feeder Fund")*.

The Feeder Fund was established by a Limited Partnership Agreement on July 24, 2007. The Feeder Fund was registered as a Scottish Limited Partnership under the Limited Partnerships Act 1907 with number 6193, to carry on the business of investing, as a feeder Limited Partner in the Fund.

The investment strategy of the Fund is to invest in real estate and real estate-related assets across target markets in Europe. The Fund disposed of its last asset during 2019 and no longer holds any real estate assets.

JPMAM RE CIP 2 L.P. is the Carried Interest Partner in the Fund (the "Carried Interest Partner"). On July 21, 2014, JPMorgan Funds Limited ("JPMF") was appointed as alternative investment fund manager ("Fund Manager") of the Fund and the Feeder Fund, replacing JPMorgan Asset Management (UK) Limited as Operator ("Operator") of the Fund and the Feeder Fund. JPMF is a private limited company incorporated in Scotland whose registered office is at 3 Lochside View, Edinburgh, EH12 9DH. JPMF is authorised by the UK Financial Conduct Authority as an alternative investment fund manager for the purposes of the Alternative Investment Fund Managers Directive. On July 21, 2014 the Fund Manager then appointed JPMorgan Asset Management (UK) Limited (the "Portfolio Manager") to provide portfolio management and transaction arrangement services to the Fund.

The Fund commenced its investment activity in July 2007. The term of the Fund was ten years, plus an additional two years at the Fund Manager's discretion and with Limited Partners' Special Consent. The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. *As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities.* Accordingly, the financial statements are prepared on a basis other than that of a going concern.

The Carried Interest Partner does not pay any part of the General Partner's share or carried interest. Based upon the fair value of the investment as at December 31, 2019, carried interest of €6.66 million (December 31, 2018: €6.38 million) would be due to the Carried Interest Partner on a liquidation basis.

**Commitments**

The Fund held its initial closing on August 21, 2007 with Aggregate Fund Commitments of €155 million and held its final closing on April 9, 2009, with Aggregate Fund Commitments of €178 million. In order to comply with the Volcker Rule, JPMorgan Chase & Co. (individually, or collectively with its affiliates, as the context requires, JPMorgan) determined, effective from July 1, 2012, to exercise its discretion, pursuant to sub-clauses 10.3(a)(iii) and (viii) of the LPA, to (a) cancel JPMorgan Investment Limited ("JPMIL")'s Undrawn Advance Commitment in full, and (b) partially cancel the Carried Interest Partner's Undrawn Advance Commitment, with the effect that from the date of the cancellation of JPMIL's Undrawn Advance Commitment and the partial cancellation of the Carried Interest Partner's Undrawn Advance Commitment, JPMorgan's Aggregate Undrawn Advance Commitment will be equal to 3% of the Fund's Aggregate Commitments.

**1. General information (continued)**

This resulted in a reduction of Aggregate Fund Commitments from €178 million to €108 million. JPMorgan had a Commitment of €50.1 million made up of a Commitment by JPMAM RE CIP 2 L.P. (the "Carried Interest Partner") of €25.1 million and a Commitment of €25 million by JPMIL. The Commitment for the Carried Interest Partner was reduced to €5.75 million and for JPMIL was reduced to €2.65 million. On September 30, 2014, JPMIL transferred its entire holdings to its affiliate, JP Morgan Asset Management Holdings (UK) Limited.

As of December 31, 2019, the Aggregate Contributions to the Fund were €8,509,000 (December 31, 2018: €17,209,000).

*Investment Period*

In accordance with the terms of the LPA, the Investment Period was scheduled to end on April 9, 2013, i.e. the fourth anniversary of the Final Closing Date (April 9, 2009). In light of the real estate market conditions, the Aggregate Commitments that remained available for drawdown and anticipated future investment opportunities, on October 19, 2012 the Operator sought consent to extend the Investment Period to (and including) December 31, 2013. Limited Partner consent was consequently granted.

In accordance with the newly stated terms, the Investment Period ended on December 31, 2013.

*Investment Strategy Guidelines*

Following the reduction in Aggregate Fund Commitments, the Operator also sought consent to amend the Investment Strategy Guidelines, as the existing guidelines would have restricted the Fund to investing no more than €16.2 million in any one investment. Limited Partners' consent was duly granted to increase this limit to no more than €25.0 million and consequently led to the third amendment and restatement of the LPA on December 4, 2012.

**2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**A. Basis of preparation**

The financial statements have been prepared in accordance with IFRSs as adopted by the EU and in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulation 2008. The financial statements have been prepared on a basis other than that of a going concern (refer to Note 2P) under the historical cost convention as modified for the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The Portfolio Manager has assessed that the values of all assets and liabilities at the reporting date approximate their net realisable values and therefore no changes to accounting policies or adjustments have been made to the financial statements as they already reflect the requirements of the fund not being a going concern.

The Fund meets the definition of an investment entity as defined by IFRS 10 and is required to account for the investment in its subsidiaries at fair value through profit or loss. These separate financial statements are the only financial statements presented by the Fund.

The presentation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Portfolio Manager to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions or estimates are significant to financial statements are disclosed in Note 2C and 2L below.

**2. Summary of significant accounting policies (continued)****B. Changes in accounting policy and disclosures****i. Standards and amendments to existing standards for the financial year beginning January 1, 2019**

IFRS 16 effects primarily the accounting by lessees and results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The income statement is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

The amendments made to IFRS 9 Financial Instruments regarding Prepayment Features with Negative Compensation in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

Interpretation 23 Uncertainty over income tax treatments clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

When there is uncertainty over income tax treatments, this Interpretation addresses:

- a. whether an entity considers uncertain tax treatments separately;
- b. the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- c. how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- d. how an entity considers changes in facts and circumstances.

The General Partner does not expect the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

**ii. Standards, amendments and interpretations effective for the financial year beginning January 1, 2020 and adopted early**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning January 1, 2020 that have been adopted early.

**iii. New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2020 and not adopted early**

*Amendments to IAS 1 and IAS 8 - Definition of Material*



**2. Summary of significant accounting policies (continued)****B. Changes in accounting policy and disclosures (continued)**

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

*Amendments to IFRS 3 - Definition of a Business*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

*Amendment to IFRS 7, IFRS 9 and IAS 39 - Interest rate benchmark reform*

The amendments modify some specific hedge accounting requirements to provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

The General Partner considered the impact of IFRS 3, IAS 1 and IAS 8 and expects the new standard will have no material impact on the Fund's financial statements.

The General Partner will consider the impact of these new standards and amendments in the next financial year.

**C. Investment entity**

The Fund, which is closed-end, has multiple unrelated investors and holds multiple investments. Net assets attributable to the Limited Partners are classified as a financial liability, due to a finite life and contractual payment provisions to each of the Limited Partners within the LPA. Net assets attributable to Limited Partner's capital are carried at fair value and are classified as debt in accordance with IAS 32. The Limited Partners' interests are exposed to variable returns from changes in the fair value of the Fund's net assets. The Fund has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- (a) The Fund, which is closed-end, has obtained funds for the purpose of providing investors with investment management services.
- (b) The Fund's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- (c) The performance of investments made through the subsidiaries are measured and evaluated on a fair value basis.
- (d) The Fund holds more than one investment through a holding company.
- (e) The Fund has more than one investor.
- (f) The majority of its investors are not related parties to the Fund.
- (g) The investors' ownership interests in the Fund are in the form of capital and advance contributions. They are exposed to variable returns from changes in the fair value of the Fund's net assets.

**2. Summary of significant accounting policies (continued)****D. Subsidiaries**

The Fund holds the following direct or indirect subsidiaries through its majority holding of the voting rights and ownership interests. These subsidiaries have not been consolidated as the Fund has been deemed to be an investment entity.

| Name of entity*                           | Country    | Ownership interest held | Nature of business       | Address   |
|---|------------|-------------------------|--------------------------|---|
| GEOPF Luxembourg Holding S.à r.l.         | Luxembourg | 100%                    | Holding company          | 6, route de Trèves, L-2633 Senningerberg, Luxembourg    |
| GEOPF Langenfeld L.P. S.à r.l.            | Luxembourg | 100%                    | Holding company          | 6, route de Trèves, L-2633 Senningerberg, Luxembourg    |
| GEOPF Langenfeld G.P. S.à r.l.            | Luxembourg | 100%                    | General partner          | 6, route de Trèves, L-2633 Senningerberg, Luxembourg    |
| TKN Marktkaarree Langenfeld GmbH & Co. KG | Germany    | 89.95%                  | Property holding company | Karl Hammerschmidtstrasse 50, D-85609 Aschheim, Germany |
| Flairzone S.à r.l.                        | Luxembourg | 100%                    | Property holding company | 6, route de Trèves, L-2633 Senningerberg, Luxembourg    |

\*Skybreak Holding S.à r.l was liquidated on December 31, 2019

**E. Financial assets****Classification**

The Fund classifies its financial assets as 'investments at fair value through profit or loss'. The Portfolio Manager determines the classification of its financial assets at initial recognition.

The 'Investments' have been designated as 'at fair value through profit or loss' as the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's investment strategy. These are classified as current assets.

**Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net change in fair value of investments at fair value through profit or loss' in the year in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of investment income when the Fund's right to receive payments is established.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2. Summary of significant accounting policies (continued)

### *F. Foreign currency translation*

The financial statements of the Fund are presented in Euro (EUR or €).

#### **(i) Functional and presentational currency**

Items included in the financial statements of each of the Fund's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Euro, which is the Fund's functional and presentational currency.

#### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

When gains or losses on a non-monetary item are recognised directly in the statement of other comprehensive income, the exchange component of that gain or loss shall be recognised directly in the statement of other comprehensive income. Conversely, when gains or losses on a non-monetary item are recognised directly in the profit or loss within the statement of comprehensive income, the exchange component of that gain or loss shall be recognised in the profit or loss within the statement of comprehensive income.

As at December 31 the exchange rate was as follows:

**2019:** 1 EUR = 0.84733 British Pound (GBP)

**2018:** 1 EUR = 0.89757 British Pound (GBP)

The average rate for the year was as follows:

**2019:** 1 EUR = 0.87715 British Pound (GBP)

**2018:** 1 EUR = 0.88460 British Pound (GBP)

### *G. Treatment of organisational expenses*

Organisational expenses are all costs and expenses incurred in relation to the formation and establishment of the Fund and its subsidiaries, which includes costs such as liquidation costs and professional fees; i.e. taxation consultation fees, legal fees and structuring fees, and all costs relating to the negotiation of credit facilities. These costs are fully expensed in the year in which they are incurred and included under 'general and administrative expenses' in the statement of comprehensive income.

### *H. Trade and other receivables*

Trade and other receivables are recognised initially at fair value and subsequently measured at fair value.

### *I. Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand, deposits held on call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

### *J. Allocation of profits and losses*

Net investment income and net realised changes in unrealised gains or losses are allocated to each partner in accordance with the Limited Partnership Agreement.

The Fund accounts for carried interest as an allocation of profit through the capital accounts based on the Limited Partnership Agreement (see note 2Q). Where an unrealised revaluation gain is recognised, the gain is allocated between the partners as if the unrealised amount had been realised as at year end. Accordingly, the partners' capital balances will equal the proceeds that each partner would receive if the Fund was to realise its portfolio as of the year end. Amounts ultimately distributed to the partners may be different given the inherent uncertainties of the fair valuation of the investment portfolio.

**2. Summary of significant accounting policies (continued)*****J. Allocation of profits and losses (continued)***

As of December 31, 2019, the Portfolio Manager has allocated €6.66 million (December 31, 2018: €6.38 million) of carried interest to the Carried Interest Partner. This is calculated and recorded as if the Fund had realised all assets and settled all liabilities at their reported fair values (€10.66 million), allocated all gains and losses and distributed the resulting net assets to the Limited Partner and the Carried Interest Partner at year end.

***K. Revenue recognition***

Revenue comprises the fair value of consideration received or receivable for rendering services in the ordinary course of the Fund's activities.

Dividend income and interest income is only recognised upon receipt.

***L. Critical accounting estimates and judgements***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income, expenses and unrealised gains or losses during the reporting year. Actual results could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors. These include expectations of future events that are believed to be reasonable under the circumstances.

The Fund makes estimates and assumptions concerning:

- i) its classification as an investment entity as defined in IFRS 10 (see note 2C);
- ii) fair value of investments through profit or loss (see note 4); and
- iii) the going concern of the Fund (see note 2P).

The resulting accounting estimates will, by definition, seldom equal the related actual results.

***M. Limited Partners' capital***

The contributions to the Fund consist of Capital Contributions and Advance Contributions. The Capital Contribution of each Limited Partner amounts to 0.01% of each Limited Partner's Commitment. Each Limited Partner contributes the full amount of its capital contribution on the closing date on which it is admitted to the Fund, other than the Carried Interest Partner and the General Partner. The Capital Contributions are not returned to the Limited Partners until the end of the life of the Fund. No interest is paid or payable by the Fund on any Capital Contribution.

The Fund draws down from the Limited Partners' as drawdowns of advance contributions. The advances are drawn down pro rata to the Aggregate Undrawn Commitments to the Fund, until the Commitments from the Limited Partners are fully paid up. No interest is paid or payable by the Fund upon any Advance Contribution.

On termination of the Fund, the Limited Partners will be subordinated to all other creditors as regards repayment of any advances outstanding.

## 2. Summary of significant accounting policies (continued)

### *N. Distributions to Partners*

Distributions attributable to any particular property investment are made at the discretion of the Fund Manager, in the following order of priority:

- (a) First, 100% to the General Partner until the General Partner has received the General Partner's Share;
- (b) Second, 100% to the Limited Partners until they have received cumulative distributions equal to the aggregate of: (i) their Advance Contributions used to fund the investment in respect of which distributions are being made and all realised investments, plus their proportionate share of any write-downs of unrealised investments, as of that time; and (ii) the Advance Contributions used to fund all Fund expenses allocated to the investments included in (i);
- (c) Third, 100% to the Limited Partners until the cumulative distributions to the Limited Partners under this paragraph (c) and paragraphs (d) and (e) equal the 9% preferred return;
- (d) Fourth, 60% to the Carried Interest Partner and 40% to the Limited Partners, until the Carried Interest Partner has received 20% of the aggregate distributions under paragraph (c) and this paragraph (d); and
- (e) Fifth, thereafter 80% to the Limited Partners and 20% to the Carried Interest Partner.

### *O. Provisions*

Provisions are recognised when the Fund has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

### *P. Going concern*

The original term of the Partnership was due to end on August 21, 2017, which was extended to August 21, 2018 by special investor consent. The term of the Fund was further extended by a one year period to August 21, 2019, by a second Investor's Special Consent, to enable orderly disposal of its remaining assets. As the Fund has sold its last remaining asset, the General Partner has begun the process of winding up the Fund and its remaining subsidiary entities. Accordingly, the financial statements of the Fund have therefore been prepared on a basis other than that of a going concern.

The General Partner continues to value its assets and liabilities at fair value which is approximate to the net realisable value. The Fund has adequate resources based on its Aggregate Undrawn Fund Advance Commitments (refer to note 5) meet its liabilities as they fall due. During this year the fund accrued remaining operational expenses of € 1.94 million. The provision for carried interest will only be settled once the final assets have been realised.

## 3. Financial risk management

### **A. Financial risk factors**

An investment in the Fund involves certain risks relating to the Fund's structure and to its investment policy. Where possible the Fund and its advisers will take the necessary actions to mitigate these risks.

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund uses derivative financial instruments to moderate certain risk exposures.

The Fund's objective is to seek income return and capital appreciation by investing in real estate and real estate-related assets in the target markets.

**3. Financial risk management (continued)****A. Financial risk factors (continued)****3.1 Market risk***(a) Price risk*

The Fund is not exposed to property price and property rental risk since the sale of its last investment property, Parkhurst Road Limited.

*(b) Cash flow and fair value interest rate risk*

The Fund's interest bearing financial assets and liabilities expose it to risks associated with effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The following table summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity dates.

| <b>At December 31, 2019</b>   | <b>Less than<br/>3 months<br/>€ 000s</b> | <b>3 months to<br/>1 year<br/>€ 000s</b> | <b>Non interest<br/>bearing<br/>€ 000s</b> | <b>Total<br/>€ 000s</b> |
|---|--|--|--|-------------------------|
| <b>ASSETS</b>   |  |  |  |                         |
| Investments at fair value through profit or loss                        | -  | -  | 3,182                                      | <b>3,182</b>            |
| Trade and other receivables   | -  | -  | 113  | <b>113</b>              |
| Cash and cash equivalents   | 9,542                                    | -  | -  | <b>9,542</b>            |
| <b>Total assets</b>   | <b>9,542</b>                             | <b>-</b>                                 | <b>3,295</b>                               | <b>12,837</b>           |
| <b>LIABILITIES</b>  |  |  |  |                         |
| Accrued expenses  | -  | -  | 2,178                                      | <b>2,178</b>            |
| Carried interest payable to the Carried Interest Partner                | -  | -  | 6,660                                      | <b>6,660</b>            |
| <b>Total liabilities (excluding net asset attributable to Partners)</b> | <b>-</b>                                 | <b>-</b>                                 | <b>8,838</b>                               | <b>8,838</b>            |
| <b>Net assets attributable to Partners</b>                              | <b>-</b>                                 | <b>-</b>                                 | <b>3,999</b>                               | <b>3,999</b>            |
| <b>Total liabilities</b>  | <b>-</b>                                 | <b>-</b>                                 | <b>12,837</b>                              | <b>12,837</b>           |

**3. Financial risk management (continued)****A. Financial risk factors (continued)****3.1 Market risk (continued)***(b) Cash flow and fair value interest rate risk (continued)*

| At December 31, 2018  | Less than<br>3 months<br>€ 000s | 3 months to<br>1 year<br>€ 000s | Non interest<br>bearing<br>€ 000s | Total<br>€ 000s |
|---|---------------------------------|---------------------------------|-----------------------------------|-----------------|
| <b>ASSETS</b>   |                                 |                                 |                                   |                 |
| Investments at fair value through profit or loss                        | -                               | -                               | 10,488                            | <b>10,488</b>   |
| Trade and other receivables   | -                               | -                               | 88                                | <b>88</b>       |
| Cash and cash equivalents   | 9,650                           | -                               | -                                 | <b>9,650</b>    |
| <b>Total assets</b>   | <b>9,650</b>                    | <b>-</b>                        | <b>10,576</b>                     | <b>20,226</b>   |
| <b>LIABILITIES</b>  |                                 |                                 |                                   |                 |
| Accrued expenses  | -                               | -                               | 269                               | <b>269</b>      |
| Carried interest payable to the Carried Interest Partner                | -                               | -                               | 6,381                             | <b>6,381</b>    |
| <b>Total liabilities (excluding net asset attributable to Partners)</b> | <b>-</b>                        | <b>-</b>                        | <b>6,650</b>                      | <b>6,650</b>    |
| <b>Net assets attributable to Partners</b>                              | <b>-</b>                        | <b>-</b>                        | <b>13,576</b>                     | <b>13,576</b>   |
| <b>Total liabilities</b>  | <b>-</b>                        | <b>-</b>                        | <b>20,226</b>                     | <b>20,226</b>   |

The cash component is held on demand earning a minimal interest return. As such, the Fund had no significant interest rate risk exposure in the current year and therefore no sensitivity analysis has been presented.

*(c) Foreign exchange risk*

The Fund may invest in target markets where the Euro is not the local currency. Where it is appropriate to do so, the Portfolio Manager may cause the Fund to enter into transactions to hedge currency risk in connection with the Fund's investments. These transactions will not be entered into for speculative purposes.

Where hedging is deemed appropriate to reduce currency risk for the Fund, the Portfolio Manager will evaluate and seek to purchase the most cost effective instrument available at the time. In some instances either (i) it may not be cost effective to enter into such transaction or (ii) the anticipated holding period for an investment may be relatively short, in which case the currency risk arising from such investment will remain unhedged.

It is impossible to reduce currency risk precisely where the magnitude and timing of future cash flows are not known with certainty. Therefore, the Fund's policy will serve to reduce, but will not eliminate all the risks of currency or interest rate fluctuations.

On acquisition, the exchange rate risk of each acquisition is reviewed and approved by the Portfolio Manager. Any change in the exposure is discussed with the Portfolio Manager and the necessary action considered. There is no hedging of the exposure to movements in the GBP and EURO exchange rate at the fund level.

As the Fund no longer holds material sterling denominated assets, the Fund had no significant foreign exchange risk exposure at the year end and therefore no sensitivity analysis was performed.

**3. Financial risk management (continued)****A. Financial risk factors (continued)****3.2 Credit risk**

Credit risk arises from cash and cash equivalents as well as credit exposures with respect to rental customers, including outstanding receivables of underlying subsidiaries.

Management reviews bad debts on a regular basis and believes that the Fund has no significant concentrations of credit risk.

As at December 31, 2019 and December 31, 2018, excess cash was held in short term cash accounts with credit worthy financial institutions (held with JP Morgan Chase Bank N.A. London Branch which has a credit rating of "A+" for long term debt from the credit rating agency Standard and Poor's).

**3.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market conditions. The Fund can call outstanding capital commitments made by its investors by giving ten business days' notice.

The table below summarises the Fund's financial liabilities (excluding net assets attributable to Limited Partners) into relevant maturity dates based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| <b>At December 31, 2019</b>                              | <b>Less than<br/>3 months<br/>€ 000s</b> | <b>3 months -<br/>1 year<br/>€ 000s</b> | <b>Total<br/>€ 000s</b> |
|--|--|---|-------------------------|
| <b>Current liabilities</b>                               |  |   |                         |
| Accrued expenses   | 2,178                                    | -                                       | 2,178                   |
| Carried interest payable to the Carried Interest Partner | -  | 6,660                                   | 6,660                   |
| <b>Total financial liabilities</b>                       | <b>2,178</b>                             | <b>6,660</b>                            | <b>8,838</b>            |
| <br>   |  |   |                         |
| <b>At December 31, 2018</b>                              | <b>Less than<br/>3 months<br/>€ 000s</b> | <b>3 months -<br/>1 year<br/>€ 000s</b> | <b>Total<br/>€ 000s</b> |
| <b>Current liabilities</b>                               |  |   |                         |
| Accrued expenses   | 269                                      | -                                       | 269                     |
| Carried interest payable to the Carried Interest Partner | -  | 6,381                                   | 6,381                   |
| <b>Total financial liabilities</b>                       | <b>269</b>                               | <b>6,381</b>                            | <b>6,650</b>            |

**B. Fair value estimation**

Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties transacting at "arm's length". This requires the Fund to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The adoption of this standard does not have a material impact on the financial statements of the Fund and does not require retrospective application.

The following table provides an analysis of financial instruments that are recognised subsequent to initial recognition at fair value, classified into Levels 1 to 3 based on the degree to which the fair value is observable:



**3. Financial risk management (continued)****B. Fair value estimation (continued)**

## Level 1

Quoted price (unadjusted) in active markets for identical assets or liabilities;

## Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

## Level 3

Inputs for assets and liabilities that are not based on observable market data (that is, unobservable inputs).

As at year-end, the Fund does not hold any investments, therefore no sensitivity analysis has been presented.

**3. Financial risk management (continued)****B. Fair value estimation (continued)**

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at December 31, 2019 but for which fair value is disclosed.

|  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|--|----------------|----------------|----------------|---------------|
|  | 2019           | 2019           | 2019           | 2019          |
|  | € 000s         | € 000s         | € 000s         | € 000s        |
| <b>Assets</b>  |                |                |                |               |
| Other receivables  | -              | -              | 113            | 113           |
| Other assets   | -              | -              | -              | -             |
| Cash and cash equivalents                                | -              | -              | 9,542          | 9,542         |
| <b>Total</b>   | -              | -              | <b>9,655</b>   | <b>9,655</b>  |
| <b>Liabilities</b>                                       |                |                |                |               |
| Other payables and accrued expenses                      | -              | -              | 2,178          | 2,178         |
| Carried interest payable to the Carried Interest Partner | -              | -              | 6,660          | 6,660         |
| Net assets attributable to Limited Partners              | -              | -              | 3,999          | 3,999         |
| <b>Total</b>   | -              | -              | <b>12,837</b>  | <b>12,837</b> |

The current assets and liabilities are carried at values that reflect a reasonable approximation of their fair value.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at December 31, 2018 but for which fair value is disclosed.

|  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|--|----------------|----------------|----------------|---------------|
|  | 2018           | 2018           | 2018           | 2018          |
|  | € 000s         | € 000s         | € 000s         | € 000s        |
| <b>Assets</b>  |                |                |                |               |
| Other receivables  | -              | -              | 88             | 88            |
| Other assets   | -              | -              | -              | -             |
| Cash and cash equivalents                                | 9,650          | -              | -              | 9,650         |
| <b>Total</b>   | <b>9,650</b>   | -              | <b>88</b>      | <b>9,738</b>  |
| <b>Liabilities</b>                                       |                |                |                |               |
| Other payables and accrued expenses                      | -              | -              | 269            | 269           |
| Carried interest payable to the Carried Interest Partner | -              | -              | 6,381          | 6,381         |
| Net assets attributable to Limited Partners              | -              | -              | 13,576         | 13,576        |
| <b>Total</b>   | -              | -              | <b>20,226</b>  | <b>20,226</b> |

The current assets and liabilities are carried at values that reflect a reasonable approximation of their fair value.

**3. Financial risk management (continued)****C. Capital risk management**

For the purpose of this section, capital means Capital Contributions and Advance Contributions.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to Limited Partners and to maintain an optimal capital structure in order to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Fund will normally call additional capital from Limited Partners. The Fund is not subject to any external imposed capital requirement

**4. Investments at fair value through profit or loss**

|   | <b>Total</b>    |
|---|-----------------|
|   | € 000s          |
| <b><u>Cost:</u></b>                             |                 |
| <b>As at January 1, 2019</b>                    | <b>36,212</b>   |
| Acquisition                                     | 27              |
| Disposals*                                      | (33,462)        |
| <b>As at December 31, 2019</b>                  | <b>2,777</b>    |
| <b><u>Fair value movement:</u></b>              |                 |
| <b>As at January 1, 2019</b>                    | <b>(25,724)</b> |
| Movement in fair value through profit or loss** | 26,129          |
| <b>As at December 31, 2019</b>                  | <b>405</b>      |
| <b><u>Fair value:</u></b>                       |                 |
| <b>As at January 1, 2019</b>                    | <b>10,488</b>   |
| <b>As at December 31, 2019</b>                  | <b>3,182</b>    |

\*Disposals include a number of loan repayments received from GEOPF Luxembourg Holding S.à r.l.. The cost carried forward is therefore the net of the cost of investments held, reduced by the value of upward loans received.

**The Fund had the following direct interests in subsidiaries as at December 31, 2019:**

| <b>Fund's subsidiary</b>          | <b>Country of incorporation</b> | <b>Equity ownership%</b> | <b>Investment Cost</b> | <b>Investment Fair Value</b> | <b>Fair value as a % of total assets</b> |
|-----------------------------------|---------------------------------|--------------------------|------------------------|------------------------------|--|
|                                   |                                 |                          | € 000s                 | € 000s                       | %  |
| GEOPF Luxembourg Holding S.à r.l. | Luxembourg                      | 100%                     | 2,777                  | 3,182                        | 24.79                                    |
| <b>Total Investments</b>          |                                 |                          | <b>2,777</b>           | <b>3,182</b>                 | <b>24.79</b>                             |

## 4. Investments at fair value through profit or loss (continued)

The Fund had the following direct interests in subsidiaries as at December 31, 2018:

| Fund's subsidiary                 | Country of incorporation | Equity ownership% | Investment    | Investment    | Fair value as a % of total assets |
|-----------------------------------|--------------------------|-------------------|---------------|---------------|-----------------------------------|
|                                   |                          |                   | Cost          | Fair Value    |                                   |
|                                   |                          |                   | € 000s        | € 000s        | %                                 |
| GEOPF Luxembourg Holding S.à r.l. | Luxembourg               | 100%              | 36,212        | 10,488        | 51.85                             |
| <b>Total Investments</b>          |                          |                   | <b>36,212</b> | <b>10,488</b> | <b>51.85</b>                      |

## GEOPF Luxembourg Holding S.à r.l.

The Fund owns 100% of the equity and loans of GEOPF Luxembourg Holding S.à r.l. ("Lux Holding"). Lux Holding is a holding company which invests in a number of subsidiaries, which are detailed below.

At December 31, 2019 and 2018, Lux Holding holds direct interests in the following entities:

| Subsidiary                          | Equity Percentage | As at December | As at December | As at December | As at December |
|-------------------------------------|-------------------|----------------|----------------|----------------|----------------|
|                                     |                   | 31, 2019       | 31, 2019       | 31, 2018       | 31, 2018       |
|                                     |                   | Cost           | Fair Value     | Cost           | Fair Value     |
|                                     |                   | € 000s         | € 000s         | € 000s         | € 000s         |
| Flairzone S.à r.l. (in liquidation) | 100%              | 177            | 197            | 33             | 33             |
| Skybreak Holding S.à r.l.*          | 100%              | -              | -              | 13             | 345            |
| GEOPF Langenfeld LP S.à r.l.        | 100%              | 6,298          | -              | 6,298          | -              |
| Parkhurst Road Limited **           | 92.3%             | -              | -              | 22,670         | 7,337          |
| GEOPF Langenfeld GP S.à r.l.        | 100%              | 53             | -              | 53             | -              |
| <b>Total Investments</b>            |                   | <b>6,528</b>   | <b>197</b>     | <b>29,067</b>  | <b>7,715</b>   |

\*Skybreak Holding S.à r.l. was liquidated on December 31, 2019

\*\* Parkhurst Road Limited was sold on August 9, 2019

The above table details the investments held by Lux Holding, and does not include Lux Holding's net current assets of €2,985,000 (December 31, 2018: €2,773,000).

Realised income/loss from investments relates to loan interest received on intercompany loans held with Parkhurst Road Limited through GEOPF Luxembourg Holding S.à r.l. for €5,807,760 (December 31, 2018: €3,420,063).

## 5. Limited Partners' Contributions and Commitments

At statement of financial position date, Capital Contributions and Advance Contributions of an amount of €8,509,000 (December 31, 2018: €17,209,000) were contributed by the Limited Partners.

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | € 000s        | € 000s        |
| Aggregate Fund Commitments   | 108,131       | 108,131       |
| Aggregate Contributions  | (92,854)      | (92,854)      |
| Return of Advance Contributions <sup>(1)</sup>                           | 83,216        | 74,516        |
| Return of Advance Contributions - after December 31, 2013 <sup>(2)</sup> | (48,660)      | (39,960)      |
| <b>Aggregate Undrawn Fund Advance Commitments</b>                        | <b>49,833</b> | <b>49,833</b> |

<sup>(1)</sup> In December 2012, a €4.0 million distribution was made of which €1.13 million was returned as a permanent distribution to JPMIL and the Carried Interest Partner and as such is not included in the Return of Advance Contributions above as the Aggregate Fund Commitments figure already takes account of this.

<sup>(2)</sup> The return of Advance Contributions in February 2014 of €9.66 million, April 2015 of €12.67 million, August 2015 of €0.5 million, June 2016 of €17.12 million and December 2019 of €8.70 million were not callable for reinvestment as the investment period finished on December 31, 2013.

**5. Limited Partners' Contributions and Commitments (continued)**

In order to comply with the Volcker Rule, JPMorgan determined, effective from July 1, 2012, to exercise its discretion, pursuant to sub-clauses 10.3(a)(iii) and (viii) of the LPA, to (a) cancel JPMIL's Undrawn Advance Commitment in full, and (b) partially cancel the Carried Interest Partner's Undrawn Advance Commitment, with the effect that from the date of the cancellation of JPMIL's Undrawn Advance Commitment and the partial cancellation of the Carried Interest Partner's Undrawn Advance Commitment, JPMorgan's Aggregate Undrawn Advance Commitment is now equal to 3% of the Fund's Aggregate Commitments.

The Commitment for the Carried Interest Partner was reduced to €5.75 million and for JPMIL was reduced to €2.65 million. The reduction in JPMorgan Commitment triggered a further reduction of Commitments by two Feeder Fund Limited Partners in order to maintain their respective Commitments at 20% of Aggregate Fund Commitments. Consequently, the Aggregate Fund Commitments have been reduced from €178 million to €108 million. These Commitment amounts remained unchanged from the prior year. On September 30, 2014, JPMIL transferred its entire holdings to its affiliate, JPMorgan Asset Management Holdings (UK) Limited.

*Contributions*

During the year ended December 31, 2019, the Fund received no contributions (December 31, 2018: €nil).

*Distributions*

During the year ended December 31, 2019, the Fund made a distribution of €10.9million (December 31, 2018: €nil).

**6. Related party transactions**

The General Partner, JPMAM RE GP 2 Limited; together with the Fund Manager, JPMorgan Funds Limited; the provider of portfolio management and transaction arrangement services, JPMorgan Asset Management (UK) Limited; the Carried Interest Partner; the Depositary J.P. Morgan Europe Limited; and the Accountants, JPMorgan Chase Bank, N.A., and JPMorgan Chase Bank, N.A., Jersey Branch, are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

The Fund is managed by the Fund Manager. Under the terms of the LPA, and the AIFM agreement dated July 22, 2014, the Fund appointed the Fund Manager as Alternative Investment Fund Manager to provide management services to the Fund. The Fund Manager has appointed JPMorgan Asset Management (UK) Limited to provide portfolio management and transaction arrangement services to the Fund.

*General Partner's Share / Priority Profit Share / Management Fees ("Management Fee" or "GPS")*

The Fund pays the General Partner, quarterly in advance on the first day of the succeeding fiscal quarter, a GPS per annum in accordance with the LPA. In respect of each Limited Partner, the relevant percentage per annum of: (A) during the Investment Period, is the total Commitment of that Limited Partner and (B) thereafter, the aggregate amount of Contributions made by that Limited Partner with respect to any investment (including Contributions used to pay Fund Expenses allocated to such investment) until such investment is no longer owned by the Fund or has been written off, as applicable, and taking into account any write-downs in the value of such investment. The relevant percentage is 1.75% for Limited Partners with Commitments for less than €25 million and 1.50% for Limited Partners with Commitments of €25 million or more.

After the disposal of Parkhurst Road Limited, there was no outstanding capital base on which management fee was chargeable, therefore, the Fund ceased accruing management fees as of August 9, 2019.

No GPS is paid in respect of Commitments made by any JPMorgan Limited Partners and JPMorgan employees. As at December 31, 2019, the percentage of Limited Partners that are exempt from paying GPS is 28.28% (December 31, 2018: 28.28%) of the Fund's commitments.

**6. Related party transactions (continued)**

As per the LPA, clause 6.5 (a) (ii), from April 9, 2013 (end of the initial investment period) the Fund started charging the management fee based on the aggregate Contributions made by that Limited Partner with respect to any investment (including Contributions used to pay Fund Expenses allocated to such investment) until such investment is no longer owned by the Fund or has been written off, as applicable, and taking into account any write-downs in the value of such investment.

Total management fees for the year, including the outstanding accrued fees due to the General Partner at the end of the year, are detailed below.

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | € 000s      | € 000s      |
| Accrued management fees at the beginning of the year | 54          | 581         |
| Management fees/GPS for the year                     | 63          | 165         |
| Management fees/GPS paid for the year                | (80)        | (692)       |
| Accrued management fees/GPS at the end of the year   | <u>37</u>   | <u>54</u>   |

*Accounting fees*

The Fund has contracted JPMorgan Chase Bank, N.A. to provide accounting services. The Fund incurred €141,000 (December 31, 2018: €139,000) relating to these accounting services. The amounts payable at the statement of financial position date were €35,000 (December 31, 2018: €36,000).

*Depositary fees*

The Fund has contracted J.P. Morgan Europe Limited to provide the Depositary services. The Fund incurred €29,000 (December 31, 2018: €29,000) relating to these services. The amounts payable at the statement of financial position date were €14,000 (December 31, 2018: €14,000).

*Carried interest*

The Carried Interest Partner is entitled to carried interest on net distributable cash attributable to any particular property investment. This carried interest amount is contractually agreed in the LPA; in substance, it represents compensation for portfolio management services provided to the Fund. It is therefore deemed an expense to the Fund, charged through 'Carried interest expense' in the Statement of Comprehensive Income.

As at December 31, 2019, the General Partner allocated €6.66 million (December 31, 2018: €6.38 million) of carried interest as due to the Carried Interest Partner. This consists of hypothetical carried interest calculated and recorded as if the Fund were to realize its remaining portfolio as of year-end.

**7. Trade and other receivables**

|                          | <b>2019</b> | <b>2018</b> |
|--------------------------|-------------|-------------|
|                          | € 000s      | € 000s      |
| Due from Limited Partner | 113         | 88          |
|                          | <u>113</u>  | <u>88</u>   |

**8. Cash and cash equivalents**

|              | <b>2019</b>  | <b>2018</b>  |
|--------------|--------------|--------------|
|              | € 000s       | € 000s       |
| Cash at bank | 9,542        | 9,650        |
|              | <u>9,542</u> | <u>9,650</u> |

**9. Realised income/(loss) on investments**

|                              | <b>2019</b>     | <b>2018</b>  |
|------------------------------|-----------------|--------------|
|                              | € 000s          | € 000s       |
| Interest income received     | 5,808           | 3,420        |
| Realised loss on investments | (25,137)        | -            |
|                              | <u>(19,329)</u> | <u>3,420</u> |

**10. Finance costs**

|                                 | <b>2019</b>  | <b>2018</b> |
|---------------------------------|--------------|-------------|
|                                 | € 000s       | € 000s      |
| Bank charges                    | 63           | 21          |
| Foreign exchange realised loss* | 2,614        | -           |
|                                 | <u>2,677</u> | <u>21</u>   |

\* Foreign exchange realised loss relates to the sale of Parkhurst Road Limited.

**11. Accrued expenses**

|                                       | <b>2019</b>  | <b>2018</b> |
|---------------------------------------|--------------|-------------|
|                                       | € 000s       | € 000s      |
| Accrued interest and similar expenses | 1,992        | 18          |
| Accrued audit fees                    | 11           | 42          |
| Accrued accounting fees               | 35           | 36          |
| Accrued other professional fees       | 17           | 49          |
| Accrued other operating expenses      | 86           | 70          |
| Accrued management fees               | 37           | 54          |
|                                       | <u>2,178</u> | <u>269</u>  |

**12. General and administrative expenses**

|                           | <b>2019</b>  | <b>2018</b> |
|---------------------------|--------------|-------------|
|                           | € 000s       | € 000s      |
| Audit fees                | 42           | 48          |
| Accounting fees           | 141          | 139         |
| Legal fees                | 25           | 17          |
| VAT, non-recoverable      | 22           | 2           |
| Other professional fees   | 90           | 32          |
| Other operating expenses* | 2,123        | 58          |
|                           | <u>2,443</u> | <u>296</u>  |

\*This is inclusive of € 1.94 million of fund's remaining operational expenses

**13. Changes in working capital**

|  | <b>Balance as at<br/>December 31,<br/>2019</b> | <b>Balance as at<br/>December 31,<br/>2018</b> | <b>Change in<br/>working<br/>capital</b> |
|--|--|--|--|
|  | € 000s   | € 000s   | € 000s                                   |
| Other receivables  | 113  | 88   | (25)                                     |
| Other payables   | (2,115)  | (142)  | 1,973                                    |
| Accrued audit fees                                       | (11)   | (42)   | (31)                                     |
| Accrued accounting fees                                  | (35)   | (36)   | (1)                                      |
| Accrued other professional fees                          | (17)   | (49)   | (32)                                     |
| Carried interest payable to the Carried Interest Partner | (6,660)  | (6,381)  | 279                                      |
|  | <u>(8,725)</u>                                 | <u>(6,562)</u>                                 | <u>2,163</u>                             |

**14. Income tax**

The Fund is income tax transparent for the purposes of UK taxation.

**15. Ultimate controlling party**

In the opinion of the directors of the General Partner, there is no ultimate controlling party.

**16. Events after the date of the statement of financial position**

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) to be a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19. The ultimate impact of the COVID-19 pandemic is highly uncertain. The full extent of the economic impacts on the financial performance of the Fund, its operations or the global economy as a whole is as yet unknown.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date. Consequently COVID-19 is considered to be a non-adjusting post balance sheet event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact this is because no properties/ investments remain in the structure. The impact of COVID-19 is uncertain; the General Partner is in dialogue with the Portfolio Manager and will continue to monitor the situation.

**17. Approval for financial statements**

The financial statements were authorised for issue by the General Partner on April 3, 2020.



Unaudited Supplemental information to the Financial Statements for the Fund 2019

**Greater Europe Opportunistic Property Fund (B) L.P.**

**Statement of Investments Held as at December 31, 2019**

For the year ended December 31, 2019

| Investment  | Net cost     | Opening fair value | Year to date movement |               |                |               |              | Closing fair value |
|---|--------------|--------------------|-----------------------|---------------|----------------|---------------|--------------|--------------------|
|   |              |                    | € 000s                | € 000s        | € 000s         | € 000s        | € 000s       |                    |
| Holding Company*  | (3,751)      | 2,773              | (10,896)              | 16,874        | (5,766)        | -             | 2,985        |                    |
| Markt Karree**<br>(Langenfeld, Germany)                 | 6,351        | -                  | -                     | -             | -              | -             | -            |                    |
| Wellesbourne<br>Distribution Park**<br>(Birmingham, UK) | 177          | 33                 | 144                   | 13            | -              | 7             | 197          |                    |
| TDC Office** (Munich,<br>Germany)                       | -            | 345                | (13)                  | 83            | (415)          | -             | -            |                    |
| Parkhurst Gardens<br>(London, UK)                       | -            | 7,337              | (22,670)              | (52)          | (69)           | 15,454        | -            |                    |
| <b>Total</b>  | <b>2,777</b> | <b>10,488</b>      | <b>(33,435)</b>       | <b>16,918</b> | <b>(6,250)</b> | <b>15,461</b> | <b>3,182</b> |                    |

\*The value assigned to the Holding Company represents the equity retained at the level of GEOP Luxembourg Holding S.à r.l., which is the holding company for all of the investments of the Fund.

\*\*Refers to the residual net asset value of holding companies in which these investments were previously held

Unaudited Supplemental information to the Financial Statements for the Fund 2019

**Greater Europe Opportunistic Property Fund (B) L.P.**

**Statement of Investments Held as at December 31, 2019**

For the quarter ended December 31, 2019

| Investment  | Net cost     | Opening fair value | Quarterly movement    |                             |               |   | Closing fair value |
|---|--------------|--------------------|-----------------------|-----------------------------|---------------|---|--------------------|
|   |              |                    | Additions/(disposals) | Net operating income/(loss) | Distributions | Realised and unrealised fair value movement |                    |
|   | € 000s       | € 000s             | € 000s                | € 000s                      | € 000s        | € 000s                                      | € 000s             |
| Holding Company*  | (3,751)      | 2,522              | (25,137)              | 25,558                      | 42            | -   | 2,985              |
| Markt Karree**<br>(Langenfeld, Germany)                 | 6,351        | -                  | -                     | -                           | -             | -   | -                  |
| Wellesbourne<br>Distribution Park**<br>(Birmingham, UK) | 177          | 180                | 4                     | 5                           | -             | 8   | 197                |
| TDC Office**<br>(Munich, Germany)                       | -            | 336                | (13)                  | 92                          | (415)         | -   | -                  |
| <b>Total</b>  | <b>2,777</b> | <b>3,038</b>       | <b>(25,146)</b>       | <b>25,655</b>               | <b>(373)</b>  | <b>8</b>                                    | <b>3,182</b>       |

\*The value assigned to the Holding Company represents the equity retained at the level of GEOP Luxembourg Holding S.à.r.l., which is the holding company for all of the investments of the Fund.

\*\*Refers to the residual net asset value of holding companies in which these investments were previously held