

Company Number: 08741378

# **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

## **Directors' Report and Audited Financial Statements for the year ended 31 December 2018**

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# **CBRE GLP China Logistics Feeder GP Limited**

**(a private limited company, registered in England & Wales)**

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## **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

### **Management and Administration**

#### **Registered Address**

Third Floor  
One New Change  
London  
EC4M 9AF  
United Kingdom

#### **Directors**

Gill Roantree  
Maurice Ian Joseph (appointed 26 March 2018)  
Jeremy James Plummer (resigned 26 March 2018)

#### **Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL  
United Kingdom

#### **Administrator**

RBC Fund Administration (CI) Limited  
Gaspé House  
66-72 Esplanade  
St. Helier  
Jersey  
JE2 3QT  
Channel Islands

# **CBRE GLP China Logistics Feeder GP Limited**

**(a private limited company, registered in England & Wales)**

## **Directors' Report**

### **For the year ended 31 December 2018**

The directors present the financial statements of CBRE GLP China Logistics Feeder GP Limited (the "Company") for the year ended 31 December 2018.

The private limited company was incorporated on 21 October 2013 and registered in England & Wales under the Companies Act 2006.

No strategic report has been prepared as the directors have taken advantage of the exemption relating to small companies as per Section 414B of the Companies Act 2006.

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union.

## **Principal Activities**

The principal activity of the Company is to act as General Partner of CBRE GLP China Logistics Feeder LP (the "Partnership"), a limited partnership formed on 25 October 2013 and registered in England & Wales.

The main activity of the Partnership is to acquire and hold investments in real estate in China. The Partnership has aggregate capital commitments as at 31 December 2018 of USD 75,000,000.

## **Directors**

The directors of the Company who served throughout the year and up to the date of this report, unless stated otherwise were as follows:

Gill Roantree

Maurice Ian Joseph (appointed 26 March 2018)

Jeremy James Plummer (resigned 26 March 2018)

## **Review of the business**

The Company as General Partner of the Partnership is entitled to a priority distribution of 0.01% of net income (the "Priority Distribution"), subject to a minimum of USD 15,000 per annum from the Partnership.

The Company retained a net profit of USD 8,857 for the year ended 31 December 2018 (2017: USD 5,634).

## **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

## **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

### **Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRS as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Board on 16 April 2019 and signed on its behalf by:



Gill Roantree

Director

CBRE GLP China Logistics Feeder GP Limited

Third Floor

One New Change

London

EC4M 9AF

# **Independent Auditor's Report to the Directors of CBRE GLP China Logistics Feeder GP Limited**

## **Opinion**

We have audited the financial statements of CBRE GLP China Logistics Feeder GP Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

## **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

# **Independent Auditor's Report to the Directors of CBRE GLP China Logistics Feeder GP Limited**

## **Directors' report (continued)**

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **Independent Auditor's Report to the Directors of CBRE GLP China Logistics Feeder GP Limited**

### **The purpose of our audit work and to whom we owe our responsibilities**

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



**Richard Kelly (Senior Statutory Auditor)**

**For and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London

E14 5GL

16 April 2019



## **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

### **Statement of Comprehensive Income For the year ended 31 December 2018**

		<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>Notes</b>	<b>USD</b>	<b>USD</b>
<b>Income</b>			
Priority Distribution from the Partnership	5	15,000	15,000
<b>Expenses</b>			
Administrative expenses	6	(5,853)	(6,060)
Net foreign exchange gain / (loss)		1,787	(1,963)
<b>Profit before tax</b>		<u>10,934</u>	<u>6,977</u>
Tax expense	7	(2,077)	(1,343)
<b>Profit for the year</b>		<u><u>8,857</u></u>	<u><u>5,634</u></u>

All income and expenses relate to continuing operations.

There was no other comprehensive income for the year.

The notes on pages 12 to 18 form an integral part of the financial statements

# CBRE GLP China Logistics Feeder GP Limited

(a private limited company, registered in England & Wales)

## Statement of Financial Position

As at 31 December 2018

	Notes	31 December 2018 USD	31 December 2017 USD
<b>Assets</b>			
<b>Current assets</b>			
Other receivables	8	77,057	62,057
<b>Total assets</b>		<u>77,057</u>	<u>62,057</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	10	(37,974)	(31,831)
<b>Total liabilities</b>		<u>(37,974)</u>	<u>(31,831)</u>
<b>Net assets</b>		<u>39,083</u>	<u>30,226</u>
<b>Equity</b>			
Share capital	9	2	2
Retained earnings		39,081	30,224
<b>Total equity</b>		<u>39,083</u>	<u>30,226</u>

The financial statements of CBRE GLP China Logistics Feeder GP Limited (registered number 08741378) were approved by the board of directors and authorised for issue on 16 April 2019.



Gill Roantree  
Director

The notes on pages 12 to 18 form an integral part of the financial statements

## **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

### **Statement of Changes in Equity**

**For the year ended 31 December 2018**

	<b>Share capital USD</b>	<b>Retained earnings USD</b>	<b>Total USD</b>
<b>Balance as at 1 January 2018</b>	2	30,224	30,226
Profit for the year	-	8,857	8,857
<b>Balance as at 31 December 2018</b>	2	39,081	39,083

**For the year ended 31 December 2017**

	<b>Share capital USD</b>	<b>Retained earnings USD</b>	<b>Total USD</b>
<b>Balance as at 1 January 2017</b>	2	24,590	24,592
Profit for the year	-	5,634	5,634
<b>Balance as at 31 December 2017</b>	2	30,224	30,226

There is no statement of cash flows as the entity did not hold cash at any point in time during the year.

The notes on pages 12 to 18 form an integral part of the financial statements

# **CBRE GLP China Logistics Feeder GP Limited**

**(a private limited company, registered in England & Wales)**

## **Notes to the financial statements for the year ended 31 December 2018**

### **1 General Information**

CBRE GLP China Logistics Feeder GP Limited ("the Company") is domiciled in England & Wales where it is incorporated as a private limited company under the Companies Act 2006.

The principal activity of the Company is to act as General Partner of CBRE GLP China Logistics Feeder L.P. ("the Partnership"), a limited partnership formed on 25 October 2013 and registered in England & Wales.

The main activity of the Partnership is to acquire and hold investments in real estate in China. The Partnership has aggregate capital commitments as at 31 December 2018 of USD 75,000,000.

### **2 Summary of significant accounting policies**

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

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union. The financial statements are prepared in United States Dollars ("USD"). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements have been prepared on a going concern basis under the historical cost convention.

#### **2.2 Changes in accounting policies and disclosures**

##### **(a) New and amended standards adopted by the Company**

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- Annual Improvements to IFRS 2014-2016 Cycle, and
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

The standards and amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### **(b) New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Company.

# **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

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

#### **2.2 Changes in accounting policies and disclosures (continued)**

(b) New standards and interpretations not yet adopted (continued)

- IFRS 16 Leases – IFRS 16 was issued in January 2016 and requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. The standard requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019, however early adoption is permitted.

As the Company does not hold any leases there will be no material impact on the Company's financial statements upon adoption of the standard.

- Amendments to IFRS 9 Prepayment Features with Negative Compensation - the amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ("SPPI") condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.

The directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the Company's financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle – The Annual Improvements include amendments to four Standards which are IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs.

All the amendments are effective for annual periods beginning on or after 1 January 2019 and generally require prospective application. Earlier application is permitted.

The directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the Company's financial statements.

#### **2.3 Foreign currency translation**

(a) Functional and presentational currency

The financial statements are presented in USD, which is the Company's presentation and functional currency.

# **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

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

#### **2.3 Foreign currency translation (continued)**

##### **(b) Transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss ("FVTPL") are presented in the statement of comprehensive income within 'net changes in fair value of financial assets at fair value through profit or loss.'

Other foreign exchange gains and losses are presented in the statement of comprehensive income within 'net foreign exchange gain/(loss).'

#### **2.4 Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less cumulative impairment loss, if any.

As at 31 December 2018 and 2017, the carrying amounts of the receivables approximate their fair values.

#### **2.5 Revenue recognition**

The Priority Distribution from the Partnership is recognised based on the Partnership accounts for the same period and as determined by the directors of the Company and is included in 'Income', as presented in the statement of comprehensive income.

#### **2.6 Expenses**

Expenses are accounted for on an accruals basis.

#### **2.7 Share Capital**

Ordinary shares are classified within equity.

# **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

### **3 Financial risk management**

#### **3.1 Liquidity risk**

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company's liabilities are currently settled by the Limited Partnership. The Limited Partnership also owes the Company a priority distribution as disclosed Note 11. As such the Company is not exposed to liquidity risk as it has sufficient resources to meet its obligations.

#### **3.2 Market price risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company is not exposed to market price risk as it does not hold financial instruments.

#### **3.3 Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's liabilities which are in Pound Sterling are not considered to have a material impact on its currency risk.

#### **3.4 Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents held at banks and receivables.

Credit risk might arise from receivables but it is mitigated by the close monitoring made by the Company.

#### **3.5 Interest rate risk**

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Company is not exposed to interest rate risk as its operations have not been leveraged.

# CBRE GLP China Logistics Feeder GP Limited

(a private limited company, registered in England & Wales)

## Notes to the financial statements for the year ended 31 December 2018

### 4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires directors to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### Judgements

In the process of applying the Company's accounting policies, the directors have made the following judgements:

##### Going Concern

The directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has sufficient resources to continue in business for the foreseeable future. Therefore, the financial statements have been prepared on the going concern basis.

##### Functional currency

The functional and presentational currency of the Company is USD. The directors considers the USD as the currency that most faithfully represents the performance and financial position of the Company.

There are no other significant judgements, estimates and assumptions made in the preparation of the financial statements.

### 5 Income

	31 December 2018 USD	31 December 2017 USD
Priority Distribution from the Partnership	15,000	15,000
<b>Total</b>	<b>15,000</b>	<b>15,000</b>

The Company, as General Partner of the Partnership is entitled to a priority distribution of 0.01% of net income (the "Priority Distribution"), subject to a minimum of USD 15,000 per annum from the Partnership.

### 6 Administrative expenses

	31 December 2018 USD	31 December 2017 USD
Administration and accountancy fees	3,260	3,353
Audit fees	2,593	2,707
<b>Total</b>	<b>5,853</b>	<b>6,060</b>



# CBRE GLP China Logistics Feeder GP Limited

(a private limited company, registered in England & Wales)

## Notes to the financial statements for the year ended 31 December 2018

### 7 Tax expense

	31 December 2018 USD	31 December 2017 USD
Tax expense	2,077	1,343
Total	2,077	1,343
<b>Total tax on profit on ordinary activities</b>	<b>2,077</b>	<b>1,343</b>

	31 December 2018 USD	31 December 2017 USD
<i>Total Tax reconciliation</i>		
Profit on ordinary activities before tax	10,934	6,977
Tax on profit on ordinary activities at standard UK corporation tax rate at 19% (2017: 19.25%)	2,077	1,343
<b>Total tax charge</b>	<b>2,077</b>	<b>1,343</b>

A reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

### 8 Other receivables

	31 December 2018 USD	31 December 2017 USD
Amounts due from the Partnership	77,055	62,055
Amounts due from parent company	2	2
<b>Total</b>	<b>77,057</b>	<b>62,057</b>

Amounts due from the Partnership are interest free and repayable on demand.

## **CBRE GLP China Logistics Feeder GP Limited**

(a private limited company, registered in England & Wales)

### **Notes to the financial statements for the year ended 31 December 2018**

#### **9 Share capital**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>USD</b>	<b>USD</b>
<b>Shares issued</b>		
As at 1 January	2	2
Issued shares	-	-
<b>As at 31 December</b>	<b>2</b>	<b>2</b>

On incorporation, one ordinary share of 1 GBP was issued at par. The Company has only one class of ordinary shares which carry no right to fixed income.

#### **10 Other payables**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>USD</b>	<b>USD</b>
Amounts owed to the Partnership	27,419	25,741
Amounts owed to the parent company	5,460	3,383
Audit fees	5,095	2,707
<b>Total</b>	<b>37,974</b>	<b>31,831</b>

#### **11 Related Party transactions**

The General Partner's priority distribution for the year ended 31 December 2018 is USD 15,000 (2017: USD 15,000). As at 31 December 2018 the Partnership owed the Company a priority distribution of USD 77,055 (2017: USD 62,055).

During the year the Partnership paid expenses of USD 1,678 (2017: USD 12,852) on behalf of the Company, of which USD 27,419 was payable as at 31 December 2018 (2017: USD 25,741).

The Company's 2018 tax liability of USD 2,077 is presented as a payable to the parent company, as the parent company will settle it on behalf of the company. As at 31 December 2018 USD 5,460 is payable to the parent company (2017: USD 3,383).

#### **12 Ultimate controlling party**

The directors regard CBRE Global Investment Partners Limited, registered in England & Wales, as the controlling parent company and CBRE Group, Inc as the ultimate controlling party.

#### **13 Contingent liabilities and Commitments**

The Company is liable for the Partnership's debts, liabilities and obligations that exceed the total liability of the Limited Partners.

#### **14 Events after the reporting date**

There were no material events arising after the reporting date that need to be disclosed in the financial statements.

Registered Number: LP015761

# **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

**General Partner's Report and Audited Financial Statements  
for the year ended 31 December 2018**

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No. 08741378

A11

17/04/2019  
COMPANIES HOUSE

#207

**CBRE GLP China Logistics Feeder LP**  
(a limited partnership, registered in England and Wales)

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## **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

### **Management and Administration**

#### **Registered Address**

Third Floor  
One New Change  
London  
EC4M 9AF  
United Kingdom

#### **Banker**

Royal Bank of Canada (Channel Islands) Limited  
Canada Court  
Upland Road  
St Peter Port  
Guernsey GY1 1FE  
Channel Islands

#### **General Partner**

CBRE GLP China Logistics Feeder GP Limited  
Third Floor  
One New Change  
London  
EC4M 9AF  
United Kingdom

#### **Administrator**

RBC Fund Administration (CI) Limited  
Gaspé House  
66-72 Esplanade  
St. Helier  
Jersey  
JE2 3QT  
Channel Islands

#### **Manager and Operator**

CBRE Global Investment Partners Limited  
Third Floor  
One New Change  
London  
EC4M 9AF  
United Kingdom

#### **Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL  
United Kingdom

# **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

## **General Partner's Report**

### **For the year ended 31 December 2018**

#### **The Partnership**

The General Partner presents the financial statements of the CBRE GLP China Logistics Feeder LP (the "Partnership") for the year ended 31 December 2018.

The Partnership was established on 25 October 2013 and registered as a limited partnership in England and Wales under the Limited Partnership Act 1907. The General Partner, CBRE GLP China Logistics Feeder GP Limited, is responsible for the investment and management decisions and the business affairs of the Partnership.

CBRE Global Investment Partners Limited was appointed as the investment manager (the "Manager") by the General Partner.

While the directors of the General Partner are responsible for the financial risk management of the Partnership, they are reliant on information and reports received from the Manager in order to fully assess the risks that are relevant to the Partnership and to manage these risks appropriately.

The Partnership is a qualifying partnership under the Partnerships (Accounts) Regulations 2008 and, accordingly, must prepare and have audited the annual report and financial statements as required for a company by the Companies Act 2006.

The Partnership is a collective investment scheme under the Financial Services and Markets Act 2000, and accordingly, the Manager has been appointed to act as a regulated operator of the Partnership.

#### **Principal Activities**

The principal activity of the Partnership is the acquiring and holding of investments in real estate assets in China, in accordance with the limited partnership and subscription agreements through its investment vehicle CLF Fund I, LP. The Partnership has aggregate capital commitments as at 31 December 2018 of USD 75,000,000 (2017: USD 75,000,000).

#### **Employees of the Partnership**

The Partnership has no employees (2017: no employees).

#### **Political donations**

The Partnership has not made any political donations (2017: USD Nil).

#### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the General Partner



Gill Roantree  
CBRE GLP China Logistics Feeder GP Limited  
Third Floor, One New Change  
London  
EC4M 9AF

16 April 2019

## **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

### **Statement of General Partner's Responsibilities in respect of the Strategic Report, the General Partner's Report and the Financial Statements for the year ended 31 December 2018**

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

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable law.

Under company law the General Partner 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 Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The General Partner is 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.

On behalf of the General Partner



Gill Roantree

CBRE GLP China Logistics Feeder GP Limited

Third Floor, One New Change

London

EC4M 9AF

16 April 2019

# **CBRE GLP China Logistics Feeder LP**

**(a limited partnership, registered in England and Wales)**

## **Strategic Report**

### **For the year ended 31 December 2018**

#### **Operating and Financial Review**

During the year, the Partnership called USD 3,057,176 (2017: USD 4,012,254) of commitments from the Limited Partners. Investments yielded an unrealised gain on fair value of USD 20,948,136 (2017: USD 10,387,623). The net assets attributable to Partners at 31 December 2018 was USD 104,993,578 (2017: USD 81,045,206). No distributions were made to the Limited Partners during the year (2017: Nil).

#### **Principal Risks and Uncertainties**

The principal risks facing the Partnership relate to the holdings of investments and include market price risk that could adversely impact the value of financial assets. Detail of the Partnership's financial risk management strategy can be found in Note 3 of the accounts.

#### **Key Performance Indicators**

The CBRE GLP China Logistics Feeder LP returned 24.77% over the year.

#### **Market Conditions - China**

China's GDP rose 6.6% year-over-year in 2018 and is projected to grow 6.2% in 2019 and 6.2% in 2020, but the economic structure is improving and fresh economic drivers are rising – the added value of service sector contributed 59.7% of GDP; final consumption contributed 76.2% of GDP growth, 18.6% higher than last year. Retail sales rose 9.0% year-over-year in 2018 and are forecasted to grow 8.7% in 2019 and 8.3% in 2020.

#### **Other General Matters of Strategic Importance**

The General Partner does not consider that there are any other matters of strategic importance that should be disclosed in this report other than the matters referred to above.



# **Independent auditor's report to the Members of CBRE GLP China Logistics Feeder LP**

## **Opinion**

We have audited the financial statements of CBRE GLP China Logistics Feeder LP ("the qualifying partnership") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Net Assets Attributable to the Partners and Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards 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.

## **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the qualifying partnership in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The General Partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the qualifying partnership or to cease its operations, and as they have concluded that the qualifying partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the General Partner's conclusions, we considered the inherent risks to the qualifying partnership's business model, including the impact of Brexit, and analysed how those risks might affect the qualifying partnership's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the qualifying partnership will continue in operation.

## **Strategic report and General Partner's report**

The General Partner is responsible for the strategic report and the General Partner's report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

## **Independent auditor's report to the Members of CBRE GLP China Logistics Feeder LP**

### **Strategic report and General Partner's report (continued)**

Our responsibility is to read the strategic report and the General Partner's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in those reports;
- in our opinion the information given in the strategic report and the General Partner's report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

### **General Partner's responsibilities**

As explained more fully in the their statement set out on page 5, the General Partner is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.or.uk/auditorsresponsibilities](http://www.frc.or.uk/auditorsresponsibilities).

## **Independent auditor's report to the Members of CBRE GLP China Logistics Feeder LP**

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Kelly (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London

E14 5GL

16 April 2019

**CBRE GLP China Logistics Feeder LP**  
(a limited partnership, registered in England and Wales)

**Statement of Comprehensive Income**  
**For the year ended 31 December 2018**

	Notes	31 December 2018 USD	31 December 2017 USD
<b>Income</b>			
Net changes in fair value of financial assets at fair value through profit or loss	6.2	20,948,136	10,387,623
Bank interest		1,312	55
<b>Total income</b>		<b>20,949,448</b>	<b>10,387,678</b>
<b>Expenses</b>			
Administrative expenses	5	(42,900)	(47,074)
Net foreign exchange loss		(352)	(48)
<b>Total expenses</b>		<b>(43,252)</b>	<b>(47,122)</b>
<b>Operating profit</b>		<b>20,906,196</b>	<b>10,340,556</b>
<b>Profit for the year</b>		<b>20,906,196</b>	<b>10,340,556</b>

All income and expenses relate to continuing operations.

The profit for the year is the amount by which the liability to the Partners is revalued / adjusted each year as the Partners have the right to the net assets of the Partnership by having the right to all the residual cash flows.

There was no other comprehensive income for the year.

The notes on pages 14 to 27 form an integral part of the financial statements

# CBRE GLP China Logistics Feeder LP

(a limited partnership, registered in England and Wales)

## Statement of Financial Position

As at 31 December 2018

	Notes	31 December 2018 USD	31 December 2017 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	6	104,935,339	81,046,027
		<u>104,935,339</u>	<u>81,046,027</u>
<b>Current assets</b>			
Other receivables	7	27,419	25,741
Cash and cash equivalents	8	138,511	61,215
		<u>165,930</u>	<u>86,956</u>
<b>Total assets</b>		<u>105,101,269</u>	<u>81,132,983</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	9	(107,691)	(87,777)
<b>Total liabilities</b>		<u>(107,691)</u>	<u>(87,777)</u>
<b>Net Assets</b>		<u>104,993,578</u>	<u>81,045,206</u>
<b>Net Assets attributable to Partners</b>		<u>104,993,578</u>	<u>81,045,206</u>

The financial statements of CBRE GLP China Logistics Feeder LP (registered number LP015761) were approved by the General Partner and authorised for issue on 16 April 2019.



Gill Roantree

On behalf of the General Partner

(CBRE GLP China Logistics Feeder GP Limited)

The notes on pages 14 to 27 form an integral part of the financial statements

## **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

### **Statement of Changes in Net Assets Attributable to the Partners**

**For the year ended 31 December 2018**

	<b>Repayable capital USD</b>	<b>Income accounts USD</b>	<b>Total USD</b>
<b>Balance at 1 January 2018</b>	68,052,880	12,992,326	81,045,206
Capital called	3,057,176	-	3,057,176
Profit for the year	-	20,906,196	20,906,196
Distributions	-	(15,000)	(15,000)
<b>Balance at 31 December 2018</b>	<b>71,110,056</b>	<b>33,883,522</b>	<b>104,993,578</b>

**For the year ended 31 December 2017**

	<b>Repayable capital USD</b>	<b>Income accounts USD</b>	<b>Total USD</b>
<b>Balance at 1 January 2017</b>	64,040,626	2,666,770	66,707,396
Capital called	4,012,254	-	4,012,254
Profit for the year	-	10,340,556	10,340,556
Distributions	-	(15,000)	(15,000)
<b>Balance at 31 December 2017</b>	<b>68,052,880</b>	<b>12,992,326</b>	<b>81,045,206</b>

The notes on pages 14 to 27 form an integral part of the financial statements

**CBRE GLP China Logistics Feeder LP**  
(a limited partnership, registered in England and Wales)

**Statement of Cash Flows**  
**For the year ended 31 December 2018**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flows from operating activities</b>		
Profit for the year	20,906,196	10,340,556
Adjustments for:		
Net change in fair value of financial assets at fair value through profit or loss	(20,948,136)	(10,387,623)
Purchase of financial assets	(2,941,176)	(4,012,254)
Increase in other receivables	(1,678)	(12,852)
Increase / (decrease) in other payables	19,914	(1,642)
<b>Cash flows used in operations</b>	<b>(2,964,880)</b>	<b>(4,073,815)</b>
<b>Cash flows from financing activities</b>		
Contributions from Partners	3,057,176	4,012,254
Distributions to Partners	(15,000)	(15,000)
<b>Net cash from financing activities</b>	<b>3,042,176</b>	<b>3,997,254</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>77,296</b>	<b>(76,561)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>61,215</b>	<b>137,776</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>138,511</b>	<b>61,215</b>

The notes on pages 14 to 27 form an integral part of the financial statements

# **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

### **1 General Information**

CBRE GLP China Logistics Feeder LP (the “Partnership”) was established on 25 October 2013 and registered as a limited partnership in England and Wales under the Limited Partnership Act 1907. The General Partner, CBRE GLP China Logistics Feeder GP Limited, is responsible for the investment and management decisions and the business affairs of the Partnership.

The Partnership is a qualifying partnership under the Partnerships (Accounts) Regulations 2008 and, accordingly, must prepare and have audited the annual report and financial statements as required for a company by the Companies Act 2006.

CBRE Global Investment Partners Limited was appointed as the investment manager (the “Manager”) by the General Partner.

The principal activity of the Partnership is the acquiring and holding of investments in Chinese real estate assets. The Partnership has aggregate capital commitments as at 31 December 2018 of USD 75,000,000 (2017: USD 75,000,000).

### **2 Summary of significant accounting policies**

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

Under the Partnerships (Accounts) Regulations 2008, the partnership, as a qualifying partnership, is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the partnership was a company formed and registered under the Companies Act.

Under the Companies Act, the partners have the choice whether their financial statements are prepared under that applicable law and either UK Accounting Standards (UK Generally Accepted Accounting Practice) or International Financial Reporting Standards as adopted by the EU. The partners have decided to apply IFRSs as adopted by the EU.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) and interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union. The financial statements are prepared in United States Dollars (“USD”). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the General Partner to exercise judgement in the process of applying the Partnership’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss (“FVTPL”).

#### **2.2 Changes in accounting policies and disclosures**

##### **(a) New and amended standards adopted by the Partnership**

The Partnership has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:



# CBRE GLP China Logistics Feeder LP

(a limited partnership, registered in England and Wales)

## Notes to the financial statements for the year ended 31 December 2018

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

#### 2.2 Changes in accounting policies and disclosures (continued)

##### (a) New and amended standards adopted by the Partnership (continued)

- Annual Improvements to IFRS 2014-2016 Cycle, and
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

As these amendments merely clarify the existing requirements, they do not affect the Partnership's accounting policies or any of the disclosures.

- IFRS 9 Financial Instruments – The Partnership adopted IFRS 9 Financial Instruments on its effective date of 1 January 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting.

##### *(i) Classification and measurement*

The Partnership has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively. Based on that assessment:

- All financial assets previously held at fair value continue to be measured at fair value
- Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments continue to be measured at amortized cost under IFRS 9.

The Partnership did not hold any financial instruments designated as available for sale or held to maturity in the prior year, which would require reclassification under IFRS 9.

##### *(ii) Impairment*

IFRS 9 requires the Partnership to record expected credit losses ("ECLs") on all of its debt securities, loans, trade receivables and cash and cash equivalents, either on a 12-month or lifetime basis. Given the limited exposure of the Partnership to credit risk, this amendment has not had a material impact on the financial statements. The Partnership only holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted an approach similar to the simplified approach to ECLs. Cash balances are held only with high credit quality financial institutions so as to mitigate counterparty risk. As at 31 December 2018, RBC has a credit rating of 'AA-' with Standard & Poor's.

##### *(iii) Hedge accounting*

The Partnership has not applied hedge accounting under IAS 39 nor will it apply hedge accounting under IFRS 9.

##### *Impact of adoption of IFRS 9*

In line with the characteristics of the Partnership's financial instruments as well as its approach to their management, the Partnership neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the Partnership's financial instruments, in either the current or prior year, due to changes in measurement categories. All financial assets that were classified as FVTPL under IAS 39 are still classified as FVTPL under IFRS 9. All loans and receivables are held at amortised costs under IAS 39 are still classified as FVTPL under IFRS 9.

# **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

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

#### **2.2 Changes in accounting policies and disclosures (continued)**

##### **(b) New standards and interpretations not yet adopted (continued)**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Partnership.

- IFRS 16 Leases – IFRS 16 was issued in January 2016 and requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. The standard requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019, however early adoption is permitted.

As the Partnership does not hold any leases there will be no material impact on the Partnership's financial statements upon adoption of the standard.

- Amendments to IFRS 9 Prepayment Features with Negative Compensation - the amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ("SPPI") condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.

The Partnership does not anticipate that the application of the amendments in the future will have a material impact on its financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle – The Annual Improvements include amendments to four Standards which are IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs.

All the amendments are effective for annual periods beginning on or after 1 January 2019 and generally require prospective application. Earlier application is permitted.

The Partnership does not anticipate that the application of the amendments in the future will have a material impact on its financial statements.

# **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

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

#### **2.3 Foreign currency translation**

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

The financial statements are presented in USD, which is the Partnership's presentation and functional currency.

##### **(b) Transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at FVTPL are presented in the statement of comprehensive income within 'Net changes in fair value of financial assets at fair value through profit or loss'.

Other foreign exchange gains and losses are presented in the statement of comprehensive income within 'Net foreign exchange gain/(loss)'.

#### **2.4 Financial assets at fair value through profit or loss**

In the current period the Partnership has adopted IFRS 9 Financial Instruments. See section 2.2 for an explanation of the impact. Comparative figures for the year ended 31 December 2017 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

##### **(a) Classification**

The Partnership classifies its investments in real estate investment funds ("Investee Funds") and subsidiaries as financial assets at FVTPL.

Financial assets designated at FVTPL at inception are evaluated on a fair value basis in accordance with the Partnership's investment strategy.

##### **(b) Recognition, de-recognition and measurement**

Regular purchases and sales of investments are recognised on the trade date, the date on which the Partnership commits to purchase or sell the investment.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Partnership has transferred substantially all risks and rewards of ownership.

# **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

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

#### **2.4 Financial assets at fair value through profit or loss**

Financial assets at FVTPL are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Subsequent to initial recognition, all financial assets at FVTPL are measured at fair value. Gains and 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 changes in fair value of financial assets at fair value through profit or loss" in the period in which they arise.

##### *(c) Fair value measurement principles*

The property investments held by the Investee Funds are generally valued at least annually by each fund based on independent third party appraisals. These property valuations are reflected in the Partnership's valuation of its investments at such time as the Investee Fund's valuations are reported to the Partnership by the investee fund manager.

There may be a timing difference between the date of the last reported underlying property valuation and the date of the Partnership's financial statements during which the underlying property values may have increased or decreased by a significant amount.

The financial statements of each Investee Fund are audited at least annually and may not be co-terminus with the date of the financial statements of the Partnership.

- Listed investments are valued on the basis of the stock market prices. There are currently no listed investments.
- Fair values of non-listed open ended investments are based on the published redemption price of the relevant Investee Funds. They represent the amounts receivable on redemption or settlement and as such are the best approximation of fair values. There are currently no non-listed open ended investments.
- For the Investee Funds which are closed ended, the Partnership uses the published net asset value ("NAV") from the underlying managers, and applies appropriate adjustments, where deemed necessary, to approximate their fair values. These published NAVs are generally available quarterly, and are based on IFRS figures.

#### **2.5 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

#### **2.6 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Partnership and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

# **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

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

#### **2.6 Revenue recognition (continued)**

##### *Interest income*

Interest income is recognised on a time-proportionate basis using the effective interest method.

##### *Dividends*

Dividend income is recognised when the Partnership's right to receive payment is established.

#### **2.7 Expenses**

Expenses are accounted for on an accruals basis.

#### **2.8 Distributions payable to partners**

Proposed distributions to Partners are recognised in the statement of changes in net assets attributable to the Partners.

#### **2.9 Taxes**

The Partnership being a limited partnership registered in England and Wales is treated as transparent for the purposes of UK taxation of income so that the partners are treated as receiving a proportionate share of the underlying income for tax purposes whether or not it is actually distributed to them.

### **3 Financial risk management**

In pursuing its investment objective, the Partnership is exposed to a variety of financial risks: market price risk, currency risk, credit risk, liquidity risk and interest rate risk.

The management of the risks referred to above is carried out by the Manager acting as the investment advisor appointed by the General Partner of the Partnership.

While the directors of the General Partner are responsible for the financial risk management of the Partnership, they are reliant on information and reports received from the Manager in order to fully assess the risks that are relevant to the Partnership and manage these risks appropriately.

#### **3.1 Market price risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

# **CBRE GLP China Logistics Feeder LP**

(a limited partnership, registered in England and Wales)

## **Notes to the financial statements for the year ended 31 December 2018**

### **3 Financial risk management**

#### **3.1 Market price risk (continued)**

The Partnership is exposed to market price risk, particularly through the strategies employed by the Investee Funds and fluctuations impacting real estate markets. Accordingly, there can be no assurance that appreciation will occur.

In addition to the effect of changes in real estate markets, the success of the Partnership depends upon the selection of successful Investee Funds, as well as on the respective Investee Fund managers implementing investment strategies that achieve the Investee Funds' investment objectives. There can be no assurance that the Investee Fund managers will be able to do so.

The investments of the Partnership present a risk of loss of capital. The maximum loss of capital on such investments is limited to the fair value of the shares or units held by the Partnership.

Investments in property related assets by way of trade can be difficult to realize and, as there may not be an available market for them, it may not be possible to establish their current value at any particular time.

Holdings of property are inherently difficult to value due to the lack of marketability. As a result, estimates of valuation of underlying property related assets are subject to substantial uncertainty and hence there is no assurance that the estimates resulting from the valuation process of underlying property related assets will reflect the actual sales price even where such sales occur shortly after the valuation date.

The marketability and value of any property related assets owned by the Partnership will, therefore, depend on many factors beyond the control of the Partnership and there is no assurance that there will be either a ready market for such property related assets or that such property related assets will be sold at a profit.

The Manager manages exposure of the Partnership to market risk by applying a rigorous due diligence process while evaluating investment opportunities. The General Partner will only commit to such investments when it is satisfied that they are consistent with the Partnership's investment strategy as defined in the Limited Partnership Agreement.

The performance of investments held by the Partnership is monitored by the Manager on at least a quarterly basis and reviewed by the General Partner on a quarterly basis.

If the prices of the financial assets at fair value through profit or loss held by the Partnership at 31 December 2018 had increased or decreased by 10% with all other variables constant, this would have increased or decreased net assets attributable to Partners by approximately USD 10,493,534 (2017: USD 8,104,603).

#### **3.2 Interest rate risk**

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow.

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### Notes to the financial statements for the year ended 31 December 2018

#### 3 Financial risk management (continued)

##### 3.2 Interest rate risk (continued)

In addition, there is an interest rate risk in the Investee Funds due to the debt structures of those funds. As part of the Manager's due diligence process, exposure to interest rate risk and interest rate hedging policies of all Investee Funds are reviewed. The Manager monitors the debt policy of the respective Investee Funds and informs the General Partner of the Partnership of any deterioration. As the Partnership's operations have not been leveraged, direct exposure to interest rate risk is minimal.

##### 3.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents held at banks and loans and receivables.

The activities fall within the Partnership's banking relationship policy for the management of such risks. The policy sets forth stringent criteria for the selection of banking partners and cash balances are held only with high credit quality financial institutions so as to mitigate counterparty risk.

The carrying amounts of the cash and cash equivalents and other receivables held by the Partnership at year end best represent the Partnership's maximum exposure to credit risk.

##### 3.4 Liquidity risk

Liquidity risk is the risk that the Partnership may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Partnership's financial assets mainly consist of unlisted real estate funds, which may be illiquid. In addition, such investments may require additional funding and be subject to redemption restrictions. As a result, the Partnership may not be able to liquidate quickly some of its investments in order to meet its liquidity requirements. However, the Partnership is under no obligation to redeem any capital at the request of the Partners.

The table below analyses the Partnership's financial assets and the undrawn capital commitments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	1 - 3 months USD	3 months to 1 year USD	More than 1 year USD	Total USD
<b>As at 31 December 2018</b>					
Financial assets at fair value through profit or loss	-	-	-	104,935,339	104,935,339
Other receivables	27,419	-	-	-	27,419
Cash and cash equivalents	138,511	-	-	-	138,511
<b>Total financial assets</b>	<b>165,930</b>	<b>-</b>	<b>-</b>	<b>104,935,339</b>	<b>105,101,269</b>
Undrawn capital commitments	3,889,944	-	-	-	3,889,944
<b>Total financial assets and undrawn capital commitments</b>	<b>4,055,874</b>	<b>-</b>	<b>-</b>	<b>104,935,339</b>	<b>108,991,213</b>

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## Notes to the financial statements for the year ended 31 December 2018

### 3 Financial risk management (continued)

#### 3.4 Liquidity risk (continued)

	Less than 1 month USD	1 - 3 months USD	3 months to 1 year USD	More than 1 year USD	Total USD
<b>As at 31 December 2017</b>					
Financial assets at fair value through profit or loss	-	-	-	81,046,027	81,046,027
Other receivables	25,741	-	-	-	25,741
Cash and cash equivalents	61,215	-	-	-	61,215
<b>Total financial assets</b>	<b>86,956</b>	<b>-</b>	<b>-</b>	<b>81,046,027</b>	<b>81,132,983</b>
Undrawn capital commitments	6,947,120	-	-	-	6,947,120
<b>Total financial assets and undrawn capital commitments</b>	<b>7,034,076</b>	<b>-</b>	<b>-</b>	<b>81,046,027</b>	<b>88,080,103</b>

The table below analyses the Partnership's financial liabilities and the unfunded capital commitments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	1 - 3 months USD	3 months to 1 year USD	More than 1 year USD	Total USD
<b>As at 31 December 2018</b>					
Accrued expenses	-	30,636	-	-	30,636
Amounts owed to the General Partner	-	77,055	-	-	77,055
Net assets attributable to Partners	-	-	-	104,993,578	104,993,578
<b>Total financial liabilities</b>	<b>-</b>	<b>107,691</b>	<b>-</b>	<b>104,993,578</b>	<b>105,101,269</b>
Undrawn capital commitments	4,255,944	-	-	-	4,255,944
<b>Total financial liabilities and commitments</b>	<b>4,255,944</b>	<b>-</b>	<b>-</b>	<b>104,993,578</b>	<b>109,357,213</b>

	Less than 1 month USD	1 - 3 months USD	3 months to 1 year USD	More than 1 year USD	Total USD
<b>As at 31 December 2017</b>					
Accrued expenses	-	25,722	-	-	25,722
Amounts owed to the General Partner	-	62,055	-	-	62,055
Net assets attributable to Partners	-	-	-	81,045,206	81,045,206
<b>Total financial liabilities</b>	<b>-</b>	<b>87,777</b>	<b>-</b>	<b>81,045,206</b>	<b>81,132,983</b>
Undrawn capital commitments	7,197,120	-	-	-	7,197,120
<b>Total financial liabilities and commitments</b>	<b>7,197,120</b>	<b>-</b>	<b>-</b>	<b>81,045,206</b>	<b>88,330,103</b>



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## Notes to the financial statements for the year ended 31 December 2018

### 3 Financial risk management (continued)

#### 3.5 Fair value estimation

IFRS 7 requires the Partnership to classify 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table analyses within the fair value hierarchy the Partnership's financial assets and liabilities measured at fair value at 31 December 2018 and 31 December 2017:

<b>Assets measured at fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 31 December 2018</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss	-	-	104,935,339	<b>104,935,339</b>

  

<b>Assets measured at fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 31 December 2017</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss	-	-	81,046,027	<b>81,046,027</b>

The Investee Fund is classified as level 3 because it is closed-ended and cannot be redeemed at the option of the investors. It is not traded in an active market. The fair value of the Partnership's investment is equivalent to the share of the Investee Fund's NAV under IFRS.

The following table presents the changes in level 3 instruments for the year ended 31 December 2018 and 31 December 2017:

Financial assets at fair value through profit or loss:

	<b>31 December 2018 USD</b>	<b>31 December 2017 USD</b>
<b>Opening balance</b>	81,046,027	66,646,150
Purchases / subscriptions	2,941,176	4,012,254
Total unrealised gains	20,948,136	10,387,623
<b>Closing balance</b>	<b>104,935,339</b>	<b>81,046,027</b>
Change in unrealised gains for Level 3 assets held at year end and included in net changes in fair value of financial assets at fair value through profit or loss	20,948,136	10,387,623

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## **Notes to the financial statements for the year ended 31 December 2018**

### **3 Financial risk management (continued)**

#### **3.6 Capital management**

The Partnership's objectives when managing capital include the following:

- To safeguard the Partnership's ability to continue as a going concern;
- To invest the capital in investments that meet the investment criteria set out in the Limited Partnership Agreement;
- To maintain sufficient liquidity to meet the expenses of the Partnership, and to make distributions as necessary.

### **4 Significant accounting judgements, estimates and assumptions**

The preparation of the Partnership's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### **4.1 Judgements**

In the process of applying the Partnership's accounting policies, the General Partner has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

##### **Going Concern**

The General Partner has made an assessment of the Partnership's ability to continue as a going concern and is satisfied that the Partnership has the resources to continue in business for the foreseeable future. Therefore, the financial statements have been prepared on the going concern basis.

##### **Functional currency**

The primary objective of the Partnership is to generate returns in USD, its capital-raising currency. The Partnership's performance is evaluated in USD. Therefore, the General Partner considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

#### **4.2 Estimates and assumptions**

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

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## Notes to the financial statements for the year ended 31 December 2018

### 4 Significant accounting judgements, estimates and assumptions (continued)

#### 4.2 Estimates and assumptions (continued)

##### Fair Value of unquoted investments

The property investments held by the Investee Fund are valued at least once annually by each fund based on independent third party appraisals. These property valuations are reflected in the Partnership's valuation of its investments at such time as the Investee Fund's valuations are reported to the Partnership. There may be a timing difference between the date of the last reported underlying property valuation and the date of the Partnership's financial statements during which the underlying property values may have increased or decreased by a material amount. Furthermore, because there is no liquid market for the Partnership's investments, their values may differ from the values that might be achieved had such a market existed. These differences could be material.

The net asset value of each investment can also be influenced significantly by the accounting policies adopted by the underlying funds. The Manager may, based on its review of all applicable performance reporting, accounting information and valuation reports, recommend adjustments to the value of investments as reported by the investee fund manager for the purpose of properly reflecting their fair value.

### 5 Administrative expenses

	31 December 2018 USD	31 December 2017 USD
Administration fees	23,191	22,748
Audit fees	13,040	17,400
Legal and professional fees	6,395	6,364
Bank charges	274	562
<b>Total</b>	<b>42,900</b>	<b>47,074</b>

### 6 Financial assets at fair value through profit or loss

#### 6.1 Investments in the Investee Fund

The financial assets correspond to investments in the Investee Fund as at 31 December 2018:

		Cost USD	Carrying amount USD	Cumulative unrealised gain / (loss) USD
Investee Fund	USD	70,744,056	104,935,339	34,191,283
<b>Total</b>		<b>70,744,056</b>	<b>104,935,339</b>	<b>34,191,283</b>

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**Notes to the financial statements for the year ended 31 December 2018**

**6 Financial assets at fair value through profit or loss (continued)**

**6.1 Investments in the Investee Fund (continued)**

The financial assets correspond to investments in the Investee Fund as at 31 December 2017:

		Cost USD	Carrying amount USD	Cumulative unrealised gain / (loss) USD
	Cur.			
<b>Investee Fund</b>	USD	67,802,880	81,046,027	13,243,147
<b>Total</b>		<b>67,802,880</b>	<b>81,046,027</b>	<b>13,243,147</b>

**6.2 Net changes in fair value of financial assets at fair value through profit or loss**

	31 December 2018 USD	31 December 2017 USD
Changes in unrealised gain in the Investee Fund	20,948,136	10,387,623
<b>Total</b>	<b>20,948,136</b>	<b>10,387,623</b>

**7 Other receivables**

	31 December 2018 USD	31 December 2017 USD
Amounts owed by the General Partner	27,419	25,741
<b>Total</b>	<b>27,419</b>	<b>25,741</b>

**8 Cash and cash equivalents**

For the purposes of the statement of cash flows and statement of financial position, cash and cash equivalents comprise the balances with original maturities of three months or less, and bank overdrafts.

**9 Other payables**

	31 December 2018 USD	31 December 2017 USD
Amounts owed to the General Partner	77,055	62,055
Administration and accountancy fees	5,572	5,918
Audit fees	25,064	13,311
Legal and professional fees	-	6,493
<b>Total</b>	<b>107,691</b>	<b>87,777</b>

## CBRE GLP China Logistics Feeder LP

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### Notes to the financial statements for the year ended 31 December 2018

#### 10 Partners' commitments

	31 December 2018 USD	31 December 2017 USD
Committed capital	75,000,000	75,000,000
Capital called	(71,110,056)	(68,052,880)
<b>Total</b>	<b>3,889,944</b>	<b>6,947,120</b>

#### Partners' interests

No Partner has the right to demand the return of its capital contribution, except upon the liquidation of the Partnership. The General Partner is not required to make a capital contribution. Repayable capital shall only be returned when the Partnership has received sufficient funds by way of repayment or distribution.

Under the terms of the Limited Partnership Agreement, profits are allocated and distributed in an order of priority that distinguishes between the interests of the General Partner as Priority Distribution and thereafter to the limited partners. The capital contributions of the Partners are only repaid at the end of the life of the Partnership.

#### 11 Commitments to the Investee Fund

		Funded Commitment	Unfunded Commitment
As at 31 December 2018	Currency	Local currency	USD
Investments in the Investee Fund	USD	70,744,056	4,255,944

#### 12 Related Party transactions

As at 31 December 2018 the Partnership owed the General Partner a priority distribution of USD 77,055 (2017: USD 62,055).

During the year the Partnership paid expenses of USD 1,678 (2017: USD 12,852) on behalf of the General Partner. USD 27,419 was owed by the General Partner to the Partnership as at 31 December 2018 (2017: USD 25,741).

#### 13 Events after the reporting date

There are no material events arising after the reporting date that need to be disclosed in the financial statements.