Company Registration No. 02101254

Unaudited financial statements for the year ended 31 December 2014

International Real Estate Limited

Contents

Company information

Directors:	Rolf L Nordström (Chairman) Daniel Akselson (Chief Executive Officer) John S Lamb (Senior Independent Non-Executive)
Secretary:	Dominique Sturgess
Company number:	02101254
Registered office:	Classic House 365A Limpsfield Road Warlingham CR6 9HA
Solicitors:	Trowers & Hamlins 40 Tower Hill London EC1N 4DX

Chairman's Statement
For the year ended 31 December 2014

I am pleased to report that following the Shareholders decision at the EGM held on 30th September 2014 to sell the property portfolio, the sale was completed in December 2014.

The Company has, as an effect of the sale, no properties left. The assets of the company consist of cash and receivables in connection with the transaction amounting to circa 80 Eurocents per share. The Company has no debt.

We have initiated the restructuring of the Company's capital base, in order to be able to return the agreed 80 Eurocents per share to Shareholders. The process has been more complicated than anticipated so an external offer to all Minority Shareholders was made by Controlco BV on 6th May 2015. The offer was equal to the agreed return of cash to Shareholders, namely 80 Eurocents per share. The majority of the Shareholders accepted the offer, and the remaining Minority Shareholders now hold an aggregate 381,736 out of the 6,927,466 shares, or ca 5.5%.

Strategy

The Company will make an offer to all remaining shareholders to redeem their shares at 80 Eurocents per share in accordance with the decision taken at the EGM on 30th September 2014 as soon as the reorganisation of the equity base has been duly executed, and is in valid force. This is expected to happen in the final quarter of the year.

Dividend

The Board does not propose to pay any dividend for 2014.

Outlook

The management has been in contact with Controlco BV, who made the offer to the Shareholders, and asked them to prolong their offer of 80 eurocents per share to those Shareholders that want to take it up. I am pleased to announce that Controlco BV is willing to do so for those who wish to do so.

Any Shareholder who wishes to sell their shares for 80 Eurocents per share should contact the Company Secretary, Dominique Sturgess on 07903 335 407 or by email dominique@ireplc.com and she will be able to assist you with further information.

If you prefer to wait and redeem your shares at 80 Eurocents per share later this year then Management will write to you in the autumn inviting you to do so.

An AGM has been called, further details can be found on page 21.

Chairman's Statement (continued)
For the year ended 31 December 2014

I would like to take this opportunity to thank my fellow Directors, the Staff, Consultants and all the other people who have worked diligently with the Group during the year. No doubt the success in selling the remaining property portfolio and preparing the Company to return cash to the Shareholders is due largely to their commitment and hard work. I would also like to extend a personal thank you to Daniel Akselson, our Managing Director, who will be leaving us at the upcoming AGM after fourteen years with the company and to John Lamb who will also be leaving us at the upcoming AGM and has been a Non-Executive Director of the company for nineteen years.

Rolf L. Nordström
Chairman

Date: 9/9/2015

Directors' report
For the year ended 31 December 2014

The directors present their unaudited financial statements for the year ended 31 December 2014.

Principal activities

The company's principal activity during the year continued to be that of holding and Investment Company.

Review of business and future developments

The results of the year's trading is shown on page 4 and a review of the activities of the company and of future developments is contained in the Chairman's Statement on page 1.

The directors do not believe that there are any significant business risks to which the company is exposed.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Dividends

The Board does not propose to pay a final dividend for the year (31 December 2013: nil).

Directors

The directors who served the company during the year were as follows:

Rolf L Nordström – Chairman
Daniel Akselson – Chief Executive Officer
John S Lamb – Senior Independent Non-Executive

Financial instruments

Details of financial instruments and their associated risks are given in note 12.

Supplier payment policy

The company's current policy concerning the payment of all its trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment; and
- pay in accordance with its contracted and other legal obligations.

By order of the board

Rolf L. Nordström
Director

Date: 9/9/2015

Directors' responsibilities statement
For the year ended 31 December 2014

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards adopted by the EU.

UK company law requires the directors to prepare financial statements for each financial year, which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that applicable International Financial Reporting Standards have been followed; 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 responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Statement of comprehensive income
For the year ended 31 December 2014

	Notes	2014 €'000	2013 €'000
Revenue	1	20	20
Cost of sales		-	-
Gross profit		20	20
Administrative expenses	5	(200)	(462)
Loss on disposal of investment	13	(8,944)	-
(Loss)/profit from operations	6	(9,124)	(442)
Finance income	8	10	839
Finance costs	9	-	(8)
(Loss)/profit before taxation		(9,114)	389
Taxation	10	-	-
(Loss)/profit for the financial year		(9,114)	389
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		(9,114)	389

Statement of financial position
As at 31 December 2014

	Notes	2014 €'000	2013 €'000
Non-current assets			
Investments in subsidiaries	13	-	581
Current assets			
Trade and other receivables	14	5,558	14,125
Cash and cash equivalents		48	26
		5,606	14,151
Total assets		5,606	14,732
Current liabilities	15	(12)	(24)
Total liabilities		(12)	(24)
Net assets		5,594	14,708
Equity			
Share capital	16	4,408	4,408
Share premium account		7,957	7,957
Capital redemption reserve		566	566
Retained earnings		(7,337)	1,777
Total equity		5,594	14,708

Audit exemption statement

For the year ended 31 December 2014, the company was entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006. No notice has been deposited with the company under section 476 of the Companies Act 2006 requiring an audit to be carried out.

The directors acknowledge their responsibility for:

- ensuring the company keeps accounting records in accordance with section 386 and 387 of the Companies Act 2006; and
- preparing statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its loss for that financial period in accordance with the requirements of sections 394 and 395 of the Companies act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on and signed off on their behalf:

Rolf L. Nordström
Director

Date: 9/9/2015

Statement of changes in equity
For the year 31 December 2014

	Share capital €'000	Share premium account €'000	Capital redemption €'000	Retained earnings €'000	Total €'000
Balance at 1 January 2013	4,408	7,957	566	1,388	14,319
Changes in equity for 2013 Total comprehensive income for the year	-	-	-	389	389
Balance at 31 December 2013	4,408	7,957	566	1,777	14,708
Changes in equity for 2014 Total comprehensive income for the year	-	-	-	(9,114)	(9,114)
Balance at 31 December 2014	4,408	7,957	566	(7,337)	5,594

Statement of cash flows
For the year 31 December 2014

	Notes	2014 €'000	2014 €'000	2013 €'000	2013 €'000
Net cash from operating activities	**16**		12		(827)
Investing activities					
Interest received		10		728	
Net cash generated in investing activities			10		728
Net increase/(decrease) in cash and cash equivalents			22		(99)
Cash and cash equivalents at beginning of year			26		125
Cash and cash equivalents at end of year			48		26

1 Accounting policies

a) Basis of accounting

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.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas were significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

b) Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2014

None of the new standards, interpretations and amendments, effective for the first time from 1 January 2014, have had a material effect on the financial statements.

ii) New standards, interpretations and amendments not yet effective

None of the new standards, interpretations and amendments, which are effective for periods beginning after 1 January 2014 and which have not been adopted early, are expected to have a material effect on the company's future financial statements.

c) Basis of preparation

The directors have prepared detailed cash flow projections for the company for the period through to 31 December 2016 ("the projection period").

The cash flow projections have been prepared taking into account the economic environment and its challenges. Although there will always remain inherent uncertainty within the cash flow projections, including the assumptions the directors have made at the time of approving the financial statements the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

d) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of cash and/or equity instruments issued by the company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

1 Accounting policies (continued)

e) Revenue recognition

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

Interest income

Interest income is accrued on a time basis, by reference to the balance on deposit and the interest rate applicable.

f) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the company operates. For the purpose of the financial statements, the results and financial position of the company are expressed in Euros, which is the presentational currency of the company's financial statements.

In preparing the financial statements, transactions in currencies other than the entity's presentational currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. All translation differences are recognised in the Statement of Comprehensive Income as part of the finance cost.

g) Retirement benefit costs

Payments to the personal pension schemes of certain employees and directors are charged as an expense as they fall due.

1 Accounting policies (continued)

h) Taxation

The tax expense/credit represents the sum of tax currently payable/recoverable and deferred tax.

The tax credit is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the Statement of Financial Position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

1 Accounting policies (continued)

i) Financial instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Financial assets

The company's financial assets include cash and cash equivalents and trade and other receivables. All financial assets are initially recognised at fair value plus transaction costs, when the company becomes party to the contractual provisions of the instrument.

Interest and other cash flows resulting from holding financial assets are recognised in the Statement of Comprehensive Income using the effective interest method.

Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Provision for impairment of trade, loan receivables and other receivables is made when objective evidence is received that the company will not be able to collect all amounts due to it in accordance with the original terms of the receivable. The amount of the impairment is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Any change in their value through impairment or reversal of impairment is recognised in profit or loss.

A financial asset is derecognised if the contractual rights to receive the cash flows of the asset have been transferred or the company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the company transfers substantially all the risks and rewards of ownership of the asset.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as bank deposits, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1 Accounting policies (continued)

i) Financial instruments (continued)

Equity

- Share capital represents the nominal value of equity shares that have been issued.
- Share premium represents the excess over nominal value of the fair value of the consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income.
- The capital redemption reserve represents the nominal value of shares cancelled on the purchase of own shares in order to maintain the capital base of the company.

Financial liabilities

The company's financial liabilities include trade and other payables.

Financial liabilities are recognised when the company becomes a party to the contractual agreement of the instrument. All interest related charges are recognised as an expense in "finance costs" in the statement of comprehensive income using the effective interest method.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

A financial liability is derecognised only when the obligation is extinguished, that is when the obligation is discharged or cancelled or expires.

Classification as equity or financial liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classed as financial liabilities.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distribution relating to equity instruments are debited directly to equity.

j) Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

k) Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date, and are discounted to present value where the effect is material.

2 General information

International Real Estate Limited is a company incorporated and domiciled in the United Kingdom.

The address of the registered office in the United Kingdom is stated on the Company information page and the nature of the company's operations and principal activities are stated in the Directors' Report. The financial statements have been presented in Euros as this is the currency of the primary economic environment that the company operates in.

3 Critical accounting judgements and consumption

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are as follows:

Trade and loans receivable

The company is required to judge when there is sufficient objective evidence to require the impairment of individual trade and loan receivables. It does this on the basis of the age of the relevant receivables, external evidence of the credit status of the debtor entity and the status of any disputed amounts. Further details with regard to the potential impairment of trade and loan receivables are provided in note 14.

4 Analysis of the Statement of Comprehensive Income

For management purposes, there is one class of trade which is the company's principal activity of a holding company. All income and expenditure in the Statement of Comprehensive Income relates to this activity as so there is no segmental reporting.

5 Administrative expenses

	2014 €'000	2013 €'000
Staff costs (note 7)	210	326
Legal and professional fees	52	39
Other admin expenses	75	84
Exchange (gain)/loss	(137)	13
	200	462

6 (Loss)/profit from operations

(Loss)/profit from operations has been arrived at after charging:

	2014 €'000	2013 €'000
Staff costs (note 7)	210	326
Auditor's remuneration		
- Company audit services	-	8
- Taxation services – compliance	9	9
- Other services	18	18

7 Staff costs

The monthly average number of employees for the company were:

	2014 Number	2013 Number
Executive directors	2	2
Non-executive directors	1	1
Administration staff	1	1
	4	4

The aggregate employee remuneration for the company comprised:

	2014 €'000	2013 €'000
Wages and salaries	192	291
Social security costs	18	35
	210	326

The total amounts for the directors' remuneration was as follows:

	2014 €'000	2013 €'000
Executive directors		
Emoluments	138	246
Non-executive directors		
Emoluments	11	11

The executive directors comprise key management personnel of the company in both the current and previous years.

Notes to the financial statements
For the year ended 31 December 2014

8 Finance income

	2014 €'000	2013 €'000
Bank and other interest	10	111
Interest on group loans	-	728
	10	839

9 Finance costs

	2014 €'000	2013 €'000
Bank loans and overdrafts	-	8

10 Tax

	2014 €'000	2013 €'000
Current tax charge	-	-
Deferred tax charge	-	-
Tax charge for the year	-	-

Corporation tax is calculated at 21.5% (2013: 23.25%) of the estimated assessable profit for the year.

The tax charge for the year can be reconciled to the (loss)/profit before tax per the Statement of Comprehensive Income as follows:

	2014 €'000	2013 €'000
(Loss)/profit before tax	(9,114)	389
Tax on (loss)/profit at UK standard rate at 21.5% (2013: 23.25%)	(1,960)	90
Expenses not deductible for tax	1,828	-
Losses utilised	-	(90)
Unutilised losses carried forward	132	-
Tax charge for the year	-	-

11 Dividends

The board proposes not to pay a final dividend for the year ended 31 December 2014 (2013: nil).

12 Financial instruments

The company is exposed to various types of financial instrument risk. These risks, and the company's policies for managing them which have been applied consistently throughout the year, are set out below.

Market risk

Foreign currency risk
The company's functional and reporting currency is Euros. With the exception of cash deposits of €48,448 (2013: €25,638), which are denominated in Sterling, all financial assets and liabilities are denominated in Euros. The company therefore has no material exposure to foreign currency movements.

Interest rate risk
The policy of the company is to ensure that all cash balances earn a market rate of interest and that interest rate exposures are regularly reviewed and managed.

Non-market risk

Liquidity risk
Bank relationships are maintained to ensure that sufficient cash and unutilised facilities are available to the company.

The company's cash is managed through electronic cash management systems with the company's clearing bank to maximise interest earned on its balances. Similarly the company's liquidity is managed through regularly updated twelve month cash flow forecasts.

Credit risk
Credit risk arises principally from the company's trade receivables. Credit checks are performed.

The company's financial instruments are categorised as follows:

Financial assets	**Loans and receivables**	
	2014	**2013**
	€'000	**€'000**
Trade and other receivables	43	15
Cash	48	26
Amounts owed by group undertakings and related parties	5,515	14,110
	5,606	14,151

The carrying value of the company's financial assets represents its maximum credit risk exposure at the Statement of Financial Position date.

Financial liabilities	**Measured at amortised cost**		**Measured at fair value through profit or loss**	
	2014	**2013**	**2014**	**2013**
	€'000	**€'000**	**€'000**	**€'000**
Other financial liabilities	12	24	-	-

The year end position in relation to financial instruments as shown above was materially representative of the position during the year. The directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

13 Investment in subsidiaries

	€'000
As at 1 January 2014	581
Disposals	(581)
As at 31 December 2014	-

	2014 €'000	2013 €'000
Cost	-	722
Provisions	-	(141)
Net book value at 31 December	-	581

The company's principal subsidiaries at 31 December 2013 were as follows:

	Nature of business	Percentage shareholding of ordinary shares	Country of incorporation/ operation
Touquet Europe BV	Holding company	100	Netherlands
IRE German Property Holding BV	Holding company	100	Netherlands
I.R.E. 7 Immobiliengesellschaft mbH	Property investment	100	Germany
IRE Asset Management Germany GmbH	Property investment	100	Germany

The investment in Touquet Europe BV is held directly by the parent company. All other investments are held indirectly through subsidiaries.

On 16 December 2014 the company disposed of the investment in Touquet Europe BV. As a result there are no subsidiaries as at 31 December 2014. The shares were sold for €18k giving rise to a loss on disposal of €563k. As part of the sale agreement the amounts owed by group undertakings at that date of €13,905k were sold for consideration of €5,525k giving rise to further a loss on disposal of €8,381k.

14 Trade and other receivables

	Company 2014 €'000	Company 2013 €'000
Amounts falling due within one year		
Amounts owed by group undertakings	-	14,110
Amounts owed by related parties (note 18)	5,515	-
Other receivables	29	15
Prepayments and accrued income	14	-
	5,558	14,125

Amounts owed by group undertakings bear interest at 5.3% (2013: 5.3%).

As at 31 December there are no receivables that were past due or impaired.

15 Current liabilities

	Company 2014 €'000	Company 2013 €'000
Trade and other payables	3	20
Social security and other taxes	4	-
Accruals and deferred income	5	4
	12	24

16 Share capital

	2014	2013
Authorised		
30,000,000 Ordinary shares at 40p each (2013: 30,000,000)	£12,000,000	£12,000,000
Issued and fully paid		
6,927,446 Ordinary shares at 40p each	€4,408,430	€4,408,430

17 Notes to the cash flow statement

Company	2014 €'000	2013 €'000
(Loss)/profit for the year	(9,114)	389
Adjustments for:		
Finance income	(10)	(728)
Loss on disposal of investment	581	-
Operating cash flows before movements in working capitals	(8,543)	(339)
Increase/(decrease) in receivables	8,567	(485)
Decrease in payables	(12)	(3)
Net cash inflow/(outflow) from operating activities	12	(827)

18 Related party transactions

At the year end the company had the following loan balances and transactions with related parties. These are related parties by virtue of the fact they are controlled by the family of Rolf L Nordström.

	2014 €'000	2013 €'000
Boulevard Tower BVBA	5,515	-
	5,515	-

All transactions were made at arm's length.

19 Controlling party

The controlling party is Jermyn Business Ltd, a company indirectly beneficially controlled by the family of Rolf L Nordström.

Rolf L Nordström has no direct or indirect ownership of Jermyn Business Ltd.

Notice of general meeting

A general meeting is being held, which will be an opportunity for Shareholders to meet and ask any questions you may have.

Please refer to the separate Notice included with this mailing for further information on the general meeting.