Company Registration No. 02101254

Unaudited financial statements for the year ended 31 December 2015

International Real Estate Limited

Contents

Company information

Directors:	Rolf L Nordström Dominique L Sturgess
Secretary:	Dominique L Sturgess
Company number:	02101254
Registered office:	Classic House 365A Limpsfield Road Warlingham CR6 9HA

Strategic report
For the year ended 31 December 2015

The directors present their Strategic Report together with the unaudited financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the Company is a holding and investment company.

Review of business

The results of the year's trading is shown on page 5. The financial position of the company at the year end is considered satisfactory.

Given the straightforward nature of the business and that the Company is a holding company the directors are of the opinion that no added value would be achieved in detailing KPIs for a fuller understanding of the development, performance and position of the Company.

The Company's directors do not believe there to be any significant risks and uncertainties facing the business, other than those normally encountered within the industry.

Principal risks and uncertainties

a. Treasury operations

The company has no borrowings and so its principal instruments are cash balances.

b. Liquidity risk

The company manages its cash requirements to maximize interest income and minimize interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business.

c. Interest rate risk

The company is not exposed to fair value interest rate risk.

d. Foreign currency risk

At the year end there were no commitments to forward purchase any foreign currency.

e. Credit risk

Investments of cash surpluses are made with the company's main bankers.

Strategic report (continued)
For the year ended 31 December 2015

Future prospects

As a holding company, the directors do not expect a significant change in the results of the company going forward.

Approved by the Board on
and signed on its behalf by

D. Sturgess

Director D STURGESS

Date: 19/9/16

Directors' report
For the year ended 31 December 2015

The directors present their report and the unaudited financial statements for the year ended 31 December 2015.

Matters covered in the strategic report

A review of the business including future developments and principal risks and uncertainties are not shown in the Directors' Report as this information is included within the Strategic Report under s414C(11) of the Companies Act 2006.

Results and dividends

The results for the year are set out on page 5.

The directors have not recommended a dividend for the current period (2014: £nil).

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.

Directors

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

Rolf L Nordström
Daniel Akselson (Resigned – 12 October 2015)
John S Lamb (Resigned – 12 October 2015)
Dominique L Sturgess (Appointed – 12 October 2015)

Financial instruments

Details of financial instruments and their associated risks are given in note 13.

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.

Approved by the Board on
and signed on its behalf by

D. Sturges

Director D STURGESS

Date: 19/9/16

Directors' responsibilities statement
For the year ended 31 December 2015

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 2015

	Notes	2015 £'000	2014 £'000
Revenue	1	11	16
Cost of sales		-	-
Gross profit		11	16
Administrative expenses	5	(3,785)	(258)
Loss on disposal of investment	6	-	(6,867)
Loss from operations	6	(3,774)	(7,109)
Finance income	8	116	8
Finance expense	9	-	(19)
Loss before taxation		(3,658)	(7,120)
Taxation	10	-	-
Loss for the financial year		(3,658)	(7,120)
Other comprehensive income for the year net of tax		-	-
Total comprehensive loss for the year		(3,658)	(7,120)

International Real Estate Limited **Company number: 02101254**

Statement of financial position
As at 31 December 2015

	Notes	2015 £'000	2014 £'000
Non-current assets			
Investment property	12	525	-
Current assets			
Trade and other receivables	14	18	4,327
Cash and cash equivalents		121	38
		139	4,365
Total assets		664	4,365
Current liabilities	15	(24)	(10)
Total liabilities		(24)	(10)
Net assets		640	4,355
Equity			
Share capital	16	12	2,771
Share premium account		-	7,071
Capital redemption reserve		-	502
Retained earnings		628	(5,989)
Total equity		640	4,355

Audit exemption statement

For the year ended 31 December 2015, 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:

Director D Sturgess

Date: 19/9/16

Statement of changes in equity
For the year 31 December 2015

	Note	Share capital £'000	Share premium account £'000	Capital redemption £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2014		2,771	7,071	502	1,131	11,475
Changes in equity for 2014						
Total comprehensive income for the year		-	-	-	(7,120)	(7,120)
Balance at 31 December 2014		2,771	7,071	502	(5,989)	4,355
Changes in equity for 2015						
Total comprehensive income for the year		-	-	-	(3,658)	(3,658)
Share capital reduction	16	(2,702)	-	-	2,702	-
Cancellation of share premium and capital redemption reserve	16	-	(7,071)	(502)	7,573	-
Cancellation of shares	16	(57)	-	-	-	(57)
Balance at 31 December 2015		12	-	-	628	640

Statement of cash flows
For the year 31 December 2015

		2015		2014	
	Notes	£'000	£'000	£'000	£'000
Net cash from operating activities	**17**		549		10
Investing activities					
Interest received		116		8	
Acquisition of investment property		(525)		-	
Net cash (used)/generated in investing activities			(409)		8
Financing activities					
Cancellation of shares		(57)		-	
Net cash used in financing activities			(57)		-
Net increase in cash and cash equivalents			83		18
Cash and cash equivalents at beginning of year			38		20
Cash and cash equivalents at end of year			121		38

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 2015

None of the new standards, interpretations and amendments, effective for the first time from 1 January 2015, 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 2015 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 2017 ("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 Sterling, 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.

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.

1 Accounting policies (continued)

i) Financial instruments (continued)

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) Investment property

Investment property, which is property held to earn rentals and/or capital appreciation, is stated at its fair value at the Statement of Financial Position date. Gains and losses arising from changes in the fair value of investment property are included in Statement of Comprehensive Income for the period in which they arise.

Additions and disposals are recognised on completion. Profits and losses arising on disposal are recognised through the Statement of Comprehensive Income and are determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus additions during the period.

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 Sterling 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:

Investment property valuation

The group uses the valuations performed by its independent valuers or the directors as the fair value of its investment properties. The valuation is based upon assumptions including future rental income, anticipated maintenance costs and the appropriate discount rate. The valuer and/or directors also make reference to market evidence of transaction prices for similar properties.

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 13.

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 and so there is no segmental reporting.

5 Administrative expenses

	2015 £'000	2014 £'000
Staff costs (note 7)	68	170
Legal and professional fees	34	42
Other admin expenses	108	44
Exchange loss	402	2
Write-off of amount due from related party	3,173	-
	3,785	258

6 Loss from operations

Loss from operations has been arrived at after charging:	2015 £'000	2014 £'000
Staff costs (note 7)	68	170
Loss on disposal of investment	-	6,867
Write-off of amount due from related party	3,173	-

During the year there was write-off of an amount due from a related party of £3,173k (see note 18 for details of related party transactions).

On 16 December 2014 the company disposed of the investment in Touquet Europe BV. The shares were sold for £14k giving rise to a loss on disposal of £430k. As part of the sale agreement the amounts owed by group undertakings at that date of £10,680k were sold for consideration of £4,243k giving rise to further a loss on disposal of £6,437k.

7 Staff costs

The monthly average number of employees for the company were:

	2015 Number	2014 Number
Executive directors	1	2
Non-executive directors	-	1
Administration staff	1	1
	2	4

The aggregate employee remuneration for the company comprised:

	2015 £'000	2014 £'000
Wages and salaries	63	155
Social security costs	5	15
	68	170

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

	2015 £'000	2014 £'000
Executive directors		
Emoluments	28	103
Non-executive directors		
Emoluments	-	8

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

8 Finance income

	2015 £'000	2014 £'000
Interest received on amounts due from related parties	116	-
Bank and other interest	-	8
	116	8

9 Finance expense

	2015 £'000	2014 £'000
Loan interest paid	-	19
	-	19

10 Tax

	2015 £'000	2014 £'000
Current tax charge	-	-
Deferred tax charge	-	-
Tax charge for the year	-	-

Corporation tax is calculated at 20.25% (2014: 21.5%) of the estimated assessable profit for the year.

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

	2015 £'000	2014 £'000
Loss before tax	(3,658)	(7,120)
Tax on loss at UK standard rate at 20.25% (2014: 21.5%)	(741)	(1,531)
Expenses not deductible for tax	643	1,476
Unutilised losses carried forward	98	55
Tax charge for the year	-	-

11 Dividends

The board proposes not to pay a final dividend for the year ended 31 December 2015 (2014: nil).

12 Investment property

	2015 £'000	2014 £'000
Fair value		
At 1 January	-	-
Additions during the year – acquisitions	525	-
At 31 December	525	-

The fair value of the Company's investment property has been assessed by the Directors. The fair value of these properties reflects, amongst other things, rental income from its leases and assumptions about future rental lease income on asset market conditions and anticipated plans for the property. All investment properties and properties held for resale represent freehold interests.

13 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 Sterling. The company 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**	
	2015	**2014**
	£'000	**£'000**
Trade and other receivables	18	32
Cash	121	38
Amounts owed by group undertakings and related parties	-	4,295
	139	4,365

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**	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
Amounts owed to group undertakings and related parties	19	-	-	-
Other financial liabilities	5	10	-	-

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.

14 Trade and other receivables

	2015 £'000	2014 £'000
Amounts falling due within one year		
Amounts owed by related parties (note 18)	-	4,295
Other receivables	11	21
Prepayments and accrued income	7	11
	18	4,327

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

15 Current liabilities

	2015 £'000	2014 £'000
Amounts owed to related parties (note 18)	19	-
Trade and other payables	1	2
Social security and other taxes	1	3
Accruals and deferred income	3	5
	24	10

16 Share capital

	2015	2014
Authorised		
30,000,000 Ordinary shares at 1p each (2014: 30,000,000 Ordinary shares at 40p each)	£30,000	£12,000,000
Issued and fully paid		
1,200,000 Ordinary shares at 1p each (2014: 6,927,446 Ordinary shares at 40p each)	£12,000	£2,770,978

On 12 October 2015 the Company's share capital was reduced by reducing the nominal value of the 6,927,446 issued ordinary shares of £0.40 each to 6,927,446 ordinary shares of £0.01 each as well as cancelling the share premium account of £7,071,000 and cancelling the capital redemption reserve of £502,000 and subsequently transferring the amounts to the Company's distributable reserves.

On 7 December 2015 a cancellation of shares was undertaken whereby 5,727,446 issued ordinary shares of £0.01 each were cancelled.

17 Notes to the cash flow statement

	2015 £'000	2014 £'000
Loss for the year	(3,658)	(7,120)
Adjustments for:		
Finance income	(116)	(8)
Loss on disposal of investment	-	446
Operating cash flows before movements in working capitals	(3,774)	(6,682)
Decrease in receivables	4,309	6,701
Increase /(decrease) in payables	14	(9)
Net cash inflow from operating activities	549	10

18 Related party transactions

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

The amounts (payable)/receivable as at 31 December 2015 are as follows:

	2015 £'000	2014 £'000
Boulevard Tower BVBA	-	4,295
Controlco BV	(19)	-
	(19)	4,295

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.