Company Registration No. 02101254

Unaudited financial statements for the year ended 31 December 2019

International Real Estate Limited

Contents

Company information

Directors:	Rolf C Nordström Rolf F Nordström Dominique L Sturgess
Secretary:	Dominique L Sturgess
Company number:	02101254
Registered office:	Kemp House 152-160 City Road London EC1V 2NX

Directors' report
For the year ended 31 December 2019

The directors present their report and the unaudited financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company is an investment company.

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 (2018: £nil).

Going concern

The directors have determined that the going concern basis of preparation of these financial statements remains appropriate. Having assessed the principal risks they have determined that there is a limited impact of a plausible downturn in demand for the Company's activities in light of COVID-19 (please see COVID-19 statement below).

The full extent and duration of COVID-19 remains unknown, making scenario planning complex. That said, as has been the case since the onset of the pandemic, we expect that all operations will continue to function in the same manner that they have been able to since lockdown began.

In addition, the Company's major shareholder has pledged their continuing support for a minimum of 12 months from the date of issuing these financial statements

The directors believe that the Company is well placed to manage its business risks satisfactorily and have a reasonable expectation that the Company will have adequate resources to continue in operational existence for at least 12 months from the signing date of these financial statements and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus, the directors have continued to adopt the going concern basis of accounting in preparing these financial statements

Directors

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

Dominique L Sturgess
Rolf F Nordström
Rolf C Nordström

Financial instruments

Details of financial instruments and their associated risks are given in note 9.

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.

Directors' report (continued)
For the year ended 31 December 2019

COVID-19

The entity has considered the potential risks raised by the Covid pandemic, in particular the potential loss of rent and/or tenants. The tenants at the property in Bishop Auckland all provide essential services, and/or operate online as part of their business, so impact is expected to be minimal. Should tenants be in a position they are unable to fulfil their obligations, there is a substantial package offered to businesses by the UK Government that would enable them to meet their obligations.

Brexit

The directors continue to monitor and evaluate the potential impact of Brexit on the Company's operating activities. The Company does not expect Brexit to have a material impact, however it may have an impact on the Company's exposure to foreign exchange gains and losses, through its Euro denominated loan facility.

Future prospects

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

Approved by the Board and signed on its behalf by

D. Sturgess

Dominique Sturgess (Dec 3, 2020 13:35 GMT)

Dominique L Sturgess
Director
Date: Dec 3, 2020

Directors' responsibilities statement
For the year ended 31 December 2019

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.

Chartered Accountants' Report to the Board of Directors on the preparation of the unaudited statutory financial statements of International Real Estate Limited
For the year ended 31 December 2019

In accordance with our engagement letter and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of the Company for the year ended 31 December 2019 which comprise the Statement of Comprehensive Loss, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a practicing member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/members/regulations-standards-and-guidance/.

Respective responsibilities of directors and accountants
You have acknowledged on the balance sheet for the period ended 31 December 2019 your duty to ensure that the Company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and profit. You consider that the Company is exempt from the statutory requirement for an audit for the year.

This report is made solely to the directors of International Real Estate Limited in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of the Company and state those matters that we have agreed to state to the directors in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept nor assume responsibility to anyone other than the Company and its directors for our work or for this report.

We have not been instructed to carry out an audit or review of the financial statements of International Real Estate Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Mazars LLP (Dec 3, 2020 14:08 GMT)

Mazars LLP
Times House
Throwley Way
Sutton
SM1 4JQ

Date: Dec 3, 2020

Statement of comprehensive income
For the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Revenue		4	-
Cost of sales		(5)	-
Gross profit		(1)	-
Administrative expenses	3	(77)	(124)
Fair value adjustment on investment property	8	-	75
Loss from operations	4	(78)	(49)
Finance expense	6	(13)	(4)
Loss before taxation		(91)	(53)
Taxation	7	-	-
Loss for the financial year		(91)	(53)
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		(91)	(53)

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

Statement of financial position
As at 31 December 2019

	Notes	2019 £'000	2018 £'000
Non-current assets			
Investment property	8	1,768	600
Current assets			
Trade and other receivables	10	78	8
Cash and cash equivalents		100	28
		178	36
Total assets		1,946	636
Current liabilities	11	(283)	(161)
Non-current liabilities		(1,279)	-
Total liabilities		(1,562)	(161)
Net assets		384	475
Equity			
Share capital	12	12	12
Retained earnings		372	463
Total equity		384	475

Audit exemption statement

For the year ended 31 December 2019, 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 profit 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 on their behalf:

D. Sturgess

Dominique Sturgess (Dec 3, 2020 13:35 GMT)

Dominique L Sturgess
Director
Date: Dec 3, 2020

Statement of changes in equity
For the year 31 December 2019

	Share capital £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2018	12	516	528
Changes in equity for 2018			
Total comprehensive income for the year	-	(53)	(53)
Balance at 31 December 2018	12	463	475
Changes in equity for 2019			
Total comprehensive income for the year	-	(91)	(91)
Balance at 31 December 2019	12	372	384

Statement of cash flows
For the year 31 December 2019

	Notes	2019 £'000	2018 £'000
Net cash from operating activities	13	(26)	(20)
Investing activities			
Interest received		-	-
Acquisition of investment property		(1,168)	-
Net cash used in investing activities		(1,168)	-
Financing activities			
Proceeds of borrowings		1,279	
Interest paid		(13)	(4)
Net cash generated from financing activities		1,266	(4)
Net increase / (decrease) in cash and cash equivalents		72	(24)
Cash and cash equivalents at beginning of year		28	52
Cash and cash equivalents at end of year		100	28

1 Accounting policies

a) 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.

b) 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, issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("IFRSs").

The preparation of financial statements in compliance with 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 2.

c) Changes in accounting policies

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

Amendments to IFRSs that are mandatorily effective for the current year

IFRS 16 Leases

IFRS 16 replaces the provisions of IAS 17 for any new contracts entered into on or after 1 January 2019. The adoption of this standard, results in the Company recognising right of use assets and related lease liabilities for all existing operating leases. The Company has an operating leases in respect to its investment property as a lessor and the Company's accounting policy for lessors has not changes from the comparative period and thus IFRS 16 does not have a material impact.

The adoption of the following standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

	EU effective date: Accounting periods beginning on or after
IFRS 9 *Financial Instruments* (Amendment): Prepayment Features with Negative Compensation	1 January 2019
IFRS 16 *Leases*	1 January 2019
IFRIC 23 *Uncertainty over Income Tax Treatments*	1 January 2019
IAS 19 *Employee Benefits* (Amendment): Plan Amendment, Curtailment or Settlement	1 January 2019
IAS 28 *Investments in Associates and Joint Ventures* (Amendment): Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to IFRSs (2015 – 2017 Cycle)	1 January 2019

1 Accounting policies (continued)

c) Changes in accounting policies (continued)

ii) New standards, interpretations and amendments not yet effective

The adoption of the following standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

	EU effective date: Accounting periods beginning on or after
IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amendment): Definition of Material	1 January 2020
IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* (Amendments): Interest Rate Benchmark Reform	1 January 2020
Conceptual Framework (Amendment): Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
IFRS 3 *Business Combinations* (Amendment): Definition of a Business	1 January 2020
IAS *1 Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2022

d) Going concern

The directors have determined that the going concern basis of preparation of these financial statements remains appropriate. Having assessed the principal risks they have determined that there is a limited impact of a plausible downturn in demand for the Company's activities in light of COVID-19.

The full extent and duration of COVID-19 remains unknown, making scenario planning complex. That said, as has been the case since the onset of the pandemic, we expect that all operations will continue to function in the same manner that they have been able to since lockdown began.

In addition, the Company's major shareholder has pledged their continuing support for a minimum of 12 months from the date of issuing these financial statements

The directors believe that the Company is well placed to manage its business risks satisfactorily and have a reasonable expectation that the Company will have adequate resources to continue in operational existence for at least 12 months from the signing date of these financial statements and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus, the directors have continued to adopt the going concern basis of accounting in preparing these financial statements

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:

Rental income

Rental income arising from operating leases on properties owned by the Company is accounted for on a straight line basis over the period commencing on the later of the start of the lease or acquisition of the property by the Company, and ending on the earlier of the end of the lease and next break point, unless it is reasonably certain that the break option will not be exercised. Rental income revenue excludes service charges and other costs directly recoverable from tenants.

Interest income

Interest income is recognised using the effective interest method.

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 functional and presentation currency of the Company's financial statements.

In preparing the financial statements, transactions in currencies other than the entity's functional and presentation currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting 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.

1 Accounting policies (continued)

g) 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 reporting 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 balance sheet 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.

The carrying amount of deferred tax assets is reviewed at each reporting 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)

h) Financial instruments

Financial assets

Financial assets comprise trade and other receivables (excluding prepaid commissions and prepaid expenses) and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Financial assets are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument and are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred.

Financial assets are also derecognised (written-off) when the Company has no reasonable expectation of recovering the financial asset. Indicators of where there is no reasonable expectation of recovery include indicators of a customer's inability or losses arising in relation to contract disputes.

The Company classifies all of its financial assets as assets measured at amortised cost. Financial assets are measured at amortised cost when both of the following criteria are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest rate method.

At each reporting date the Company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. In establishing the appropriate amount of loss allowance to be recognised, the Company applies the simplified approach to its financial assets. Under the simplified approach the Company always recognises a loss allowance for a financial asset at an amount equal to the lifetime expected credit losses.

Financial liabilities

Financial liabilities include borrowings and trade and other payables (excluding deferred income).

Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

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

1 Accounting policies (continued)

h) Financial instruments (continued)

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.
- Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income.

i) 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.

j) Leases

The Company has entered into lease agreements as a lessor with respect to its investment property. Leases for which the Company is a lessor are classified as either finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has operating leases in respect of its investment property and rental income from operating leases are recognised on a straight line basis over the term of the lease.

2 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. 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 Company 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.

Recognition of deferred tax assets

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

3 Administrative expenses

	2019 £'000	2018 £'000
Staff costs (note 5)	43	44
Legal and professional fees	15	8
Other admin expenses	20	70
Provision against receivables	-	-
Exchange loss/(gain)	(1)	2
	77	124

4 Loss from operations

Loss from operations has been arrived at after charging:	2019 £'000	2018 £'000
Staff costs (note 5)	43	44

5 Staff costs

The monthly average number of employees for the Company were:

	2019 Number	2018 Number
Executive directors	1	1
Administration staff	-	-
	1	1

The aggregate employee remuneration for the Company comprised:

	2019 £'000	2018 £'000
Wages and salaries	39	39
Social security costs	4	5
	43	44

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

	2019 £'000	2018 £'000
Executive directors		
Emoluments	43	44

The executive directors comprised key management personnel of the Company.

6 Finance expense

	2019 £'000	2018 £'000
Bank interest and charges	4	2
Interest payable on amounts due from related parties	9	2
	13	4

7 Tax

	2019 £'000	2018 £'000
Current tax charge	-	-
Deferred tax charge	-	-
Tax charge for the year	-	-

Corporation tax is calculated at 19% (2018: 19%) 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:

	2019 £'000	2018 £'000
(Loss)/profit before tax	(91)	(53)
Tax on (loss)/profit at UK standard rate at 19% (2018: 19%)	(17)	(10)
Expenses not deductible for tax		-
Income not taxable for tax purposes	-	(7)
Utilisation of previously unrecognised tax losses	-	(7)
Chargeable gains	-	7
Adjustment for prior period tax rates	-	2
Unutilised losses carried forward	17	15
Tax charge for the year	-	-

At the reporting date the Company has unrecognised deferred tax assets in respect of unutilised tax losses carried forward of £665,800 (2018: £649,919) due to the fact that the Company is unlikely to generate taxable income in the foreseeable future. Deferred tax assets are only recognised to the extent that they can be offset against deferred tax losses.

The Corporation Tax rate of 19% was enacted with effect from 1 April 2017 and the Finance Act 2016 legislated the UK Corporation Tax rate to decrease to 17% from 1 April 2020. However, on the 17th March 2020, using the Provisional Collection of Taxes Act 1968, the UK Government cancelled the proposed drop in Corporation Tax rate to 17%.

8 Investment property

	2019 £'000	2018 £'000
Fair value		
At 1 January	600	525
Additions	1,168	-
Net gain from fair value adjustment	-	75
At 31 December	1,768	600

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.

Lessor

	2019 £'000	2018 £'000
Rental income from investment property during the year	4	-
Direct operating expenses from property that generated rental income	-	-

The undiscounted maturity analysis of lease liabilities are as follows:

	2019 £'000	2018 £'000
Within 1 year	211	-
1-5 years	319	-
After 5 years	29	-
Total	559	-

9 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. During the year the Company entered into a Euro denominated loan facility. The risk is assessed on an on-going basis and the Company does not use derivate financial instruments to manage the currency exchange movements, and as such no hedge accounting is applied.

The table below illustrates the sensitivity analysis of the company's reported profit to a 10% increase or decrease in the respective foreign exchange rates to which they are exposed. The sensitivity analysis is calculated on the loan outstanding at the year end, with all other variables held constant.

	Increase by 10%	Decrease by 10%
	£'000	£'000
Change in Euro	128	(128)

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.

The following tables shows the Company's contractual maturity for the period to December 2019. For the prior year, the Company did not hold any financial instruments over 12 months.

	Carrying value	In 1 year or less	In 1 – 2 years	In 2 – 5 years	5 years or more	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets						
Trade and other receivables	78	78				78
Cash	100	100				100
Financial Liabilities						
Other financial liabilities	(55)	(55)				(55)
Borrowings	(1,279)	(32)	(64)	(96)	(1,759)	(1,950)

9 Financial instruments (continued)

Credit risk
Credit risk arises principally from the Company's trade receivables.

The Company's financial instruments are categorised as follows:

Financial assets	**Measured at amortised cost**	
	2019	**2018**
	£'000	**£'000**
Trade and other receivables	78	8
Cash	100	28
	178	36

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**	
	2019	**2018**
	£'000	**£'000**
Amounts owed to group undertakings and related parties	220	143
Other financial liabilities	55	18
Borrowings	1,279	-
	1,554	161

10 Trade and other receivables

	2019 £'000	2018 £'000
Amounts falling due within one year		
Trade and other payables	71	-
Prepayments and accrued income	7	8
	78	8

The carrying amount above represents the Company's maximum exposure to credit risk.

11 Current liabilities

	2019 £'000	2018 £'000
Amounts owed to related parties (note 14)	220	143
Trade and other payables	-	-
Social security and other taxes	8	-
Accruals	6	18
Contract liabilities	49	-
	283	161

Non-current liabilities

	2019 £'000	2018 £'000
Loan	1,279	-
	1,279	

The Company has a loan of €1,500,000 which was taken out on November 2019 and will be repayable by November 2039. It carries a fixed interest rate at 2.5% per annum.

12 Share capital

	2019	2018
Authorised		
30,000,000 Ordinary shares at 1p each	£30,000	£30,000
Issued and fully paid		
1,200,000 Ordinary shares at 1p each	£12,000	£12,000

13 Notes to the cash flow statement

	2019 £'000	2018 £'000
Loss for the year	(91)	(53)
Adjustments for:		
Fair value adjustment to investment property	-	(75)
Finance expense	13	4
Operating cash flows before movements in working capitals	(78)	(124)
Increase in receivables	(70)	(7)
Increase in payables	122	111
Net cash outflow from operating activities	(26)	(20)

	01 Jan 2019 £'000	Cash flows £'000	Non-cash flow £'000	31 Dec 2019 £'000
Borrowings	-	1,292	(13)	1,279

14 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 C Nordström and Rolf F Nordström.

The amounts payable as at 31 December 2019 are as follows:

	2019 £'000	2018 £'000
Controlco BV	220	143
	220	143

All transactions were made at arm's length.

The balance due to Controlco BV bears interest of 2.5% per annum and is repayable on demand.

15 Post balance sheet event

Since the year end the economic environment has changed significantly as a consequence of the COVID-19 pandemic. Whilst the impact from the pandemic is difficult to be confident, the directors do not think that any adjustment is necessary to these financial statements. The directors have considered the impact of COVID-19 within the directors report

16 Controlling party

The controlling party is Controlco BV, a company indirectly beneficially controlled by the family of Rolf C Nordström and Rolf F Nordström.