

**Company Registration No. 02101254**

**Unaudited financial statements for the year  
ended 31 December 2022**

**International Real Estate  
Limited**

# International Real Estate Limited

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# International Real Estate Limited

## Company information

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**Directors:** Rolf C Nordström  
Rolf F Nordström  
Dominique L Sturgess

**Secretary:** Dominique L Sturgess

**Company number:** 02101254

**Registered office:** 89 Piccadilly  
London  
England  
W1J 7NE

**Accountants:** Mazars LLP  
2<sup>nd</sup> Floor  
6 Sutton Plaza  
Sutton Court Road  
Sutton  
Surrey  
SM1 4FS

# International Real Estate Limited

## Directors' report For the year ended 31 December 2022

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The directors present their annual report and the unaudited financial statements for International Real Estate Limited (the 'Company') for the year ended 31 December 2022.

### Principal activities

The principal activity of the Company is that of an investment company.

### Results and dividends

The loss for the year, after taxation, amounted to £117,000 (2021: loss of £59,000)

The directors have not recommended a dividend for the current year (2021: £nil).

### Going concern

The directors have assessed the Company's ability to continue as a going concern and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In doing this, they have considered the results for the period, expectations of future trading and the availability of continued funding. On the basis of this information the directors are satisfied that the Company will continue as a going concern and so the financial statements have been prepared on this basis. 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.

### Directors

The directors who served the Company during the year and to the date of this report were as follows:

Rolf C Nordström  
Rolf F Nordström  
Dominique L Sturgess

### Financial instruments

Details of financial instruments and their associated risks are given in note 10.

### Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. No claim or notice of claim in respect of these indemnities has been received in the year.

# International Real Estate Limited

## Directors' report (continued) For the year ended 31 December 2022

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### Economic impact of global events

UK businesses are facing many uncertainties and challenges caused by political, economic, social, technological, legal and environmental factors. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and concluded that the greatest impact on the business is expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

The Company continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

### Future prospects

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

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:

  
[Dominique Sturgess \(Sep 8, 2023 09:22 GMT+1\)](#)

**Dominique L Sturgess**  
Director

Date: Sep 8, 2023

# International Real Estate Limited

## Directors' responsibilities statement For the year ended 31 December 2022

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The directors are responsible for preparing the financial statements in accordance with applicable law and UK-adopted international accounting standards.

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 UK-adopted international accounting 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.

# International Real Estate Limited

## 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 2022

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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 2022 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/](http://www.icaew.com/en/members/regulations-standards-and-guidance/).

### Respective responsibilities of directors and accountants

You have acknowledged on the balance sheet for the year ended 31 December 2022 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**  
2nd Floor  
6 Sutton Plaza  
Sutton Court Road  
Sutton  
Surrey  
SM1 4FS

Date: Sep 13, 2023

# International Real Estate Limited

## Statement of comprehensive income For the year ended 31 December 2022

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	Notes	2022 £'000	2021 £'000
Revenue	3	73	158
Cost of sales		(52)	(17)
<b>Gross profit</b>		<u>21</u>	<u>141</u>
Other operating income	4	105	-
Administrative expenses	5	(205)	(158)
<b>Loss from operations</b>		<u>(79)</u>	<u>(17)</u>
Finance expense	7	(38)	(42)
<b>Loss before taxation</b>		<u>(117)</u>	<u>(59)</u>
Taxation	8	-	-
<b>Loss for the financial year</b>		<u><u>(117)</u></u>	<u><u>(59)</u></u>
Other comprehensive income for the year net of tax		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(117)</u></u>	<u><u>(59)</u></u>



# International Real Estate Limited

## Statement of financial position As at 31 December 2022

Company number: 02101254

	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Investment property	9	1,168	1,768
<b>Current assets</b>			
Trade and other receivables	11	74	145
Cash and cash equivalents		254	109
		<u>328</u>	<u>254</u>
<b>Total assets</b>		<u>1,496</u>	<u>2,022</u>
<b>Current liabilities</b>	12	<u>(308)</u>	<u>(316)</u>
<b>Non-current liabilities</b>	13	<u>(942)</u>	<u>(1,343)</u>
<b>Total liabilities</b>		<u>(1,250)</u>	<u>(1,659)</u>
<b>Net assets</b>		<u>246</u>	<u>363</u>
<b>Equity</b>			
Share capital	14	12	12
Retained earnings		234	351
<b>Total equity</b>		<u>246</u>	<u>363</u>

### Audit exemption statement


For the year ended 31 December 2022, 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 by:

**Dominique L Sturgess**  
Director

  
Dominique Sturgess (Sep 8, 2023 09:22 GMT+1)

Date: Sep 8, 2023

# International Real Estate Limited

## Statement of changes in equity For the year 31 December 2022

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	Share capital £'000	Retained Earnings £'000	Total £'000
<b>Balance at 1 January 2021</b>	12	410	422
<b>Changes in equity for 2021</b>			
Total comprehensive loss for the year	-	(59)	(59)
<b>Balance at 31 December 2021</b>	<u>12</u>	<u>351</u>	<u>363</u>
<b>Changes in equity for 2022</b>			
Total comprehensive loss for the year	-	(117)	(117)
<b>Balance at 31 December 2022</b>	<u><u>12</u></u>	<u><u>234</u></u>	<u><u>246</u></u>

# International Real Estate Limited

## Statement of cash flows For the year 31 December 2022

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	Notes	2022 £'000	2021 £'000
Net cash used in operating activities	15	(85)	(71)
<b>Investing activities</b>			
Proceeds from sale of investment property		669	-
<b>Net cash generated from investing activities</b>		<u>669</u>	<u>-</u>
<b>Financing activities</b>			
(Repayment)/proceeds of borrowings		(401)	32
Interest paid		(38)	(42)
<b>Net cash used in financing activities</b>		<u>(439)</u>	<u>(10)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		145	(81)
<b>Cash and cash equivalents at beginning of year</b>		<u>109</u>	<u>190</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>254</u></u>	<u><u>109</u></u>

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

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### 1 Accounting policies

#### a) General information

International Real Estate Limited is a Company incorporated in England and Wales and domiciled in the United Kingdom. The registered office of the Company is 89 Piccadilly, London, England, W1J 7NE.

The principal activity of the Company is that of an investment company.

#### 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 UK adopted international accounting standards.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the Company operates and are rounded to the nearest thousand pounds (£'000).

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 where 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 2022

There are no new standards, interpretations and amendments effective in the current year that have had a material impact on the Company's financial statements.

##### ii) New standards, interpretations and amendments not yet effective

There are no new standards, interpretations and amendments effective in future years that are expected to have a material impact on the Company's financial statements.

# International Real Estate Limited

## Notes to the financial statements

### For the year ended 31 December 2022

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#### 1 Accounting policies (continued)

##### d) Going concern

The directors have assessed the Company's ability to continue as a going concern and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In doing this, they have considered the results for the period, expectations of future trading and the availability of continued funding. On the basis of this information the directors are satisfied that the Company will continue as a going concern and so the financial statements have been prepared on this basis. 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.

##### 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.

##### 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.

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

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### 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.

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

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### 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.

Based on previous years, the directors do not consider there to be expected credit losses on their trade receivables and have therefore recognised an allowance of £nil (2021: £nil).

##### ***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.

# International Real Estate Limited

## Notes to the financial statements

### For the year ended 31 December 2022

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#### 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

###### *Lessor accounting*

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.



# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

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### 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

#### 3.1 Critical judgements in applying the Company's accounting policies

The critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

##### *Investment property valuation*

The Company uses the valuations performed by the directors as the fair value of its investment properties, when it considers that market conditions have impacted the current valuation. The valuation is based upon assumptions including future rental income, anticipated maintenance costs and the appropriate discount rate. The directors also make reference to market evidence of transaction prices for similar properties.

#### 3.2 Key sources of estimation uncertainty

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

##### *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 Turnover

All turnover arose from rental income derived within the United Kingdom.

4 Other operating income	2022 £'000	2021 £'000
Other income	36	-
Profit on sale of investment property	69	-
	<hr/>	<hr/>
	105	-
	<hr/> <hr/>	<hr/> <hr/>

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

<b>5</b>	<b>Administrative expenses</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
	Staff costs	115	50
	Legal and professional fees	27	39
	Insurance	12	11
	Maintenance and electricity	-	2
	Commission	6	3
	Other admin expenses	23	41
	Bad debts	22	12
		<u>205</u>	<u>158</u>

### **6 Staff costs**

The monthly average number of employees for the Company were:

	<b>2022 Number</b>	<b>2021 Number</b>
Executive directors	<u>1</u>	<u>1</u>

The aggregate employee remuneration for the Company comprised:

	<b>2022 £'000</b>	<b>2021 £'000</b>
Wages and salaries	102	45
Social security costs	13	5
	<u>115</u>	<u>50</u>

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

	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Executive directors</b>		
Emoluments	<u>115</u>	<u>50</u>

The executive directors comprised key management personnel of the Company.

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

7	Finance expense	2022 £'000	2021 £'000
	Bank interest and charges	2	2
	Interest payable on amounts due from related parties	36	40
		<u>38</u>	<u>42</u>

8	Tax	2022 £'000	2021 £'000
	Current tax charge	-	-
	Deferred tax charge	-	-
	Tax charge for the year	<u>-</u>	<u>-</u>

Corporation tax is calculated at 19% (2021: 19%) of the estimated assessable loss 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:

	2022 £'000	2021 £'000
Loss before tax	<u>(117)</u>	<u>(59)</u>
Tax on loss at UK standard rate at 19% (2021: 19%)	(22)	(11)
Remeasurement of deferred tax for changes in tax rates	(14)	(237)
Deferred tax not recognised	56	248
Fixed asset differences	(13)	-
Chargeable gains/(losses)	(7)	-
Tax charge for the year	<u>-</u>	<u>-</u>

At the reporting date the Company has unrecognised deferred tax assets in respect of unutilised tax losses carried forward of £1,043,475 (2021: £987,489) due to the fact that the Company was previously 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.

### Factors affecting future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

<b>9 Investment property</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fair value		
At 1 January	1,768	1,768
Additions	-	-
Disposals	(600)	
	<u>1,168</u>	<u>1,768</u>
At 31 December	<u>1,168</u>	<u>1,768</u>

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.

On 16<sup>th</sup> November 2022, the Company disposed of an investment property for consideration of £669,000.

### Lessor

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Rental income from investment property during the year	73	158
Direct operating expenses from property that generated rental income	-	(2)

The undiscounted maturity analysis of lease receivables are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	64	81
1-5 years	80	129
	<u>144</u>	<u>210</u>
Total	<u>144</u>	<u>210</u>

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

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### 10 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 entered into a Euro denominated loan facility, the risk is assessed on an on-going basis and the Company does not use derivative 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 were exposed. Following the new loan agreement issued during the year as detailed in note 13 the Company's exposure to foreign currency risk is £nil. The sensitivity analysis for 2021 is calculated on the loan outstanding at the prior year end, with all other variables held constant.

	<b>Increase by 10%</b>	<b>Decrease by 10%</b>
	<b>£'000</b>	<b>£'000</b>
Change in Euro (2022)	-	-
Change in Euro (2021)	126	(126)

##### *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.

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

### 10 Financial instruments (continued)

The following tables shows the Company's contractual maturity for the year to 31 December 2022.

	Carrying value £'000	In 1 year or less £'000	In 1 – 2 years £'000	In 2 – 5 years £'000	5 years or more £'000	Total £'000
<b>Financial assets</b>						
Trade and other receivables	74	74	-	-	-	74
Cash	254	254	-	-	-	254
<b>Financial Liabilities</b>						
Amounts owed to group undertakings	252	252	-	-	-	252
Other financial liabilities	56	56	-	-	-	56
Borrowings	942	24	47	71	1295	1,437

The following tables shows the Company's contractual maturity for the year to 31 December 2021.

	Carrying value £'000	In 1 year or less £'000	In 1 – 2 years £'000	In 2 – 5 years £'000	5 years or more £'000	Total £'000
<b>Financial assets</b>						
Trade and other receivables	145	145	-	-	-	145
Cash	109	109	-	-	-	109
<b>Financial Liabilities</b>						
Amounts owed to group undertakings	245	245	-	-	-	245
Other financial liabilities	71	71	-	-	-	71
Borrowings	1,343	32	64	96	1,790	1,982

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

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### 10 Financial instruments (continued)

#### *Credit risk*

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

The Company's financial instruments are categorised as follows:

<b>Financial assets</b>	<b>Measured at amortised cost</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Trade and other receivables	74	145
Cash	254	109
	<u>328</u>	<u>254</u>
	<u><u>328</u></u>	<u><u>254</u></u>

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

<b>Financial liabilities</b>	<b>Measured at amortised cost</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings and related parties	252	245
Other financial liabilities	56	71
Borrowings	942	1,343
	<u>1,250</u>	<u>1,659</u>
	<u><u>1,250</u></u>	<u><u>1,659</u></u>

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

### 11 Trade and other receivables

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Trade receivables	27	124
Amounts owed by related parties	22	6
Other receivables	14	3
Prepayments and accrued income	11	12
	<u>74</u>	<u>145</u>

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

Amounts owed by related parties are unsecured, interest-free and payable on demand.

### 12 Current liabilities

	2022 £'000	2021 £'000
Trade payables	1	10
Amounts owed to related parties (note 16)	252	245
Accruals	14	14
Contract liabilities	41	47
	<u>308</u>	<u>316</u>

### 13 Non-current liabilities

	2022 £'000	2021 £'000
Loan	-	1,343
Loan with related party	942	-
	<u>942</u>	<u>1,343</u>

The Company had a loan of €1,500,000 which was taken out on November 2019 and was repayable by November 2039. It carried a fixed interest rate at 2.5% per annum. The assessed fair value of the loan using discounted values at an available market rate as at 31 December 2021 was £448,000.

On 12 December 2022, the loan was transferred from Property Finance and Brokers Inc to the ultimate controlling party Controlco B.V. The transferred loan has been replaced with a new loan agreement of £1,500,000. The loan was taken out on December 2022 and is repayable by December 2042. It carries a fixed interest rate at 2.5% per annum. The assessed fair value of the loan using discounted values at an available market rate as at 31 December 2022 was £467,707.



# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

### 14 Share capital

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Issued and fully paid</b>		
1,200,000 Ordinary shares at 1p each	12	12
	<u>          </u>	<u>          </u>

The Company has one class of ordinary shares; each share carries one voting right but no right to fixed income.

### 15 Notes to the cash flow statement

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the year	(117)	(59)
Adjustments for:		
Profit on sale of investment property	(69)	
Finance expense	38	42
	<u>          </u>	<u>          </u>
Operating cash flows before movements in working capital	(148)	(17)
Decrease/(increase) in receivables	71	(17)
(Decrease)/increase in payables	(8)	(37)
	<u>          </u>	<u>          </u>
Net cash (used in)/generated from operating activities	<u>          </u>	<u>          </u>

	<b>01 Jan 2022</b>	<b>Cash flows</b>	<b>Non-cash flow</b>	<b>31 Dec 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowings	1,343	(401)	-	942
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# International Real Estate Limited

## Notes to the financial statements For the year ended 31 December 2022

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### 16 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 2022 are as follows:

	2022 £'000	2021 £'000
<i>Current</i>		
Controlco BV	252	245
<i>Non-current</i>		
Controlco BV	942	-
	<u>1,194</u>	<u>245</u>

All transactions were made at arm's length.

The current balance due to Controlco BV bears interest of 2.5% per annum and is repayable on demand. The non-current balance due to Controlco BV bears interest of 2.5% per annum and is repayable by December 2042.

### 17 Post balance sheet event

There have been no significant events affecting the Company since the year end.

### 18 Controlling party

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