International Property Finance (Spain) Limited

Registered number 5250305

Directors' Report and Financial Statements
for the year ended 31 March 2016

TUESDAY
L608EZ6J
LD3 14/02/2017 #76
COMPANIES HOUSE

DIRECTORS

C.L. Coleman
S.J. Fleming
Global Securitisation Services Limited
D.G. Oxburgh
N.D. Townson

SECRETARY

Global Securitisation Services Limited

REGISTERED OFFICE

Rock Farm
Fort Lane
Reigate Hill
Reigate
Surrey
RH2 9RN

INDEPENDENT AUDITOR

KPMG Channel Islands Limited
Glategny Court, Glategny Esplanade
St Peter Port
Guernsey
GY1 1WR

International Property Finance (Spain) Limited

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 March 2016.

RESULTS AND DIVIDENDS

The retained profit for the year amounted to EUR58 (2015: EUR 69). The Directors do not propose the payment of a dividend (2015: nil).

PRINCIPAL ACTIVITIES

The principal activity of the Company is to acquire, dispose of and deal in receivables derived from personal loan agreements.

REVIEW OF THE BUSINESS

The Directors are satisfied with the results of the Company for the year.From time to time the Company is involved in judicial proceedings or receives claims arising from the conduct of its business. Based upon available information and legal advice, the directors do not believe that there are any potential or actual proceedings or other claims which will have a material adverse impact on the Company's financial position.

FUTURE DEVELOPMENTS

The Directors will continue to closely monitor the Company's progress. There have been no significant events affecting the Company after the year end.

GOING CONCERN

No material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

DIRECTORS

The Directors who served during the year were as follows:

C.L. Coleman
S.J. Fleming
Global Securitisation Services Limited
D.G. Oxburgh
N. D. Townson

None of the Directors has or had, during the year under review, any beneficial interest in the shares of the Company.

SECRETARY

The Secretary of the Company during the year was Global Securitisation Services Limited.

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Channel Islands Limited will therefore continue in office.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board S Fleming

Global Securitisation Services Limited – Secretary

18 November 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the 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 whether they have been prepared in accordance with International Financial Reporting Standards as adopted by the EU; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL PROPERTY FINANCE (SPAIN) LIMITED

We have audited the financial statements of International Property Finance (Spain) Limited (the "Company") for the year ended 31 March 2016 which comprise the Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Neale Jehan

Neale D. Jehan (Senior Statutory Auditor)
For and on behalf of KPMG Channel Islands Limited, Statutory Auditor
Chartered Accountants
Glategny Court, Glategny Esplanade, St Peter Port
Guernsey, GY1 1WR
24 November2016

International Property Finance (Spain) Limited

BALANCE SHEET

As at 31 March 2016

	Notes	2016 EUR	2016 EUR	2015 EUR	2015 EUR
NON-CURRENT ASSETS					
Loans and receivables	3		43,383,176		48,736,284
CURRENT ASSETS					
Trade and other receivables	4	79,804		106,871	
Cash and cash equivalents	5	2,313	82,117	2,363	109,234
TOTAL ASSETS			43,465,293		48,845,518
CURRENT LIABILITIES					
Income Tax		(156)		(138)	
Trade and other payables	6	(215,552)	(215,708)	(174,054)	(174,192)
NON CURRENT LIABILITIES					
Interest-bearing loans	7		(43,248,275)		(48,670,074)
TOTAL LIABILITIES			(43,463,983)		(48,844,266)
NET ASSETS			1,310		1,252
SHAREHOLDERS EQUITY					
Share capital	8		3		3
Retained earnings	9		1,307		1,249
TOTAL EQUITY			1,310		1,252

The notes on pages 10 to 20 form part of these financial statements.

The financial statements of International Property Finance (Spain) Limited registered number 5250305 were approved by the Board of Directors on 18 November 2016.

Signed on behalf of the Board of Directors

N .D. Townson
Director

International Property Finance (Spain) Limited

INCOME STATEMENT
for the year ended 31 March 2016

	Notes	*Year ended 31 March 2016* *EUR*	*Year ended 31 March 2015* *EUR*
FINANCE REVENUE	*10*	757,038	914,803
FINANCE COSTS	*11*	(113,420)	(238,096)
		643,618	676,707
Administrative expenses	*12*	(643,542)	(676,616)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		76	91
TAX ON PROFIT ON ORDINARY ACTIVITIES	*15*	(18)	(22)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		58	69

The above results relate to continuing operations of the Company.

The Company has no recognised gains or losses other than those included in the Income Statement and therefore no separate Statement of Comprehensive Income has been prepared.

The notes on pages 10 to 20 form part of these financial statements.

International Property Finance (Spain) Limited

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2016

	Year ended 31 March 2016 EUR	*Year ended 31 March 2015 EUR*
Share Capital	3	3
Retained earnings		
As at 1 April	1,249	1,180
Profit for the year	58	69
As at 31 March	1,307	1,249
Total Shareholders' equity	1,310	1,252

The notes on pages 10 to 20 form part of these financial statements.

CASH FLOW STATEMENT
for the year ended 31 March 2016

	Year ended 31 March 2016	*Year ended 31 March 2015*
	EUR	*EUR*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	76	91
Adjustments for:		
Net interest income	(643,618)	(676,707)
	(643,542)	(676,616)
Changes in:		
Decrease in trade and other receivables	-	493,164
Decrease in interest bearing loans	(5,421,799)	(3,858,932)
Decrease in loans and receivables	4,773,221	3,182,099
Increase in impairment provision	579,887	40,000
Increase in trade and other payables	61,297	138,517
	(7,394)	(5,152)
Interest received	784,105	946,721
Interest paid	(133,219)	(264,956)
	650,886	681,765
NET CASH USED IN OPERATING ACTIVITIES	(50)	(3)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	(50)	(3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,363	2,366
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,313	2,363

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations endorsed by the European Union ('EU') and with those requirements of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared under the historical cost convention.

The financial statements are presented in Euros, which is the Company's functional currency and presentation currency. The functional currency is the currency of the primary economic environment in which the Company operates.

The principal accounting policies set out below have been consistently applied in the presentation of the financial statements.

There were no new standards and amendments to the standards which had a significant impact to the Company's financial statements.

Standards issued but not yet adopted
A number of new standards are permitted for early adoption, however, the Company has not applied the following new standards in preparing these financial statements.

- IFRS 9 Financial Instruments, replaces IAS 39;
- IFRS 15 Revenue from Contracts with Customers, replaces IAS 18.

The Company is assessing the potential impact on its financial statements resulting from the application of these new standards.

Going concern
No material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

Financial revenue and finance costs
Financial revenue and finance costs are recognised in the income statement using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the estimated future cash flows of a financial instrument to its net carrying amount. It is used to calculate the amortised cost of a financial asset or a financial liability and to allocate the interest over the relevant period (usually the expected life of the instrument). When calculating the effective interest rate, the Company considers all the contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes any premiums or discounts, as well as all fees and transaction costs that are an integral part of the loan.

Financial assets and liabilities
On initial recognition, IAS 39 requires that financial assets be classified into the following categories; fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recorded at initial loan amount, including any transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

Determination of fair value
There are no significant differences between the carrying value and fair value of any category of financial instrument.

Financial liabilities
All financial liabilities are carried at amortised cost.

Impairment of financial assets
Assets carried at amortised cost are assessed at each balance sheet date to determine whether there is objective evidence that a financial asset is impaired.

Impairment losses are incurred if there is objective evidence of impairment as a result of one or more events occurring after initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Objective evidence that a financial asset is impaired includes observable data about the following loss events:

i. significant financial difficulty of the issuer;
ii. a breach of contract, such as a default or delinquency in interest or principal repayment;
iii. granting to the borrower a concession, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
iv. it becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Impairment of loans and receivables
The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant.

Impairment losses are calculated on a collective basis in respect of losses that have been incurred but not yet identified on loans that are subject to individual assessment for impairment and for homogeneous groups of loans that are not considered individually significant. If no objective evidence of impairment exists for an individually assessed financial asset, it is included in a collective assessment for impairment with other assets with similar risk characteristics.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced using an allowance account. The amount of the loss is recognised in the income statement.

The calculation of the present value of the estimated future cash flows of a financial asset reflects the cash flows that may result from scheduled interest payments, principal repayments, or other payments due, including liquidation of collateral where available. In estimating these cash flows, management makes judgments about a counterparty's financial situation and the net realisable value of any underlying collateral or guarantees in the Company's favour. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are reviewed by the Credit Committee on a quarterly basis. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Collectively assessed credit risk allowances cover credit losses inherent in portfolios of claims with similar economic characteristics where there is objective evidence to suggest that they contain impaired claims but the individual impaired items cannot yet be identified. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics.

Future cash flows are estimated on the basis of historical loss experience. These estimates are subject to regular review and adjusted to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Impairment of loans and receivables (continued)
The accuracy of the allowances and provisions made depends on how accurately the Company estimates future cash flows for specific counterparty allowances and provisions and the model assumptions and parameters used in determining collective allowances. While this necessarily involves judgment, the Company believes that its allowances and provisions are reasonable and supportable.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the original effective interest rate which was used to discount the future cash flows for the purpose of measuring the impairment loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related to an objective event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement. When a loan is uncollectible, it is written off against the related provision for loan impairment. Recoveries received in respect of loans previously written off are recorded as a decrease in the impairment losses on loans and advances recorded in the income statement in the year in which the recovery was made.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits.

Taxation
Tax payable on profits is recognised in the income statement, except to the extent that it relates to items that are recognised in equity.

Significant estimates and judgements
In preparing these financial statements, management have made judgements, estimates and assumptions that affect the reported amounts of the Company balance sheet, income statement, statement of changes in equity, cash flow statement and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

As at 31 March 2016, the Company's significant estimate and judgment relates to the Company's loans and receivables and its corresponding impairment provision as disclosed in note 3.

2. FINANCIAL RISK MANAGEMENT

2.1 Strategy in using financial instruments

The key risks arising from the Company's activities involving financial instruments are as follows:

(i) Credit risk - the risk of loss arising from client or counterparty default.

(ii) Interest rate risk - exposure to changes in interest rates.

The identification, measurement and containment of risk is integral to the management of the Company's business.

2.2 Credit risk

Credit risk is the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company.
Exposure to credit risk is managed by detailed analysis of client and counterparty creditworthiness prior to entering into an exposure, and by continued monitoring thereafter. A significant proportion of the Company's lending exposures are secured on investment products or other assets; the Company monitors the value of collateral obtained. For internal monitoring purposes, credit exposure on loans is measured as the principal outstanding plus accrued interest.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016 (continued)

2.2 Credit risk (continued)

In addition, under the receivables trust agreement between the Company and Rothschild Bank International Limited, repayment of the Company's interest bearing loans are payable only to the extent of principal and interest receipts from the borrowers of the Company.

The directors review exposures on loans on a quarterly basis and for this purpose are classified as follows:
Category 1: the payments of interest and principle is not in doubt
Category 2: the payments of interest and principle is not in doubt but borrower requires observation because the position is deteriorating.
Category 3: Future deterioration: the borrower requires very close observation.
Category 4: Exposure is impaired. Partial provision is required.
Category 5: Full provision made. Recovery unlikely.

The following table discloses the maximum exposure to credit risk at the reporting date for financial assets with significant exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

	Category 1	Category 2	Category 3	Category 4	Category 5	Impairment Allowance	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
At 31 March 2016							
Loans and receivables	-	-	32,019	13,622	374	(2,632)	43,383
Cash & cash equivalents	2	-	-	-	-	-	2
Total	**2**	**-**	**32,019**	**13,622**	**374**	**(2,632)**	**43,385**
At 31 March 2015							
Loans and receivables	-	-	37,422	12,999	368	(2,053)	48,736
Cash & cash equivalents	2	-	-	-	-	-	2
Total	**2**	**-**	**37,422**	**12,999**	**368**	**(2,053)**	**48,738**

The Company has made specific impairment allowances against customer loans where the realisable value of the collateral has reduced below the value of the loan. A general impairment allowance has been made for the same class of loans where the underlying environment is deemed to be such that further losses may be incurred on the realisation of the portfolio.

The following table discloses geographically the maximum exposure of the Company to credit risk on assets and liabilities:

	Loans and Receivables	Current Assets	Total Assets	Total Liabilities
	EUR '000	EUR '000	EUR '000	EUR '000
At 31 March 2016				
United Kingdom	12,246	22	12,268	-
Guernsey	-	2	2	43,465
Europe	31,137	58	31,195	-
Total	**43,383**	**82**	**43,465**	**43,465**

	Loans and Receivables	Current Assets	Total Assets	Total Liabilities
	EUR '000	EUR '000	EUR '000	EUR '000
At 31 March 2015				
United Kingdom	13,282	39	13,321	-
Guernsey	-	3	3	48,846
Europe	35,454	68	35,522	-
Total	**48,736**	**110**	**48,846**	**48,846**

2.3 Market risk

Market risk arises as a result of the Company's activities in interest rate and currency markets and comprises interest rate and foreign exchange risk. During the year, exposure to market risk has been insignificant.

2.4 Currency risks

The Company has no significant foreign exchange risk.

2.5 Interest rate risk

Exposure to interest rate risk is the risk that arises when there is an imbalance between rate and non-rate sensitive assets, liabilities and off balance sheet items. The Company's policy is to maintain the interest rate risk at a minimal level. The Company does not consider the interest rate risk to be significant as the Company's loans are match funded.

The tables below shows management's estimate of the Company's interest rate sensitivity gap as at the reporting date.

	Up to 1 month	Non-interest bearing	Total
	EUR '000	EUR '000	EUR '000
At 31 March 2016			
Assets			
Loans and receivables	43,383	-	43,383
Current assets	-	82	82
Total assets	**43,383**	**82**	**43,465**
Liabilities and shareholders' equity			
Interest bearing loans	43,248	-	43,248
Current liabilities	-	216	216
Shareholders' equity	-	1	1
Total shareholders' equity and liabilities	**43,248**	**217**	**43,465**
Gap	**135**	**(135)**	**-**
Cumulative interest sensitivity gap	**135**	**-**	**-**

	Up to 1 month	Non-interest bearing	Total
	EUR '000	EUR '000	EUR '000
At 31 March 2015			
Assets			
Loans and receivables	48,736	-	48,736
Current assets	-	110	110
Total assets	**48,736**	**110**	**48,846**
Liabilities and shareholders' equity			
Interest bearing loans	48,670	-	48,670
Current liabilities	-	175	175
Shareholders' equity	-	1	1
Total shareholders' equity and liabilities	**48,670**	**176**	**48,846**
Gap	**66**	**(66)**	**-**
Cumulative interest sensitivity gap	**66**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016 (continued)

2.6 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet commitments. The policy throughout the year has been to ensure liquidity by match funding the Company's assets.

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period, at the reporting date, to the contractual maturity date.

	Repayable on demand and past due	Up to 1 month	1-3 months	3-12 months	1-5 years	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
At 31 March 2016						
Assets						
Loans and receivables	11,538	9,659	-	12,261	9,925	43,383
Current assets	29	22	-	14	17	82
Total assets	**11,567**	**9,681**	-	**12,275**	**9,942**	**43,465**
Liabilities						
Interest bearing loans	11,769	9,322	-	12,744	9,413	43,248
Current liabilities	209	2	-	3	2	216
Total liabilities	**11,978**	**9,324**	-	**12,747**	**9,415**	**43,464**
Gap	**(411)**	**357**	-	**(472)**	**527**	
Cumulative gap	**(411)**	**(54)**	**(54)**	**(526)**	**1**	

	Repayable on demand and past due	Up to 1 month	1-3 months	3-12 months	1-5 years	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
At 31 March 2015						
Assets						
Loans and receivables	365	689	-	14,109	33,573	48,736
Current assets	3	107	-	-	-	110
Total assets	**368**	**796**	-	**14,109**	**33,573**	**48,846**
Liabilities						
Interest bearing loans	3,920	-	603	-	44,147	48,670
Current liabilities	175	-	-	-	-	175
Total liabilities	**4,095**	-	**603**	-	**44,147**	**48,845**
Gap	**(3,727)**	**796**	**(603)**	**14,109**	**(10,574)**	
Cumulative gap	**(3,727)**	**(2,931)**	**(3,534)**	**10,575**	**1**	

2.7 Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Company's overall strategy remains unchanged from the prior year.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 7 and the equity attributable to equity holders, comprising issued capital and retained earnings as disclosed in notes 8 and 9.

The Company is not subject to externally imposed capital requirements.

3. LOANS AND RECEIVABLES

Loans and advances

	As at 31 March 2016 EUR	*As at 31 March 2015 EUR*
Loans and receivables	46,015,716	50,788,937
Allowance for credit losses	(2,632,540)	(2,052,653)
At 31 March	43,383,176	48,736,284

Allowances for impairment

	As at 31 March 2016 EUR	*As at 31 March 2015 EUR*
At 1 April	2,052,653	2,012,653
Specific allowances for impairment	579,887	40,000
At 31 March	2,632,540	2,052,653

The Company holds collateral against loans and receivables in the form of mortgage interests over property (physical collateral) and other registered securities over assets (financial collateral). Estimates of fair value of the physical collateral have been made during the year and provisions against any potential losses have been made based on these revaluations. Financial collateral has been revalued on a monthly basis.

As at 31 March 2016, the market value of financial collateral held by the Company was EUR27,489,245 (2015: EUR33,423,956) the fair value of physical collateral used was EUR22,727,771 (2015: EUR24,432,460).

The Company has the right to sell or repledge collateral held in the event of default by the borrower of either interest payments or principal repayments. No physical or financial collateral has been sold or repledged by the Company during the year ended 31 March, 2016 (2015: EURNil).

Past due but not impaired loans and receivables are those for which contractual interest or principal repayments are past due, but the Company believes that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed to the Company. As at 31 March 2016, principal payments of EURnil were past due but not impaired (2015:EURnil).

A detailed analysis of the exposure to credit risk for financial assets is shown in note 2.2.

Impaired loans are where the Company believes the value of all collateral, net of liquidation costs, is less than the principal outstanding. As at 31 March 2016, principal payments of EUR13,996,230 were classified as impaired (2015: EUR13,367,727) with EUR 579,887 provided for impairment provisions during the year (2015: EUR40,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016 (continued)

4. TRADE AND OTHER RECEIVABLES

	As at 31 March 2016 EUR	*As at 31 March 2015 EUR*
Accrued interest	79,804	106,871

5. CASH AND CASH EQUIVALENTS

	As at 31 March 2016 EUR	*As at 31 March 2015 EUR*
Current accounts	2,313	2,363

6. TRADE AND OTHER PAYABLES

	As at 31 March 2016 EUR	*As at 31 March 2015 EUR*
Other creditors	35,239	15.286
Due to fellow group companies	169,603	128,259
Accrued interest	10,710	30,509
	215,552	174,054

7. INTEREST- BEARING LOANS

	As at 31 March 2016 EUR	*As at 31 March 2015 EUR*
Financing facility	43,248,275	48,670,074

The financing facility is secured by the Company's interest in the loans to customers. The terms of the facility are shown in note 16.

8. SHARE CAPITAL

	As at 31 March 2016 £	*As at 31 March 2015 £*
Authorised share capital *100* Ordinary shares of £1 each	100	100
	EUR	*EUR*
Allotted and called *2* Ordinary shares of £1 each	3	3

The holders of the Ordinary shares have full voting rights.

9. RETAINED EARNINGS

	Year ended 31 March 2016 EUR	Year ended 31 March 2015 EUR
At 1 April	1,249	1,180
Profit for the year	58	69
At 31 March	1,307	1,249

10. FINANCE REVENUE

The analysis of the finance revenue by activity is as follows:

	Year ended 31 March 2016 EUR	Year ended 31 March 2015 EUR
Loans and receivables	757,038	914,803

11. FINANCE COSTS

The analysis of the finance costs by activity is as follows:

	Year ended 31 March 2016 EUR	Year ended 31 March 2015 EUR
Interest bearing loans	113,420	238,096

12. ADMINISTRATIVE EXPENSES

	Year ended 31 March 2016 EUR	Year ended 31 March 2015 EUR
Payable to Rothschild Bank International Limited (see note 16)	56,298	632,083
Provision for loan losses	579,887	40,000
Auditors remuneration	5,000	4,533
Other administrative expenses	2,357	-
	643,542	676,616

13. DIRECTORS AND EMPLOYEES

The Directors received no remuneration and there were no employees during the year.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an orderly transaction at the measurement date.

The methods adopted to determine the fair value of each type of financial asset or liabilities are summarised below:

For cash and cash equivalents the fair value is considered to be the same as their carrying value due to the short term nature of the financial asset or liability.

Loans and advances to customers have been reviewed for their terms and pricing based on current market interest rates for recent similar transactions. The management estimate that where a material difference in terms and/or pricing has been observed, that the fair value of the asset would be €610,000 less than the carrying value as at 31 March 2016 (2015: €675,000).

Other financial assets and liabilities - fair value is considered to be the same as carrying value for these assets.

The following table analyses financial instruments not measured at fair value at the reporting date, by the level in fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the balance sheet.

31 March 2016	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial assets				
Loans and receivables	-	43,383	-	43,383
Cash and cash equivalents	-	2	-	2
Fair value of financial assets	-	43,385	-	43,385
Financial liabilities				
Interest bearing loans	-	43,248	-	43,248

Fair value of financial instruments

31 March 2015	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial assets				
Loans and receivables	-	48,736	-	48,736
Cash and cash equivalents	-	2	-	2
Fair value of financial assets	-	48,738	-	48,738
Financial liabilities				
Interest bearing loans	-	48,670	-	48,670

Level 1: Comprises of financial instruments whose value are determined by quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Comprises of financial instruments whose value are determined by inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
Level 3: Comprises of financial instruments whose value are determined by inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For collateral-dependent impaired loans, the fair value is measured based on the market of financial collateral and property revaluations for physical collateral.

The Company' policy on the transfer of financial assets and liabilities is to determine the level at the end of the reporting period and record transfers at that point. There were no transfers between Level 1 and Level 2 in the year.

15. TAX ON PROFITS ON ORDINARY ACTIVITIES

Tax is based on the results for the year and comprises:

	Year ended 31 March 2016 EUR	*Year ended 31 March 2015 EUR*
United Kingdom corporation tax at 24% (applicable tax rate) (2015: 24%)	18	22
	18	22

16. RELATED PARTY TRANSACTIONS

The Company has a loan from Rothschild Bank International Limited (RBI). The balance at 31 March 2016 is EUR43,248,275 (2015: EUR48,670,074). Interest is payable on the loan at a margin of 0.28% over 3 months EURIBOR with repayment profile as disclosed in note 2.6.

Included in current accounts are cash balances the Company has placed with RBI. The balance at 31 March 2016 is EUR2,310 (2015: EUR2,319).

During the period the Company has incurred servicing and management fees of EUR126,282 (2015: EUR134,711), interest charges of EUR113,420 (2015: EUR238,096) and amounts receivable under the receivable trust agreement to RBI of EUR69,984 (2015: payable EUR497,374).

Included in payables at 31 March 2016 is EUR169,603 (2015: EUR128,259) of servicing and management fees and amounts receivable under the receivable trust agreement with RBI.

Included in accruals at 31 March 2016 is EUR10,710 (2015: EUR30,509) of interest charges due to RBI.

17. LEGAL PROCEEDINGS

From time to time the Company is involved in judicial proceedings or receives claims arising from the conduct of its business. Based upon available information and legal advice, the Directors do not believe that there are any potential or actual proceedings or other claims which will have a material adverse impact on the Company's financial position.

18. CONTROLLING PARTY

At the start of the year the Company was a wholly owned subsidiary undertaking of Rothschild Bank International Limited. On 31st March 2016 the Company was sold to Shield Holdings (Guernsey) Limited.

At 31 March 2016, the largest group in which the results of the Company were consolidated was that headed by Rothschild Concordia SAS, incorporated in France.

As at the 31 March 2016 the smallest group in which the results are consolidated was that headed by Rothschild Bank International Limited, registered in Guernsey.