SANTA FE
GROUP

Company Registration No. 05652020

SANTA FE GROUP LIMITED

ANNUAL REPORT
2019

SANTA FE
GROUP

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MANAGEMENT REPORT

Company Information

Directors:	Yann Blandy Runar Nilsen
Registered office:	Santa Fe Group Limited 15 Central Way Park Royal London NW10 7XW
Company number:	05652020
Independent auditor:	KPMG LLP 58 Clarendon Road Watford Hertfordshire WD17 1DE

SANTA FE
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Strategic Report

Business review

The directors present their strategic report of the group and the company for the financial year ended 31 December 2019. The principal activity of the group engaged in the international corporate moving and relocation business.

Results and financial position

Parent

The Parent company did not trade during the year but acted as the principal holding company for the Santa Fe Group.
The Parent profit and loss account is set out on page 57 and shows the results for the year.
The loss on ordinary activities before taxation was EUR 29.0m compared to EUR 65.7m in 2018. The loss was in 2019 impacted by impairment of subsidiaries of EUR 16.0m (2018: EUR 62.8m) with no cash flow impact.

Consolidated Group

Revenue of EUR 193.5m (2018: EUR 214.2m) was equivalent to a decrease of 9.7% in EUR and in particular UK declined in Europe and several Asian markets also realised lower revenue. Revenue was impacted by lower activity from existing customers combined with the lack of sufficient new business to compensate.

The loss on ordinary activities before taxation was EUR 20.3m compared to *EUR* 54.5m in 2018. The significant revenue decline was the main factor impacting earnings combined with increased financing expenses. This was to some extent mitigated by fixed costs savings, primarily within staff costs, following restructuring initiatives completed over the past couple of years.

KPI
The financial key performance indicators of the Group are listed below:

- Organic revenue growth in local currencies was negative at 11.2%.
- EBITDA (before special items) of EUR 8.7m (2018: EUR 0.3m). 2019 benefitted from the implementation of IFRS 16. On a comparable basis EBITDA before special items was EUR -0.6m in 2019.

- Growth in high margin relocation services in local currencies
- Growth in the Consumer line of business in local currencies
- Volume of bookings / value per booking file in the Moving business
- Volume of initiations/ value per case raised in the Relocation business

Future prospects

It is the directors' intention for the Parent company to continue to act as an intermediate holding company and not to trade.

The Group will continue to be engaged in the international corporate moving and relocation business with an increased focus on the consumer moving market.

The Covid19 pandemic has forced the Santa Fe Group to focus intensively on cost reductions temporary as well as permanent rather than growing the business in the short term. The financial strategy is focused on improving the financial strength and flexibility and managing cash and liquidity tightly. In 2020, the Group will also undertake a Strategic Review of the business to create a growth plan for the future. To compensate for the revenue decrease during 2020 different cost saving initiatives have been activated, along with an aim to automate the moving process to further reduce cost. A more asset light business model should likewise contribute to a more agile business model better geared to adapt to fluctuations in activity. A changed leadership structure is being developed to better fit a smaller business which likewise will lower headquarter cost.

Significant Events

Change of Control

On 25 September 2019 Santa Fe Group Limited was acquired by Santa Fe Intressenter AB, a company controlled by Lazarus Equity Partners with support from Proventus Capital Partners. In conjunction with this transaction, the Santa Fe Group has reached a long-term financing agreement with its financing partner, Proventus Capital Partners, which has ensured the future of the company.

Refinancing

In December 2019, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements. The new final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement was amended to 31 December 2023. Information undertakings and standard financial maintenance covenants with respect to EBITDA and cash have been agreed upon.

Due to Covid19 the moving and relocation activities has been blocked for several months during 2020 which has led to increased pressure on liquidity. Proventus Capital Partners has further supported the business by EUR 6m in additional funding during Q2 2020. The additional loan of EUR 6m falls due by the end of March 2021.

Impairment

Each year the directors conduct a review of the carrying value of the company's investments in its subsidiary companies. Following the lower activity in relation to the Company's investment in Hong Kong, the directors have concluded that the book value of the Company's investments held is lower than their recoverable amount which has led to an impairment recognised during 2019.

Section 172 (1) Statement and Statements on engagement with employees, suppliers, customers and others

Employees

The Owners and Management does actively keep the employees updated and engaged in the business by providing weekly updates, online townhalls etc. in order to share information effectively to all employees of the company.

The Group seeks to embrace diversity and have formed a working group to discuss and maintain the appropriate level of diversity throughout the Group.

Engagement with suppliers

We work closely with the supply chain, and have a very close with relationship with suppliers with the widespread geographical footprint in more than 40 countries around the globe. The Company has taken measures to prevent modern slavery and human trafficking in its business and supply chains.

Customers

The Customer Research team collects data through online surveys and other customer feedback. Regularly customer satisfaction reports are produced for management and are regularly shared with Directors.

Financial stakeholders

The Company has a good relationship with the main lender Proventus Capital Partners and do openly and transparent make financial information available soonest possible. Proventus Capital Partners does also have an observer seat on Board meeting.

Business conduct

The Company aims to conduct all its business relationships with integrity and courtesy. All employees are obligated to read, understand and confirm compliance with the business code of conduct. Management does not under any circumstances tolerate non-compliance behaviour.

Financial risks

For a detailed review of the Groups financial risk please refer to section 4.4 of the Annual Report.

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Given the international scope of the Santa Fe Group's business activities, the Group is exposed to financial market risk, i.e. the risk of losses as a result of adverse movements in exchange rates and interest rates. The Group is also exposed to financial counterparty credit risk, liquidity and funding risk.

The Santa Fe Group's financial risk management activities are centralised and co-ordinated within a policy framework approved by the Board of Directors. It is the Group's policy not to engage in any active speculation in financial risks.
The Board of Directors reviews the Group's capital structure on an ongoing basis to ensure that the capital structure is appropriate, relative to the Group's commitments, strategy and future prospects. In September 2019 Santa Fe Group was acquired by Santa Fe Intressenter AB, a company controlled by Lazarus Equity Partners with support from the Group's main lender Proventus Capital Partners. In December 2019 Santa Fe Group concluded a new 4 year facility agreement with Proventus Capital Partners on the financing arrangements for 2020-2023. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 31 December 2023 when the whole facility is due for repayment.

Liquidity risk is the risk of Santa Fe Group Limited being unable to meet its obligations as they fall due because of inability to realise assets or obtain adequate funding. Santa Fe Group Limited aim at maintaining a liquidity position which is sufficient to service financial obligations as they fall due.

COVID19

The Coronavirus is currently, the largest single external risk factor impacting the business, impacting customers, operations, and in particular the liquidity risk. Please refer to the section around subsequent events for further details.

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Ronar Nilsen

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Director

4 December 2020

Santa Fe Group Limited
15 Central Way
Park Royal
London
NW10 7XW

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Directors' Report

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

Section 172 (1)

In accordance with Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Company's statements on engagement with, and having due regard to, the interests of employees and key stakeholders within Section 172 (1) report in the Strategic report (page 6)

Principal activity

The Parent company is a direct holding company for a consolidated group of companies engaged in the international corporate moving and relocation business. During the year the Parent company operated as an intermediary holding company for the purpose of performing management services for other group companies. Its principal source of income is dividends from those Group companies and costs being management costs not charged out to the other Group companies.

Reporting currency

The company presents its accounts in Euros, for consistency with most other companies in the group of which it is a part.

Directors

The directors who held office during the year were as follows:

M Thaysen	–	Resigned 25th September 2019
C M Laursen	–	Resigned 29th August 2019
R Nilsen	–	Appointed 25th September 2019
Y Blandy	–	Appointed 25th September 2019

Political contributions

The Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year.

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

Other information

An indication of likely future developments in the business have been included in the Strategic Report on page 5.

Going concern

Notwithstanding net liabilities of €5.5m as at 31 December 2019 and a loss for the year of €19.2m, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the period to 31 December 2021. In preparing those forecasts they have considered the most likely impacts of Covid-19. Specifically, they have considered a severe but plausible downside scenario in which the reduced level of revenues during 2020 continue at that level until 31 December 2021. The forecast also takes into account the cost mitigation actions taken which are in the Group's control.

The Group forecasts are dependent on continued access to the loan of €38m with Proventus Capital Partners. The loan has a maturity date of 31 December 2023 with no repayments due until 31 December 2023. This loan includes financial covenants related to a rolling 12 month EBITDA requirement measured quarterly from 31 December 2020 and a minimum cash requirement measured monthly from 1 January 2020. The Group's base case forecast shows an expected breach of the EBITDA covenant at 31 December 2020 and 31 March 2021 with no subsequent breaches anticipated. The cash covenant is not expected to be breached in the base case forecast. In the severe but plausible downside scenario, the EBITDA covenant is expected to be breached at each measurement date over the forecast period with the cash covenant expected to be breached from April 2021 until the end of the forecast period.

The forecast also includes a second loan with Proventus Capital Partners of €6m which is due to be repaid in March 2021. The directors are currently in advanced discussions around the divestment of one of the Groups warehouses in China as well as other options which should provide the group with additional liquidity in the first quarter of 2021. Whilst there is no certainty that the divestment will happen prior to the loan instalment being due, the base case cash flow forecasts demonstrate sufficient liquidity to repay the loan should the warehouse divestment not occur. A cash deficit would occur in the severe but plausible downside scenario should the divestment not occur. However, the Group's results for FY20 are currently in line with the base case scenario and the Group also continues to work on further cost reductions which should further enhance the Group's liquidity both in Q1 2021 and throughout the rest of the year.

At no point during the forecast period does the base case scenario anticipate that the Group will not have sufficient liquidity to continue to trade. The severe but plausible downside scenario only results in a liquidity deficit should the divestment of the warehouse in China not complete prior to the €6m loan repayment becoming due. If this scenario should arise, there are further options that management can take to secure additional liquidity as discussed above.

The directors have discussed the anticipated covenant breaches, required covenant waivers and €6m loan repayment due in March 2021 with Proventus Capital Partners (the Group's loan provider) and consequently they are confident that Proventus Capital Partners will continue to support the Group as they have done in the past. This is further supported by the agreement from Proventus Capital Partners to convert up to €15 million of the €38m loan into share capital before 31 December 2020 as is explained in note 19 to the financial statements.

Business Activity in the Group's markets during the Covid-19 crisis has progressed differently according to the severity of the impacts in each geography and the speed with which countries have controlled the virus. Correspondingly some of the Asian markets are rebounding quicker than those in Europe, with the Asian moving business seeing activity levels that are only slightly behind 2019. Whilst a lot of this activity is being driven by repatriations from organisations who are bringing workers back to Europe or individuals who are choosing to relocate, this trend is continuing to keep activity levels in the moving business trending quite close to 2019 levels. Conversely activities in the Relocation Services business have been slower to improve, however the Group does see discernible improvements in trading within each segment of the Relocation Services business.

Supported by strong cash and working capital management measures, as well as the continued backing of Proventus Capital Partners, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances outlined above (the forecast EBITDA covenant breaches in December 2020 and March 2021, ability to repay the €6m loan due in March 2021 and breaches of the cash covenant from April 2021) represent material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Subsequent events

Capital structure

To further strengthen the capital structure of the Group the main lender Proventus Capital Partners did on 10 July 2020 agree to assign up to EUR 15m of debt in Santa Fe Group Limited into the direct parent company Santa Fe Intressenter AB. The subsequent total amount of the shareholder loan to Santa Fe Intressenter AB of EUR 19.7m cound before year-end 2020 be converted into share capital in Santa Fe Group Limited.

COVID19

The Coronavirus is currently, the largest single external risk factor impacting the business, impacting customers, operations, and in particular the liquidity risk.

Liquidity: Whilst the temporary lockdown of a substantial part of our moving and relocation activities has a significant impact on cash flow, a number of actions have been taken to maintain sufficient liquidity. Capital investment has been put on hold. All discretionary spend such as marketing and travel activities is kept to the absolute minimum. Temporary voluntary pay-cut from 25-50% has been accepted by the vast majority of the work force and the company has ensured that local Government support is utilised throughout the Group. Lease and supplier contracts have been renegotiated to the largest possible extent.

On top of all these initiatives, the Santa Fe Group has been able to rely on support from Proventus Capital Partners who financially have supported with additional funding.

Customers: Due to the uncertainty, the timing of moving and relocation activities are extremely difficult to predict. During this difficult phase, the Santa Fe Group continues to do everything possible to support customers and to make sure that services can be delivered once circumstances allow. The Santa Fe Group is taking all protective measures to make sure that the customers are kept safe throughout the service.

No other material events have taken place after 31 December 2019.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

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Runar Nilsen
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Runar Nilsen
Director

4 December 2020

Santa Fe Group Limited
15 Central Way
Park Royal
London
NW10 7XW

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

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD IN SANTA FE GROUP LIMITED

Opinion

We have audited the financial statements of Santa Fe Group Limited ("the company") for the year ended 31 December 2019 which comprise the consolidated and parent income statement, consolidated and parent statement of comprehensive income, consolidated and parent balance sheet, consolidated and parent statement of changes in equity, consolidated cash flow statement, including the group and parent accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.7 to the financial statements which describes uncertainties related to the continued availability of sufficient appropriate funding since the group is likely to breach covenants over the forecast period. These events and conditions, along with the other matters explained in note 1.7, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;

Independent Auditor's Report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD IN SANTA FE GROUP LIMITED (continued)

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Auditor's responsibilities (continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD IN SANTA FE GROUP LIMITED (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

C. Anderson

Charlotte Anderson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

58 Clarendon Road

Watford

Hertfordshire

WD17 1DE

4 December 2020

FINANCIAL STATEMENTS

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GROUP CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Income Statement

EURm	Note	2019	2018
External revenue	2.1, 2.2	**193.5**	**214.2**
Direct costs	2.3	-103.2	-118.5
Other external expenses	2.4	-17.4	-22.2
Staff costs	2.5	-66.7	-75.5
Other operating income	2.6	2.7	1.9
Other operating expenses	2.7	-0.2	-0.2
Operating profit/loss before amortisation, depreciation, impairment and special items		**8.7**	**-0.3**
Special items, net	2.8	-6.4	-4.6
Operating profit before amortisation, depreciation and impairment		**2.3**	**-4.9**
Amortisation and depreciation of intangibles, property, plant and equipment	3.1, 3.2, 3.3	-13.5	-5.2
Impairment of goodwill and other intangibles		-	41.6
Operating loss		**-11.2**	**-51.7**
Financial income	4.1	0.5	1.8
Financial expenses	4.1	-9.6	-4.6
Share of profit in associates		0.0	0.0
Loss before income tax expense		**-20.3**	**-54.5**
Income tax expense	5.1	-2.2	-2.6
Loss from continuing operations		**-22.5**	**-57.1**
Profit/loss from discontinued operations	5.5	3.3	-13.9
Net loss for the year		**-19.2**	**-71.0**
Attributable to:			
Equity holders of the parent Santa Fe Group Limited		-19.2	-71.0
Non-controlling interests		0.0	0.0

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Consolidated Statement of Comprehensive Income

EURm	2019	2018
Net loss for the year	**-19.2**	**-71.0**
Other comprehensive income for the year:		
Items not reclassifiable to the income statement		
Actuarial gains/ (losses), defined benefit obligations	0.0	0.6
Taxes	0.0	-0.1
Total items not reclassifiable to profit or loss, net of tax	**0.0**	**0.5**
Items reclassifiable to the income statement		
Foreign currency translation adjustments, foreign entities	1.7	-0.2
Foreign currency translation adjustments, transferred to profit from discontinued operations	-	6.1
Total items reclassifiable to the income statement, net of tax	**1.7**	**5.9**
Other comprehensive income, net of tax	**1.7**	**6.4**
Total comprehensive loss	**-17.5**	**-64.6**
Total comprehensive income attributable to:		
Equity holders of the parent Santa Fe Group Limited	-17.5	-64.6
Non-controlling interests	0.0	0.0

SANTA FE GROUP

Consolidated Balance Sheet - Assets

EURm	Note	**31.12.2019**	31.12.2018
Non-current assets			
Intangible assets	3.1	18.5	19.0
Property, plant and equipment	3.2	8.8	10.4
Right of use asset	3.3	19.6	-
Investment in associates		0.2	0.2
Other investments		0.0	0.4
Deferred tax	5.2	0.8	1.4
Other receivables		1.8	0.8
Total non-current assets		**49.7**	**32.2**
Current assets			
Inventories		1.5	1.8
Trade receivables	4.4	40.7	48.0
Contract assets	2.2	6.6	10.6
Other receivables	3.4	9.4	8.1
Current tax receivable		0.4	0.9
Cash and cash equivalents	4.5	13.6	20.4
		72.2	89.8
Assets held for sale	3.2	1.7	1.7
Total current assets		**73.9**	**91.5**
Total assets		**123.6**	**123.7**

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Consolidated Balance Sheet – Equity and Liabilities

EURm	Note	31.12.2019	31.12.2018
Equity			
Share capital		172.1	172.1
Translation reserve		0.2	-1.5
Retained eamings		-177.8	-158.4
SFG' share of equity		**-5.5**	**12.2**
Non-controlling interests		0.0	0.0
Total equity		**-5.5**	**12.2**
Liabilities			
Non-current liabilities			
Borrowings	4.3	38.0	0.0
Lease liabilities	4.3	14.0	2.8
Shareholder loan	4.3	4.7	5.6
Deferred tax	5.2	0.5	1.5
Provisions for other liabilities and charges	3.7	1.3	1.1
Defined benefit obligations	3.5	0.9	0.9
Total non-current liabilities		**59.4**	**11.9**
Current liabilities			
Borrowings	4.3	-	36.8
Lease liabilities	4.3	9.0	0.4
Trade payables	4.2	37.7	39.6
Contract liabilities	2.2	4.6	5.9
Other liabilities	3.6	14.2	14.8
Current tax payable		1.5	1.0
Provisions for other liabilities and charges	3.7	2.7	1.1
Total current liabilities		**69.7**	**99.6**
Total liabilities		**129.1**	**111.5**
Total equity and liabilities		**123.6**	**123.7**

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tements were approved by the board of directors on 4 December 2020 and were signed on its behalf by:

Runar Nilsen

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Director

Company registered number: 05652020

The notes on pages 23 to 55 form an integral part of these financial statements.

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Consolidated Statement of Changes Equity

EURm	Share capital	Translation reserves	Retained earnings	SFG's share of equity	Non-controlling interests	Total equity
Equity at 1 January 2019	**172.1**	**-1.5**	**-158.4**	**12.2**	**0.0**	**12.2**
Comprehensive income for the period						
Loss for the period	-	-	-19.2	-19.2	0.0	-19.2
Other comprehensive income						
Foreign currency translation adjustments, foreign entities	-	1.7	-	1.7	-	1.7
Actuarial gain/(losses), defined benefit obligations reclassified	-	-	0.0	0.0	-	0.0
Tax on other comprehensive income, reclassified	-	-	0.0	0.0	-	0.0
Total other comprehensive income	0.0	1.7	0.0	1.7	0.0	1.7
Total other comprehensive income for the period	**0.0**	**1.7**	**-19.2**	**-17.5**	**0.0**	**-17.5**
Transactions with the equity holders						
Share grant	-	-	-0.2	-0.2	-	-0.2
Total transactions with the equity holders	**0.0**	**0.0**	**-0.2**	**-0.2**	**0.0**	**-0.2**
Equity at 31 December 2019	**172.1**	**0.2**	**-177.8**	**-5.5**	**0.0**	**-5.5**

Equity at 1 January 2018	**172.1**	**-7.4**	**-88.0**	**76.7**	**0.0**	**76.7**
Comprehensive income for the period						
Loss for the period	-	-	-71.0	-71.0	0.0	-71.0
Other comprehensive income						
Foreign currency translation adjustments, foreign entities	-	-0.2	-	-0.2	-	-0.2
Foreign currency translation adjustments, transferred to profit from discontinued operations	-	6.1	-	6.1	-	6.1
Actuarial gain/(losses), defined benefit obligations	-	-	0.6	0.6	-	0.6
Tax on other comprehensive income	-	-	-0.1	-0.1	-	-0.1
Total other comprehensive income	0.0	5.9	0.5	6.4	0.0	6.4
Total other comprehensive income for the period	**0.0**	**5.9**	**-70.5**	**-64.6**	**0.0**	**-64.6**
Transactions with the equity holders						
Share grant	-	-	0.1	0.1	-	0.1
Total transactions with the equity holders	**0.0**	**0.0**	**0.1**	**0.1**	**0.0**	**0.1**
Equity at 31 December 2018	**172.1**	**-1.5**	**-158.4**	**12.2**	**0.0**	**12.2**

No ordinary dividends are proposed for 2018 and 2019

SANTA FE
GROUP

Consolidated Cash Flow Statement

EURm	Note	31.12.2019	31.12.2018
Cash flows from operating activities			
Operating profit/loss		-11.2	-51.7
Adjustment for:			
Depreciation and amortisation and impairment losses		13.4	46.8
Other non-cash items	4.7	0.6	1.0
Gain on divestment of Record Management business	4.9	0.0	-0.6
Change in working capital	4.8	8.6	1.1
Interest paid		-6.1	-3.2
Interest received		0.0	0.1
Corporate tax paid		-1.4	-7.8
Net cash flow from operating activities		**3.9**	**-14.1**
Cash flows from investing activities			
Investments in intangible assets and property, plant and equipment		-2.4	-4.1
Proceeds from sale of non-current assets		0.6	0.7
Proceeds from Sale of Records Management activities	4.9	0.0	16.2
Proceeds from sale of discontinued operations (less restricted cash balances disposed)	5.5	0.0	-0.5
Change in non-current investments		0.0	0.6
Net cash flow from investing activities		**-1.8**	**12.9**
Net cash flow from operating and investing activities		**2.1**	**-1.2**
Cash flows from financing activities			
Proceeds from borrowings	4.3	0.0	38.9
Repayment of borrowings		-0.4	-26.9
Capitalised financing and legal expenses		-0.3	-2.2
Repayment of lease liabilities		-7.9	0.0
Repayment of shareholder loan		-0.9	-1.8
Net cash flow from financing activities		**-9.5**	**8.0**
Net cash flow from discontinued operations	5.5	0.0	-5.1
Changes in cash and cash equivalents		**-7.4**	**1.7**
Cash and cash equivalents at beginning of year, continuing operations		20.4	18.0
Cash and cash equivalents at beginning of year presented as discontinued operations		0.0	0.7
Translation adjustments of cash and cash equivalents		0.6	0.0
Cash and cash equivalents at end of year	4.5	**13.6**	**20.4**

Consolidated Notes

1. Basis of preparation of the consolidated financial statement

The consolidated financial statements of the Santa Fe Group Limited for 2019 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and UK disclosure requirements for limited companies.

1.1 General information

The Santa Fe Group Limited (the Company) and its subsidiaries (together the Santa Fe Group or the Group) own minority shareholdings in three different companies.

The Company is a Private limited liability company incorporated and domiciled in UK. The address of its registered office is Central Way (Park Royal) London, NW10 7XW, United Kingdom.

The annual report comprises both consolidated financial statements and separate Parent Company financial statements.

Santa Fe Group Ltd. has provided a guarantee for the purposes of exemption from audit of the individual company account under section 479 (2)(a) of the Companies Act 2006 for the following company: Santa Fe Europe Limited (Company Registration No. 03788202).

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 57 to 72.

The financial statements are presented in EUR million unless otherwise stated.

The Group's subsidiaries of the Parent company are listed in separate section in the Parent Financial Statements. Please refer to page 72

1.2 Changes in accounting policies and estimates

The Group has adopted the IFRS standards and amendments that are effective from 1 January 2019.
Implementation of these standards and amendments do not have a material effect on the Group's financial statements and are not expected to have any significant future impact.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards, except for separately presenting impairment loss on trade receivables and contract assets.

Of the new standards and amendments implemented in 2019 the most significant are as follows:

IFRIC 23
Uncertainty over income tax treatments clarifies the accounting for uncertainties in income taxes

IFRS 16 Leases
The Group initially applied IFRS 16 Leases from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3.3.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

B. As a lessee

As a lessee, the Group leases many assets including property, vehicles and IT equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under IAS 17

Previously, the Group classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019 (see Note C(i) below). Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application: the Group applied this approach to its largest property lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

C. Impact on financial statements

Impact on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings.

The impact on transition is summarised below:	EURm
Right-of-use assets – property, plant and equipment	26.3
Prepaid rent at transition	0.6
Lease liabilities	25.7
Retained earnings	0.0

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted- average rate applied is around 7.2%.

The operating lease commitments under IAS 17 at 31 December 2018, as disclosed in the Annual Report and lease liabilities recognised in the opening balance at 1 January 2019 in accordance with IFRS 16 can be specified as follows:

The impact on transition related to lease liabilities:	EURm
Operating lease commitments (not discounted) disclosed in the notes at 31 December 2018	27.2
Commitments not part of the notes 31 December 2018 and other adjustments	2.0
Undiscounted lease liability	29.2
Discounting effect	-3.7
Lease liability recognised at 1 January 2019	**25.5**

1.3 Consolidated financial statements

Subsidiaries
Subsidiaries are entities over which the Santa Fe Group Limited has control.

The Santa Fe Group Limited has control over an entity, when the Group is exposed to or has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity. Only potential voting rights that are considered to be substantive at the balance sheet date are included in the control assessment. Subsidiaries are fully consolidated from the date on which control is transferred to the Santa Fe Group Limited. They are deconsolidated from the date on which control ceases. Intercompany transactions, balances and unrealised gains on transactions between consolidated companies are eliminated.

1.4 Foreign currency translation

Items included in the financial statements of each of the Santa Fe Group Limited's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The Santa Fe Group Limited is a privately owned Group, and the consolidated financial statements are presented in EUR ('presentation currency') representing the predominant functional currency within Santa Fe Group Limited.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Santa Fe Group Limited companies
The items of the income statements and balance sheets of foreign subsidiaries with a functional currency other than EUR are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the date of the balance sheet;
(ii) income and expenses are translated at the rate of the transaction date or at an approximate average rate; and
(iii) all resulting foreign currency translation adjustments are recognised as a separate component of equity.

Foreign currency translation adjustments of a loan or payable to subsidiaries which are neither planned nor likely to be settled in the foreseeable future and which are therefore considered to form part of the net investment in the subsidiary are recognised directly in other comprehensive income.

When a foreign operation is disposed or a significant capital reduction in a foreign operation is effected, the Santa Fe Group Limited's share of accumulated foreign exchange adjustments are recycled from other comprehensive income and recognised in the income statement as part of the gain or loss on the sale.

Goodwill arising on the acquisition of a foreign entity is treated as an asset of the foreign entity and translated at the foreign exchange rate at the balance sheet date.

1.5 New Accounting Regulation

A number of new standards are effective in the financial year beginning on or after 1 January 2019 and earlier applications is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards are interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

a) Amendment to references to conceptual framework in IFRS standards.
b) Definition of a Business (Amendments to IFRS 3).
c) Definition of Materials (Amendments to IAS 1 and IAS 8).

1.6 Significant Accounting Estimates and Judgements

In connection with the preparation of the consolidated financial statements, Management has made accounting estimates and judgements affecting the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period.

Management continuously reassesses these estimates and judgements based on a number of factors in the given circumstances.

Significant accounting estimates and judgements considered material in the preparation and understanding of the consolidated financial statements are listed below and described in more detail in the relevant notes:

- Revenue (note 2.2)
- Special items (note 2.8)
- Impairment testing (note 3.1)
- Right of use assets (note 3.3)
- Contingent liabilities and uncertain tax positions (note 5.6)

1.7 Going Concern

Notwithstanding net liabilities of €5.5m as at 31 December 2019 and a loss for the year of €19.2m, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the period to 31 December 2021. In preparing those forecasts they have considered the most likely impacts of Covid-19. Specifically, they have considered a severe but plausible downside scenario in which the reduced level of revenues during 2020 continue at that level until 31 December 2021. The forecast also takes into account the cost mitigation actions taken which are in the Group's control.

The Group forecasts are dependent on continued access to the loan of €38m with Proventus Capital Partners. The loan has a maturity date of 31 December 2023 with no repayments due until 31 December 2023. This loan includes financial covenants related to a rolling 12 month EBITDA requirement measured quarterly from 31 December 2020 and a minimum cash requirement measured monthly from 1 January 2020. The Group's base case forecast shows an expected breach of the EBITDA covenant at 31 December 2020 and 31 March 2021 with no subsequent breaches anticipated. The cash covenant is not expected to be breached in the base case forecast. In the severe but plausible downside scenario, the EBITDA covenant is expected to be breached at each measurement date over the forecast period with the cash covenant expected to be breached from April 2021 until the end of the forecast period.

The forecast also includes a second loan with Proventus Capital Partners of €6m which is due to be repaid in March 2021. The directors are currently in advanced discussions around the divestment of one of the Groups warehouses in China as well as other options which should provide the group with additional liquidity in the first quarter of 2021. Whilst there is no certainty that the divestment will happen prior to the loan instalment being due, the base case cash flow forecasts demonstrate sufficient liquidity to repay the loan should the warehouse divestment not occur. A cash deficit would occur in the severe but plausible downside scenario should the divestment not occur. However, the Group's results for FY20 are currently in line with the base case scenario and the Group also continues to work on further cost reductions which should further enhance the Group's liquidity both in Q1 2021 and throughout the rest of the year.

At no point during the forecast period does the base case scenario anticipate that the Group will not have sufficient liquidity to continue to trade. The severe but plausible downside scenario only results in a liquidity deficit should the divestment of the warehouse in China not complete prior to the €6m loan repayment becoming due. If this scenario should arise, there are further options that management can take to secure additional liquidity as discussed above.

The directors have discussed the anticipated covenant breaches, required covenant waivers and €6m loan repayment due in March 2021 with Proventus Capital Partners (the Group's loan provider) and consequently they are confident that Proventus

Capital Partners will continue to support the Group as they have done in the past. This is further supported by the agreement from Proventus Capital Partners to convert up to €15 million of the €38m loan into share capital before 31 December 2020 as is explained in note 19 to the financial statements.

Business Activity in the Group's markets during the Covid-19 crisis has progressed differently according to the severity of the impacts in each geography and the speed with which countries have controlled the virus. Correspondingly some of the Asian markets are rebounding quicker than those in Europe, with the Asian moving business seeing activity levels that are only slightly behind 2019. Whilst a lot of this activity is being driven by repatriations from organisations who are bringing workers back to Europe or individuals who are choosing to relocate, this trend is continuing to keep activity levels in the moving business trending quite close to 2019 levels. Conversely activities in the Relocation Services business have been slower to improve, however the Group does see discernible improvements in trading within each segment of the Relocation Services business.

Supported by strong cash and working capital management measures, as well as the continued backing of Proventus Capital Partners, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances outlined above (the forecast EBITDA covenant breaches in December 2020 and March 2021, ability to repay the €6m loan due in March 2021 and breaches of the cash covenant from April 2021) represent material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The section provides a description of consolidated operating profit including special items.

2. Result for the year

2.1 Operating Segments

Accounting policies

The presentation of operating segments for the Santa Fe Group reflects the Group's regional management structure (Europe, Asia and Americas) in line with the internal management reporting.

Information about operating segments is provided in accordance with the Group's accounting policies.

Segment revenue and cost and segment assets and liabilities comprise items which are directly attributable to the individual segment and certain allocated items. Corporate and unallocated activities primarily comprise corporate and administrative Group functions in the Parent company, non-core and dormant entities or other investments expected to be divested or entities awaiting liquidation. Reconciliation items in "Parent and unallocated activities" are primarily related to corporate costs and corporate assets including cash and cash equivalents held by the Santa Fe Group Parent company.

	Europe		**Asia**		**Americas**		**Santa Fe Group (Reportable segment)**		**Parent and unallocated activities and other eliminations**		**Santa Fe Group**	
EURm	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	**2018**
Income statement												
Total revenue	135.7	151.1	83.2	97.2	10.9	9.8	229.8	258.1	0.0	-1.3	229.8	256.8
Internal revenue	17.8	20.9	16.0	20.9	2.5	2.1	36.3	43.9	0.0	-1.3	36.3	42.6
External revenue	**117.9**	**130.2**	**67.2**	**76.3**	**8.4**	**7.7**	**193.5**	**214.2**	**0.0**	**0.0**	**193.5**	**214.2**
Operating profit before amortisation, depreciation and special items (EBITDA)	**3.1**	**-1.4**	**5.8**	**3.0**	**-0.5**	**-0.3**	**8.4**	**1.3**	**0.3**	**-1.6**	**8.7**	**-0.3**
Special items, net	-2.6	-3.5	-1.1	-1.8	-0.1	0.6	-3.8	-4.7	-2.6	0.1	-6.4	-4.6
Amortisation and depreciation	5.6	1.9	5.1	0.9	0.2	0.0	10.9	2.8	2.6	2.4	13.5	5.2
Impairment	0.0	41.6	0.0	0.0	0.0	0.0	0.0	41.6	0.0	0.0	0.0	41.6
Reportable segment operating profit/loss (EBIT)	**-5.1**	**-48.4**	**-0.4**	**0.3**	**-0.8**	**0.3**	**-6.3**	**-47.8**	**-4.9**	**-3.9**	**-11.2**	**-51.7**
Financials, net	-0.7	-0.8	-1.4	2.0	0.0	0.0	-2.1	1.2	-7.0	-4.0	-9.1	-2.8
Share of profit from associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss before tax	**-5.8**	**-49.2**	**-1.8**	**2.3**	**-0.8**	**0.3**	**-8.4**	**-46.6**	**-11.9**	**-7.9**	**-20.3**	**-54.5**
Income tax expense	1.1	0.7	1.0	1.7	0.1	0.0	2.2	2.4	0.0	0.2	2.2	2.6
Reportable segment profit/loss	**-6.9**	**-49.9**	**-2.8**	**0.6**	**-0.9**	**0.3**	**-10.6**	**-49.0**	**-11.9**	**-8.1**	**-22.5**	**-57.1**
Discontinued operations											3.3	-13.9
Net profit/loss for the year	**-6.9**	**-49.9**	**-2.8**	**0.6**	**-0.9**	**0.3**	**-10.6**	**-49.0**	**-11.9**	**-8.1**	**-19.2**	**-71.0**
Balance sheet												
Segment assets, continuing operations	65.6	63.6	42.7	44.2	2.7	3.7	111.0	111.5	12.6	12.2	123.6	123.7
Addition to intangible assets and PPE	16.7	0.5	12.3	0.6	0.4	0.0	29.4	1.1	1.9	3.1	31.3	4.2
Investment in associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2
Segment liabilities, continuing operations	55.0	44.2	26.4	20.4	1.6	3.1	83.0	67.7	46.1	43.8	129.1	111.5

	External revenue		Non-current assets [1]	
EURm	**2019**	2018	**2019**	2018
United Kingdom	18.0	26.3	2.8	0.6
Germany	27.4	28.4	3.5	0.7
Hong Kong	14.6	14.7	13.6	10.5
France	28.4	28.0	6.6	6.5
China	11.4	14.3	1.3	0.5
Singapore	11.6	12.4	0.9	0.3
Other countries and unallocated non-current assets	82.1	90.1	20.2	11.8
Total operating segments	**193.5**	**214.2**	**48.9**	**30.9**

[1] Excluding deferred tax

2.2 Revenue recognition

Accounting policies
Revenue
Revenue from services delivered is recognised over-time following the satisfaction of various milestones as the performance obligation is fulfilled towards the customer. The main services comprise Moving, Relocation Management and Storage services as described in the following.

Moving
The components of the service typically comprise: packing at origin (including arranging the move with the customer in detail, etc.), freight and delivery at destination as well as shipment protection. Moving services are characterised by longer delivery times depending on destination typically spanning over several weeks and sometimes even months.

Relocation Management
Relocation Management services includes services for home finding, obtaining visas, orientation, settling in, school search, tenancy management, language and cultural training etc. Relocation Management services are characterised by shorter delivery times.

Storage
This service includes storage of assignees belongings in warehouses either related to goods in transit or long term storage. Revenue from services delivered are recognised based on the price specified in the contract with the customer or in terms of moving services dependent on the volume, value etc. of goods moved. As a practical expedient, management has elected to recognise revenue based on the amount invoiced to the customer since this amount corresponds directly with the value to the customer of the entity's performance completed to date. Revenue is measured excluding VAT and other tax collected on behalf of third parties, and any discounts are offset against the revenue. Incremental costs of obtaining a contract with a customer are recognised as an expense when incurred due to the short delivery times.

Contract balances
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

EURm	**2019**	**2018**
Receivables, which are included in trade receivables	40.7	48.0
Contract assets	6.6	10.6
Contract liabilities	4.6	5.9

Contract assets includes accrued revenue and other related services in progress at 31 December 2019. Contract assets are recognised when a sales transaction fulfils the criteria for revenue recognition but no final invoice has yet been issued to the customer for the services delivered. Contract liabilities relates to advance consideration received from customers where the customer has been invoiced in advance for the move. The amount of EUR 5.9m recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 December 2019.

Significant accounting estimates
The Group operates globally with revenue and associated cost consisting of a large number of contracts with both companies and individuals.

The Group's revenue streams are divided into the following business lines; Moving Services, Relocation Management Services and Storage.

The Group applies the "as invoiced" practical expedient for recognising revenue from most of its services, however, when the individual jobs performed by Santa Fe Group span over several weeks or sometimes even months, significant accounting estimates are made regarding services in progress at the close of the accounting period where cut-off criteria have been established to ensure revenue and costs are matched and recorded in the correct period. For open jobs, revenue and cost are based on accruals supported by system-generated reports and contain an element of estimation. Subsequent follow-up against actual invoicing is continuously performed.

2.3 Direct costs

Accounting policies
Direct cost comprise costs incurred to generate the revenue for the year, including subcontracted services, packaging materials, transportation and freight as well as expenses related to operation of warehouses and vehicles including maintenance.

2.4 Other External Expenses

Accounting policies
Other external expenses comprise of expenses for advertising and marketing expenses, IT, travelling and communications, as well as operation of motor vehicles, office expenses and other selling costs and administrative expenses.

2.5 Staff Costs

Accounting policies
Staff cost include wages and salaries, pensions, social security cost and other staff cost. Staff cost are recognised in the financial year in which the employee renders the related service. Cost related to long term employee benefits, e.g. share-based payments, are recognised in the period to which they relate.

	2019	2018
Salaries and wages to employees	56.5	61.7
Salaries to the Directors of the Parent Company	0.8	1.2
Equity - settled share based payment transactions, employees	-0.2	0.0
Equity - settled share-based payment transactions Directors of the Parent company	0.0	0.1
Pension, defined contribution schemes	1.6	1.7
Pension, defined benefit schemes	0.2	-0.1
Social security costs	7.7	8.9
Other staff expenses	3.8	5.1
Total staff costs including special items	70.4	78.6
of which special items	-3.7	-3.1
Total staff costs	**66.7**	**75.5**
Of which compensation to Directors of the Parent Company		
Salaries and other short-term employee benefits	0.8	1.2
Directors salary within special items	0.3	
Equity-settled share-based payment	-	0.1
Amounts paid to third parties in respect of directors' services	0.3	0.0
Total	**1.4**	**1.3**

Employment contracts for members of the Executive Board contain terms and conditions that are common to those of their peers in companies within industry - including terms of notice and non-competition clauses.

Number of employees	**2019**	2018
Santa Fe Group Limited Group average	1,808	2,019
Santa Fe Group Limited Group, end period	1,646	1,974

2.6 Other Operating Income

Accounting policies
Other operating income comprise items of a secondary nature to the Santa Fe Group Limited Group's main activity, including rental income, management service fee and gains on the sale of intangible assets and property, plant and equipment.

EURm	**2019**	**2018**
Profit on sale of fixed assets	0.4	0.5
Rental income	0.6	0.7
Other	1.7	0.7
Total	**2.7**	**1.9**

2.7 Other Operating Expenses

Accounting policies
Other operating income comprise items of a secondary nature to the Santa Fe Group Limited Group's main activity, including losses on the sale of intangible assets and property, plant and equipment.

EURm	2019	2018
Loss on sale of fixed assets	0.1	0.0
Other	0.1	0.2
Total	**0.2**	**0.2**

2.8 Special Items

Accounting policies
Special items include significant income and expenses that cannot be attributed directly to the Group's ordinary operating activities.

Special items include restructuring costs associated with major organisational changes within the Santa Fe Group Limited Group including fundamental structural, procedural and managerial reorganisations, restructuring cost relating to acquisition and divestment of enterprises and major gains or losses arising from disposals of assets that have a material effect in the reporting period and other significant non-recurring items.

Significant accounting estimates
In the classification of special items, a high level of Management attention is applied to ensure that only exceptional items not associated with the ordinary operations of the Group are included.

EURm	2019	2018
Restructuring related costs	5.1	2.4
Provision related to legal matters	0.8	0.0
Warehouse related restructuring costs	0.3	0.2
Divestment related costs	0.2	0.0
Cost related to Merger and Acquisition	0.0	1.3
Germany restructuring costs	0.0	1.1
Transition cost, Manila Service Centre	0.0	0.1
Gain on divestment of Records Management	0.0	-0.5
Total	**6.4**	**4.6**

Special items, EUR -6.4m in total (EUR -4.6m), include severance pay as well as other staff costs of EUR -3.7m (EUR -3.1m) as further detailed above.

This section covers the operating assets and related liabilities that form the basis for Santa Fe Group Limited's activities.

3. Operating Assets and Liabilities

3.1 Intangible Assets

Accounting policies
Amortisation for the year are recognised in the Income Statement based on the amortisation profiles determined for the intangible assets and detailed by category below.

Goodwill
In connection with the acquisition of subsidiaries, goodwill is determined in accordance with the acquisition method. Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the investment of the business segments in each region of operation.

Goodwill and assets with indefinite useful lives are subject to annual impairment tests. Other non-current assets are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Brands, trademarks and licences
Brands, trademarks and licences with a definite useful life are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the estimated useful lives of the assets.

Trademarks with an indefinite useful life are not amortised but tested annually for impairment.

Software
The cost of acquired software licences comprises of the cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives on a straight-line basis.

Costs that are directly associated with the production of identifiable and unique software products controlled by Santa Fe Group Limited, and that will probably generate economic benefits are recognised as intangible assets. Such software development cost are amortised over their estimated useful lives.

Trademarks with finite useful life	Max. 20 years depending on the strength of the trademark and expected use
Software etc.	3-5 years
None-compete agreements	Max. 5 years depending on contractual terms
Supplier contracts	Max. 5 years depending on contractual terms
Customer relationships	3-15 years depending on customer loyalty track record

Significant accounting estimates
The Santa Fe Group carries out impairment tests of goodwill and trademarks with an indefinite useful life once a year and of non-current assets in general when events or other circumstances indicate impairment. In recent years, the Group has recognised significant impairment losses related to goodwill and trademarks. In connection with the impairment testing, Management makes significant estimates when determining various assumptions, including expectations for future cash flows, discount factors and future growth rates. The sensitivity to changes in the above assumptions may in the aggregate and individually be considerable.

	Goodwill	Trademarks	Software	Other	Total
2019					
Cost:					
01.01.	49.1	26.8	15.2	7.2	98.3
Translation adjustments	0.3	0.0	0.0	0.1	0.4
Additions	0.0	0.0	1.9	0.0	1.9
Reclassification	0.0	0.0	-0.2	0.0	-0.2
31.12.	49.4	26.8	16.9	7.3	100.4
Amortisation/impairment:					
01.01.	39.1	26.8	6.2	7.2	79.3
Translation adjustments	0.0	0.0	0.1	0.1	0.2
Amortisation for the year, continuing operations	0.0	0.0	2.6	0.0	2.6
Reclassifications	0.0	0.0	-0.2	0.0	-0.2
31.12.	39.1	26.8	8.7	7.3	81.9
Carrying amount 31.12.	**10.3**	**0.0**	**8.2**	**0.0**	**18.5**

	Goodwill[1]	Trademarks	Software	Other[1]	Total
2018					
Cost:					
01.01.	81.6	45.9	13.7	11.6	152.8
Translation adjustment	-1.8	-1.0	0.1	-0.2	-2.9
Additions	0.0	0.0	3.2	0.0	3.2
Disposals, discontinued operations (Santa Fe Australia)	-30.7	-18.1	-1.8	-4.2	-54.8
31.12.	49.1	26.8	15.2	7.2	98.3
Amortisation/impairment:					
01.01.	32.5	45.9	5.4	8.5	92.3
Translation adjustments	-1.8	-1.0	0.2	-0.2	-2.8
Impairment for the year	39.1	0.0	0.0	2.5	41.6
Amortisation for the year, continuing operations	0.0	0.0	2.1	0.6	2.7
Amortisation for the year, discontinuing operations (Santa Fe Australia)	0.0	0.0	0.3	0.0	0.3
Disposals, discontinued operations (Santa Fe Australia)	-30.7	-18.1	-1.8	-4.2	-54.8
31.12.	39.1	26.8	6.2	7.2	79.3
Carrying amount 31.12.	**10.0**	**0.0**	**9.0**	**0.0**	**19.0**

[1] The carrying amount of goodwill (EUR 39.1m) and other intangible assets of EUR 2.5m, related to customer relationships from the acquisition of Interdean, was written off 31 December 2018.

Impairment assessment of cash-generating units.
At 31 December 2019 Management completed the annual impairment testing of cash generating units to which goodwill is allocated. The impairment testing was done in Q2 2020 based on the budgets and business plans approved by the Board of Directors as well as other assumptions adjusted as required to comply with IAS 36.

The carrying amount of goodwill and trademarks in the Group is attributable to the following cash-generating units.

		Trademarks		Goodwill	
		2019	2018	**2019**	2018
Acquisition:	**Country:**				
Santa Fe Asia[1]	Asia	-	-	10.3	10.0
Interdean International Relocation Group[2]	EMEA	-	-	-	-
Total		**0.0**	**0.0**	**10.3**	**10.0**

[1] 16 countries across Asia
[2] 35 countries across Europe (including Russia) and Central Asia

When performing impairment tests of cash-generating units, the recoverable amount calculated as the discounted value of expected future cash flows (value in use) is compared to the carrying amount of each of the cash-generating units.

For all cash-generating units, the key parameters are revenue, margins, working capital requirements, capital expenditures as well as assumptions of growth. The cash flows are based on budgets and business plans and cover the next five years. Projections for subsequent years (terminal value) are based on general market expectations and risks including general expectations of growth for the cash-generating units. The discount rates used to calculate the recoverable amount is the Group's internal WACC rate computed before and after tax and reflects specific risks relating to the businesses and underlying cash flows.

Impairment of trademarks and other intangibles
The value in use calculation carried out 31 December 2019 did not result in any further impairment of the remaining goodwill in the Group.

For Asia the revenue is expected to decline during 2020 being severely impacted by Covid19. Growth is expected to return in 2021 and onwards following the significant market decline during 2020. Given the revenue decline during 2020, the revenue growth (CARG) in the forecast period is expected to increase by 2.4% and is expecting to rebound in 2021 and to stabilise in the subsequent years.

EBITDA before special item margins are assumed to gradually improve from the very low 2019 levels in the remaining forecast period to the levels assumed in the terminal period of 1.0% primarily driven by changed mix towards a higher share of relocation services (higher margin) combined with efficiency and cost saving initiatives. Cost saving initiatives relates to the use of warehouses in cheaper locations/countries, including securing a higher utilisation of warehouses as well as driving towards a more asset light business model with increased flexibility to adapt to changes in the market.

Working capital is assumed to slightly decrease in 2020, which is linked to the continued effort to reduce overdue receivables following improved collection processes.

Capital expenditure (maintenance) is assumed to be lower than the annual depreciation due to a cautious Capex budget and the ambition to pursue a more asset light business model. However, the different technology improvements will result in additional capital expenditures during the forecast period, which have been anticipated in the forecast through increased management charges into the Cash Generating Unit (CGU).

Growth in the terminal period is unchanged from 2018.

Discount rates are based on the Group's internal WACC rate (determined using the Capital Asset Pricing Model) at year-end adjusted by a region-specific risk premium to reflect uncertainty related to projected revenue and earnings growth in light of recent years' track record for the cash-generating units.

At 31 December 2018, the value in use calculation showed an impairment loss related to the goodwill in Interdean in the amount of EUR 39.1m and customer relations in the amount of EUR 2.5m (in addition to EUR 26.4m recognised 2014 related to the Interdean trademark). The impairment loss has been recognised in the income statement in a separate line in 2018 and the Interdean goodwill and customer relations have thereby been fully impaired. As at 31 December 2018 the carrying value of goodwill, trademark and other intangibles related to the Interdean acquisition was EUR 0.0m.

Key assumptions[3]		Revenue (CAGR) 2020-2024 (%)		EBITDA margin in the terminal period (%)		Growth in the terminal period (%)		Discount rates before tax (%)		Discount rates after tax (%)	
		2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Santa Fe Asia [1]	Asia	2.4	4.5	7.2	7.9	1.0	1.0	13.4	13.3	10.7	10.7
Interdean International Relocation Group[2]	EMEA	-	0.7	-	0.5	-	1.0	-	22.2	-	11.4

[1] 16 countries across Asia
[2] 35 countries across Europe (including Russia) and Central Asia
[3] The key assumptions applied in the impairment tests are used for accounting purposes and should not be considered as forward-looking statement.

Sensitivity test
In 2019, revenue in Asia decreased by 12 per cent in local currencies, however earnings and EBITDA margins declined by 1.2 percentage points due to pressure on earnings. At 31 December 2019, the recoverable amount of the cash-generating unit exceeds its carrying amount (including goodwill) by EUR 13m (2018: EUR 32m). The decrease in the recoverable amount is primarily due to lower activity level combined with pressure on the profitability within the CGU. Sensitivity tests show that the allowed decline for the EBITDA margin is 2.0 percentage points in each year of the forecast (2021-2024) and terminal period, before the recoverable amount of the cash-generating unit equals its carrying amount (including goodwill) all other things being equal.

A reasonably possible change in the other key assumptions applied for Asia will not result in an impairment.

3.2 Property, Plant and Equipment

Accounting policies
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the item will flow to Santa Fe Group Limited, and the cost of the item can be measured reliably.

Depreciation for the year are recognised in the Income Statement based on the depreciation profiles determined for the assets. Land is not depreciated. Depreciation on other assets are provided on a straight-line basis over their estimated useful lives, as follows:

Buildings	20-30 years
Plant, etc.	20-30 years
Other installations	3-15 years
IT equipment	3 years

The cost of an asset is divided into separate components which are depreciated separately if their useful lives differ. The assets' residual values and useful lives are reviewed and adjusted annually if appropriate

Assets held for sale
Assets, which according to the Santa Fe Group Limited strategic plan are to be sold, are classified as assets held for sale when their carrying amount is primarily expected to be realised in connection with a sale within 12 months. Such assets and related liabilities are presented separately in the balance sheet.

EURm	Land and buildings etc.	Other assets, installations, IT equipment etc.	Trucks, vehicles etc.	Total
2019				
Cost:				
01.01.	7.6	13.4	5.8	26.8
Translation adjustment	0.0	0.3	0.2	0.5
Additions for the year	0.1	0.5	0.0	0.6
Disposals for the year	-0.1	-0.4	-1.4	-1.9
Reclassifications	0.0	0.5	1.0	1.5
31.12.	7.6	14.3	5.6	27.5
Depreciation/Impairment:				
01.01.	2.3	9.8	4.3	16.4
Translation adjustment	-0.1	0.2	0.2	0.3
Depreciation for the year	0.3	1.3	0.4	2.0
Disposals	0.0	-0.4	-1.1	-1.5
Reclassifications	0.0	0.5	1.0	1.5
31.12.	2.5	11.4	4.8	18.7
Carrying amount 31.12.	**5.1**	**2.9**	**0.8**	**8.8**

The Santa Fe Group was at 31 December 2019/18 not contractually committed to any future investments related to property, plant and equipment.

EURm	Land and buildings etc.	Other assets, installations, IT equipment etc.	Trucks, vehicles etc.	Total
2018				
Cost:				
01.01.	8.2	15.3	12.6	36.1
Translation adjustment	0.0	0.0	-0.3	-0.3
Additions	0.4	0.8	0.2	1.4
Disposals	0.0	-1.0	-3.3	-4.3
Disposals, divestment RM (Portugal)	0.0	-0.4	0.0	-0.4
Disposal, discontinued operations	-1.0	-1.3	-3.4	-5.7
31.12.	7.6	13.4	5.8	26.8
Depreciation/Impairment:				
01.01.	2.3	10.3	8.2	20.8
Translation adjustment	0.0	0.0	-0.2	-0.2
Depreciation for the year, continuing operations	0.3	1.6	0.6	2.5
Depreciation for the year, discontinuing operations (Santa Fe Australia)	0.2	0.0	0.5	0.7
Disposals	0.0	-0.9	-3.1	-4.0
Disposals, divestment RM (Portugal)	0.0	-0.3	0.0	-0.3
Disposals, discontinued operations	-0.5	-0.9	-1.7	-3.1
31.12.	2.3	9.8	4.3	16.4
Carrying amount 31.12.	**5.3**	**3.6**	**1.5**	**10.4**
Carrying amount of financial leases	5.0	0.7	0.5	6.2

Assets held for sale

A warehouse in Beijing was reclassified to assets held for sale end of 2017 following the divested Record Management activities in China which was not finally closed as at 31 December 2017. Final negotiations are ongoing and the expectation is that the transaction can be closed during 2020 and consequently the carrying amount of the Beijing warehouse, amounting to EUR 1.6m, has continued to be classified as asset held for sale at the balance sheet date.

3.3 Right-of-Use Asset (Leases)

Accounting policies

The Santa Fe Group leases various assets, primarily warehouses and office buildings but also vehicles etc. The leases have varying terms, clauses and rights under normal industry practice. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or incentives received. The lease terms may include options to extend or terminate the lease. Such options are only included in the lease term when it is reasonably certain that the lease will be extended.

The lease payments include fixed payments and index based variable payments. The lease liability is measured at the present value of lease payments during the leasing period, discounted using the incremental borrowing rate. The incremental borrowing rate is determined per country and asset class. At subsequent measurement, the right-of-use asset is measured less accumulated depreciations and impairment losses and adjusted for any remeasurements of the lease liability. Depreciations follow the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest. The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Right-of-use assets classified as rental of premises mainly relate to leases of warehouses and office buildings and other assets mainly relate to leases of trucks, company cars, IT and other office equipment.

Management Judgements and estimates

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities . Judgements include assessment of lease periods, utilisation of extension options and applicable discount rates. In addition, significant estimates have been applied in determining these in relation to the implementation of IFRS 16.

EURm	Rental premises	Other assets	Total
2019			
Cost:			
Impact of change in accounting policy	25.0	1.3	26.3
Translation adjustment	0.6	0.0	0.6
Additions and remeasurements	3.1	0.8	3.9
Disposals	-2.9	-0.3	-3.2
31.12.	25.8	1.8	27.6
Depreciation/Impairment:			
01.01.	0.0	0.0	0.0
Translation adjustment	0.0	0.0	0.0
Depreciation for the year	8.0	0.9	8.9
Disposals	-0.6	-0.3	-0.9
31.12.	7.4	0.6	8.0
Carrying amount 31.12.	**18.4**	**1.2**	**19.6**

Analysis of lease liabilities showing the remaining contractual maturities is provided in note 4.3 Borrowings and 4.4 Financial risks.

Lease effects recognised in the income and cash flow statement 2019:

EURm	**2019**
Depreciations	8.9
Interest expenses	1.6
Total cash outflows for leases	9.5

3.4 Other Receivables

EURm	**2019**	2018
Prepayments	1.6	2.7
Deposits	1.5	1.7
Other receivables	6.3	3.7
Total	**9.4**	**8.1**

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3.5 Employee benefits

Accounting policies

Pension obligations
Santa Fe Group Limited has no pension plans as of 31 December 2019. The pension plan as of 31 December 2018 are primarily defined contribution plans within the discontinued Santa Fe Relocation business.

For defined benefit plans, the actuarial present value (projected unit credit method) of future benefits under the defined benefit plan less the fair value of any plan assets is recognised in the balance sheet as defined benefit obligations. Pension cost for the year are recognised in the income statement based on actuarial estimates at the beginning of the year. Actuarial gains or losses are recognised in other comprehensive income.

Defined benefit obligations
Santa Fe Group Limited has no pension plans as of 31 December 2019. The divested Santa Fe Relocations business participates as employer in pension plans depending on local regulations. Usually these pension plans are defined contribution plans, however following the acquisition of Interdean in 2011 also some defined benefit plans in Switzerland, where the pension plan is classified as a defined benefit pension plan because the Company's obligation towards the plan participants under Swiss legislation are not fully discharged when the annual contribution to the plan has been made.

EURm	**2019**	2018
Fair value of plan assets	-2.1	-1.8
Present value of obligations	3.0	2.7
Net liability recognised (funded plans) 31.12.	0.9	0.9
Movements in the present value of the defined benefit obligation		
01.01	2.7	4.4
Additions due to business combinations	0.0	0.0
Benefits paid by the plan	0.0	-0.9
Employee contributions paid	0.1	0.1
Current service cost and interest	0.2	0.2
Insurance premiums	-0.1	-0.1
Gain/Loss on settlements	0.0	-0.2
Actuarial losses/(gains) in other comprehensive income	0.0	-1.0
Translation adjustments	0.1	0.2
31.12	3.0	2.7
Movements in the fair value of plan assets		
01.01	1.8	2.7
Additions due to business combinations	0.0	0.0
Contributions paid into the plan	0.2	0.1
Employee contributions paid	0.1	0.1
Benefits paid by the plan	0.0	-0.9
Insurance premiums	-0.1	-0.1
Actuarial (losses)/gains in other comprehensive income	0.0	-0.3
Translation adjustments	0.1	0.2
31.12	2.1	1.8
Current service cost	0.2	0.2
Interest on obligation	0.0	0.0
Expected return on plan assets	0.0	0.0
Gain/Loss on settlements	0.0	-0.3
Expense recognised in the income statement	0.2	-0.1
Which have been recognised under the following captions:		
Direct costs	0.0	0.0
Other external expenses	0.2	-0.1
Total	0.2	-0.1

3.5 Employee benefits (continued)

The plan assets consist primarily of insurance contracts, but also equity securities and cash (no treasury shares).

The net liability is on actuarial calculations applying assumptions regarding primarily discount rate, expected return on plan assets, future salary increases and future pension increases.

The discount rate applied for 2019 is 1.0% (1.0%) and determined on basis of corporate bonds with a high credit rating (AA or AAA). A change in the discount rate of +/- 0.25 basis points would decrease/increase the liability 31 December 2019 by EUR 0.1m (EUR 0.1m).

The future salary was end of 2019 is assumed to increase by 2.0% (2.0%) p.a. If the future salary increases by an additional 0.25% p.a., it would increase the liability by less than EUR 0.1m (EUR 0.1m).

3.6 Other Liabilities

EURm	**2019**	2018
Other liabilities by origin:		
Staff payables	5.7	5.3
Duties to public authorities	2.5	2.5
Prepayment from customers	1.3	1.9
Other accrued expenses	4.7	5.1
Total	**14.2**	**14.8**

3.7 Provisions

Accounting policies

Provisions are recognised when the Santa Fe Group Limited Group has a legal or constructive obligation as a result of past events and it is more probable than not that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is Management's best estimate of the present value of the amount at which the liability is expected to be settled.

Other provisions primarily consist of provisions linked to tax cases and potential warranty claims related to the transportation of household goods.

EURm	Other provisions	Employee benefits	**2019**	Other provisions	Employee benefits	2018
01.01.	1.4	0.8	2.2	1.5	1.0	2.5
Translation adjustment	0.1	0.1	0.2	0.0	-0.1	-0.1
Utilised	3.1	0.1	3.2	0.4	0.0	0.4
Disposal, Discontinued operations	0.0	0.0	0.0	0.0	0.2	0.2
Reversed	0.2	0.1	0.3	1.1	0.0	1.1
Additions	4.9	0.2	5.1	1.4	0.1	1.5
31.12.	**3.1**	**0.9**	**4.0**	**1.4**	**0.8**	**2.2**
Non-current	0.4	0.9	1.3	0.3	0.8	1.1
Current	2.7	0.0	2.7	1.1	0.0	1.1
	3.1	**0.9**	**4.0**	**1.4**	**0.8**	**2.2**

This section describes how Santa Fe Group Limited manages its capital structure, cash position and related risks and items. The Group's financial risks, including its credit and liquidity risks are described in more detail in note 4.5.

4. Capital Structure and Financing Items

4.1 Financial Income and Expenses

Accounting policies
Financial income and expenses comprise interest income and expenses, exchange gains and losses on debt and transactions in foreign currencies, interest expenses on leases, as well as amortisation of financial assets and liabilities, etc.

EURm	2019	2018
Interest income on financial assets measured at amortised cost	0.0	0.2
Foreign exchange gains	0.4	1.6
Other interest income	0.1	0.0
Total financial income	**0.5**	**1.8**
Interest expenses and fees on financial liabilities measured at amortised cost	6.3	3.6
Interest expenses related to lease liabilities	1.6	0.1
Foreign exchange losses	1.7	0.9
Total financial expenses	**9.6**	**4.6**
Total, net	**-9.1**	**-2.8**

4.2 Financial Instruments by Category

EURm	2019	2018
Financial assets measured at amortised cost		
Trade receivables	40.7	48.0
Other receivables[1], non-current and current	13.2	13.5
Bank and cash balances	13.6	20.4
Total	**67.5**	**81.9**
Financial liabilities measured at amortised cost		
Non-current borrowings and lease liabilities	56.7	8.4
Current borrowings and lease liabilities	9.0	37.2
Trade payables	37.7	39.6
Other liabilities[2], current	4.7	5.2
Total	**108.1**	**90.4**

1 Excluding non-financial instruments such as prepayments, staff receivables etc. of EUR 4.7m (EUR 6.1m).
2 Excluding non-financial instruments such as public debt, staff payables etc. of EUR 14.1m (EUR 15.6m).

The fair value of the financial assets are approximately equal to the carrying amount.

For trade receivables and payables as well as other receivables and payables this is due to the short-term nature of these balances.

For non-current borrowings and bank loans this is based on floating interest rate-based balances and assumed minimal changes in credit risk.

4.3 Financial Liabilities

Accounting policies

Financial liabilities are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Previous to 1 January 2019, and the implementation of IFRS 16, leases of property, plant and equipment, where substantially all the risks and rewards of ownership are transferred to the Group, are classified as finance leases. Financial liabilities also include the outstanding obligation under finance leases, measured at amortised cost.

Financial liabilities are classified as current liabilities unless Santa Fe Group Limited has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings are recognised initially at fair value. Borrowings are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Add here as well accounting policy for leases:

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for con-sideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

EURm	2019	2018
Non-current borrowings:		
Borrowings	38.0	0.0
Lease liabilities	14.0	2.8
Shareholder Loan	4.7	5.6
Total	**56.7**	**8.4**
Current borrowings:		
Bank loans	0.0	36.8
Lease liabilities	9.0	0.4
Total	**9.0**	**37.2**
Total borrowings	**65.7**	**45.6**

At 31 December 2019 all non-current and current borrowings are floating interest based.

In December 2019 Santa Fe Group concluded a new 4 year facility agreement with Proventus Capital Partners on the financing arrangements for 2020-2023. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 31 December 2023, whereby no repayments become due within 2020. Information undertakings and standard financial maintenance covenants with respect to EBITDA and cash have been agreed upon. The previous facility agreement was due in March 2021.

The Shareholder loan relates to the direct owner of Santa Fe Group Limited, Santa Fe Intressenter AB. The loan was assigned to Santa Fe Intressenter AB from the previous shareholder EAC Invest A/S as part of the divestment of Santa Fe Group Limited to Santa Fe Intressenter AB.

The borrowings are exposed to interest rate and currency risk, refer to note 4.4.

The carrying amount of leased assets is disclosed in note 3.3.

4.4 Financial Risks

Group policy for managing risk and capital
Given the international scope of the Santa Fe Group's business activities, the Group is exposed to financial market risk, i.e. the risk of losses as a result of adverse movements in exchange rates and interest rates. The Group is also exposed to financial counterparty credit risk, liquidity and funding risk.

The Santa Fe Group's financial risk management activities are centralised and co-ordinated within a policy framework approved by the Board of Directors. It is the Group's policy not to engage in any active speculation in financial risks. Therefore, the Group's financial management is focused on managing or reducing financial risks relating to operations and funding, in particular on reducing the volatility of the Santa Fe Group's cash flows in local currencies. The Group currently does not apply any financial derivatives for hedging.

The Santa Fe Group's financial risk management activities are centralised and co-ordinated within a policy framework approved by the Board of Directors. It is the Group's policy not to engage in any active speculation in financial risks. Therefore, the Group's financial management is focused on managing or reducing financial risks relating to operations and funding, in particular on reducing the volatility of the Santa Fe Group's cash flows in local currencies. The Group currently does not apply any material financial derivatives for hedging.

The Board of Directors reviews the Group's capital structure on an ongoing basis to ensure that the capital structure is appropriate, relative to the Group's commitments, strategy and future prospects. In September 2019 Santa Fe Group was acquired by Santa Fe Intressenter AB, a company controlled by Lazarus Equity Partners with support from the main lender Proventus Capital Partners. In December 2019 Santa Fe Group concluded a new 4 year facility agreement with Proventus Capital Partners on the financing arrangements for 2020-2023. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 31 December 2023, whereby no repayments become due within 2020. Information undertakings and standard financial maintenance covenants with respect to EBITDA and cash have been agreed upon.

Santa Fe will aim to maintain a financial gearing (NIBD/EBITDA before special items) below 2. Free Cash Flow will be allocated to reduce debt if the financial gearing exceeds target. Whenever the financial gearing is within range, Free Cash Flow will be held for investments, value creating acquisitions or allocated to shareholders.

Credit risk
Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from trade and other receivables and cash and cash equivalents. The credit risk lies in the potential insolvency of a counterpart and is thus equal to the sum of the positive net market values in respect of the corresponding business partners. At the balance sheet date, the total credit risk amounts to EUR 72.1m (2018: EUR 87.9m) corresponding to the amounts of trade and other receivables in addition to cash and cash equivalents recognised in the balance sheet. The available funds (cash and cash equivalents) of the Group are placed as demand or time deposits at relatively short terms. The Group is exposed to the risk that financial counterparties may default on their obligations towards the Santa Fe Group. This risk is managed by having maximum exposure limits on each financial counterparty

Accounting policies
Trade receivables are recognised at the trade date, initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. Loss allowances for impaired trade receivables are provided following an expected credit-loss model. The loss ratio is determined on the basis of historical data for losses realised.

Impairment of trade receivables

EURm	2019	2018
Balance at the beginning of the year	1.0	1.2
Translation adjustment	0.0	0.0
Additions during the year	0.4	0.3
Realised losses during the year and reversals	0.3	0.5
Balance at the end of year	1.1	1.0

No significant losses were incurred in respect of individual trade receivables in 2019 and 2018.

The impairment assessments of trade receivables are now considered based on the IFRS 9 expected credit loss model, where previously an incurred loss model was applied. The changes in accounting policies have had no impact on equity and net profit/loss in the implementation year 2018.

The Santa Fe Group has no significant concentration of credit risk. The Group has policies in place that ensure sales of services are made to customers with an appropriate credit history. The customer mix within the Group contains a large proportion of financially strong corporate clients, who are requesting longer payment terms. Private customers, which is a very small part of the business, generally pay in advance and do not pose a significant credit risk. Generally, no security is required from customers regarding sales on credit. The credit quality of receivables that are neither past due nor impaired is assessed as high. Historically losses related to trade receivables have been limited, which is reflected by an allowance for doubtful trade receivables of only 2.7% (2.0%) of gross trade receivables. Initiatives taken over the past years in order to reduce the balance of overdue receivables includes new procedures for invoicing, stricter internal credit control and follow up procedures as well as a tighter credit policy. Collections during 2019 did progress but there is still room for further improvement. The overdue receivables as percentage of gross trade receivables by the end of 2019 increased to 37% (2018: 35%).

Trade receivables past due compound as follows:

		month (due)					
EURm	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	2019
Receivables, not due	25.6						25.6
Receivables past due but not impaired		3.2	2.2	1.8	2.8	5.1	15.1
							40.7
In % of receivables not due and due but not impaired	63	8	5	4	7	13	
Expected loss ratio	0.0%	0.0%	0.7%	1.3%	9.4%	13.6%	
Impaired receivables past due			0.0	0.0	0.3	0.8	1.1
							41.8
Allowances for doubtful trade receivables							-1.1
Total trade receivables (net)							**40.7**

		month (due)					
EURm	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	2018
Receivables, not due	31.4						31.4
Receivables past due but not impaired		4.2	2.7	2.1	4.0	3.6	16.6
							48.0
In % of receivables not due and due but not impaired	65	9	6	4	9	7	
Expected loss ratio	0.0%	0.0%	0.6%	1.1%	3.5%	19.7%	
Impaired receivables past due			0.0	0.0	0.1	0.9	1.0
							49.0
Allowances for doubtful trade receivables							-1.0
Total trade receivables (net)							**48.0**

Liquidity risk
Liquidity risk is the risk of Santa Fe Group Limited being unable to meet its obligations as they fall due because of inability to realise assets or obtain adequate funding. Santa Fe Group Limited aim at maintaining a liquidity position which is sufficient to service financial obligations as they fall due.

On 25 September 2019 Santa Fe Group Limited was acquired by Santa Fe Intressenter AB, a company controlled by Lazarus Equity Partners with long-term support from the main lender Proventus Capital Partners, thus ending the company's previously announced financial challenges. A new four year facility agreement was concluded in December 2019.

Santa Fe Group Limited had liquid funds at the end of 2019 of EUR 13.6m (DKK 20.4m – continuing operations).

The directors have prepared cash flow forecasts for the period to 31 December 2021. In preparing those forecasts they have considered the most likely impacts of Covid-19. Specifically, they have considered a severe but plausible downside scenario in which the reduced level of revenues during 2020 continue at that level until 31 December 2021. The forecast also takes into account the cost mitigation actions taken which are in the Group's control.

The Group forecasts are dependent on continued access to the loan of €38m with Proventus Capital Partners. The loan has a maturity date of 31 December 2023 with no repayments due until 31 December 2023. This loan includes financial covenants related to a rolling 12 month EBITDA requirement measured quarterly from 31 December 2020 and a minimum cash requirement measured monthly from 1 January 2020. The Group's base case forecast shows an expected breach of the EBITDA covenant at 31 December 2020 and 31 March 2021 with no subsequent breaches anticipated. The cash covenant is not expected to be breached in the base case forecast. In the severe but plausible downside scenario, the EBITDA covenant is expected to be breached at each measurement date over the forecast period with the cash covenant expected to be breached from April 2021 until the end of the forecast period.

The forecast also includes a second loan with Proventus Capital Partners of €6m which is due to be repaid in March 2021. The directors are currently in advanced discussions around the divestment of one of the Groups warehouses in China as well as other options which should provide the group with additional liquidity in the first quarter of 2021. Whilst there is no certainty that the divestment will happen prior to the loan instalment being due, the base case cash flow forecasts demonstrate sufficient liquidity to repay the loan should the warehouse divestment not occur. A cash deficit would occur in the severe but plausible downside scenario should the divestment not occur. However, the Group's results for FY20 are currently in line with the base case scenario and the Group also continues to work on further cost reductions which should further enhance the Group's liquidity both in Q1 2021 and throughout the rest of the year.

At no point during the forecast period does the base case scenario anticipate that the Group will not have sufficient liquidity to continue to trade. The severe but plausible downside scenario only results in a liquidity deficit should the divestment of the warehouse in China not complete prior to the €6m loan repayment becoming due. If this scenario should arise, there are further options that management can take to secure additional liquidity as discussed above.

The directors have discussed the anticipated covenant breaches, required covenant waivers and €6m loan repayment due in March 2021 with Proventus Capital Partners (the Group's loan provider) and consequently they are confident that Proventus Capital Partners will continue to support the Group as they have done in the past. This is further supported by the agreement from Proventus Capital Partners to convert up to €15 million of the €38m loan into share capital before 31 December 2020 as is explained in note 19 to the financial statements.

Contractual maturities of financial liabilities:

		Contractual maturity incl. interest (cash flow)			
EURm	Carrying amount	Total	< 1 years	1 - 5 years	> 5 years
2019					
Non-derivative financial instruments					
Borrowings (non-current and current)	42.7	52.4	2.9	44.8	4.7
Lease liabilities	23.0	25.6	9.3	13.6	2.7
Trade payables	37.7	37.7	37.7		
Other liabilities	4.7	4.7	4.7		
2018					
Non-derivative financial instruments					
Borrowings (non-current and current)	42.4	41.7	41.7		
Lease liabilities	3.2	3.6	0.5	1.3	1.8
Trade payables	39.6	39.6	39.6		
Other liabilities	5.1	5.1	5.1		

The contractual maturity overview represents the contractual undiscounted cash flows including estimated interest payments. Interest payments are based on current market conditions. Contractual commitments regarding property, plant and equipment are not reflected in the overview but the Group has not entered into any contractual agreements by the end of 2019 or 2018.

Currency risk

The Group is exposed to foreign exchange risk on balance sheet items, partly in terms of translation of debt denominated in a currency other than the functional currency of the relevant Group entity, and partly in terms of translation of net investments in entities with a functional currency other than EUR. The former risk affects the net profit.

The Group is exposed to translation risks from currency translation into the Group reporting currency (EUR). The Santa Fe Group's business activities are conducted in different currencies: Asia Pacific currencies, US Dollars and European currencies. The Santa Fe Group's functional currency varies from country to country and outside Europe is typically different from the reporting currency of the Group (EUR). The objective of the Santa Fe Group's currency management strategies is to minimise currency risks relating to the functional currencies, i.e. to protect profit margins in local currency.

In a number of countries (particularly in Asia Pacific) where the Group has significant activities, the currency correlates partly with the USD. Other significant currencies which may impact the results are GBP and CHF. Developments in exchange rates between EUR and the functional currencies of subsidiaries impacted the Santa Fe Group full-year revenue and EBITDA before special items positively by EUR 3.3m and EUR 0.9m respectively which primarily was linked to increasing exchange rate for USD the currency correlates partly with the USD.

Interest rate risk

The Santa Fe Group is directly exposed to interest rate fluctuations in connection with its funding and liquidity portfolio. The risk is managed by matching the duration of assets and liabilities and by ensuring a smooth rollover profile. Santa Fe is also indirectly exposed as a result of the impact of interest rates on the macro economies of the countries in which Santa Fe Group operates its businesses.

The Group is exposed to mainly floating interest rate risk on bank balances and borrowings. The floating interest rate risk is reduced after the refinancing which took place in Q4 2019 (cf. section 4.3 - Financial liabilities and section 4.5 - Liquidity risk). All interest bearing assets, EUR 13.6m (EUR 20.4m) and interest bearing liabilities, EUR 65.7m (EUR 45.6m) are reprised within one year.

At the end of 2019, the combined interest rate risk was EUR -0.5m (EUR -0.1m) in the case of a one-percentage point increase in the interest rates (impact on net profit and equity). The sensitivity analysis is based on a weighted average of the monthly net interest bearing debt during the year.

4.5 Cash and Cash Equivalents

Accounting policy
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments.

Cash and Cash equivalents

EURm	2019	2018
Cash held direct	8.4	11.4
Cash held on behalf of clients	4.8	8.0
Petty cash	0.1	0.2
Restricted cash	0.3	0.8
Total	**13.6**	**20.4**

4.6 Statement of Cash Flow

Accounting policy
Cash flows from operating activities are presented using the indirect method and stated as the consolidated operating profit/loss (EBIT) adjusted for non-cash operating items, including depreciation, amortisation and impairment losses, provisions and changes in working capital, interest received and paid and corporation taxes paid. Working capital comprises current assets less current liabilities excluding the items included in cash and cash equivalents, borrowings, tax payables and provisions.

Cash flows from investing activities comprise cash flows from business acquisitions and disposals and cash flows from the purchase and sale of intangible assets, property, plant and equipment and investments as well as dividends from associated companies. The cash flow effect of the acquisitions and disposals of companies is shown separately in cash flows from investing activities.

Cash flows from financing activities comprise changes in the amount or composition of the Group's share capital and related expenses as well as cash flows from draw down and repayment of borrowings as well as payment of dividends to shareholders including non-controlling interests.

Cash and cash equivalents comprise cash as well as short term securities with a term to maturity of less than 3 months, which are easily realisable and only subject to immaterial risk of change in value. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

4.7 Other Non-Cash Items

EURm	2019	2018
Gains/losses on disposal of intangible and tangible assets	-0.2	-0.4
Changes in provisions	1.7	1.7
Share based payments	-0.2	0.1
Foreign currency and other adjustments	-0.7	-0.4
Total	**0.6**	**1.0**

4.8 Change in Working Capital

EURm	2019	2018
Changes in inventories	0.3	-0.1
Changes in trade receivables	8.1	6.3
Changes in trade payables	-2.8	-5.0
Changes in other receivables/payables	3.0	-0.1
Total	**8.6**	**1.1**

4.9 Divestment of Records Management Activities

	2018
Purchase Price	0.4
Transaction costs	-0.2
Provision for warranties etc.	0.5
Carrying amount of assets disposed	-0.1
Gain on divestment	**0.6**
Non-cash items:	
Carrying amount of assets disposed	0.1
10% cash holdback	3.7
Provision for warranties etc.	-0.7
Deferred consideration [1)]	12.5
Proceeds from divestment	**16.2**

1) Proceeds received 3rd January 2018 in China.

On 15 November 2017, the Santa Fe Group finalised and signed the agreement to divest the Records Management business in China and a warehouse property in Beijing to Iron Mountain Inc. against a cash consideration of EUR 23m. The business sale closed end of 2017, whereas it was not yet been possible to close the property sale. Santa Fe has opened up for other potential buyers to present offers for the property in order to expedite a transaction. Expectations end of 2018 was that a transaction could be closed during 2019 and consequently the carrying amount of the Beijing warehouse amounting to EUR 1.6m has been classified as asset held for sale at the balance sheet date 2018. All holdbacks related to the divestment of Records Management in 10 markets (cf. announcement no 7/2016) have been released during the first 10 months of 2018. The total released amount is EUR 2.7m. A further EUR 1.0m holdback related to the China transaction was released in December 2018.

During Q1 2018 the Santa Fe Group finalised the sale of the last remaining Records Management activity in Portugal. The transaction took the form of an asset transfer against a cash consideration of EUR 0.4m with an associated divestment gain of EUR 0.3m. The divestments of the Records Management business in China and Portugal resulted in a total divestment gain during 2018 of approximately EUR 0.6m, net proceeds received before tax of EUR 16.2m. The net gain before tax from the divestment is recognised as special items.

5. Other Disclosures

5.1 Income Tax Expense

Accounting policies
The tax for the year consists of current tax and changes in deferred tax for the year and considering uncertainty over income tax treatments. The tax for the year is recognised in the Income Statement, other comprehensive income or equity.

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 18% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

INCOME TAX EXPENSE

EURm	2019	2018
Current tax on profit for the year	2.3	2.0
Prior year adjustment	0.2	-0.1
Change in deferred tax during the year	-0.4	0.1
Corporate income tax	**2.1**	**2.0**
Withholding tax	0.1	0.6
Income tax expense	**2.2**	**2.6**
Profit before income tax	-20.3	-54.5
Share of profit in associates	0.0	0.0
Profit before income tax, excluding share of profit in associates	**-20.3**	**-54.5**
UK corporate tax rate in per cent	19.0	19.0
Corporation tax rate explanation		
Calculated corporate income tax expense	-3.9	-10.4
The tax effect from:		
Differences from non-taxable income / non-deductible expenses	0.2	-
Non-deductible impairment losses of intangibles assets	-	9.2
Difference in tax rate of non-UK companies	-0.4	-0.8
Tax losses for which no deferred tax asset was recognised	5.3	4.4
Utilisation of tax losses not previously recognised	-	-0.1
Derecognition of deferred tax asset	0.5	-
Prior year tax adjustment	0.2	-0.1
Other	0.2	-0.2
Reported corporate income tax expense	**2.1**	**2.0**

For disclosure about uncertain tax positions refer to note 5.7

5.2 Deferred Tax

Accounting policies
Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled and considering uncertainty over income tax treatments.

Under UK tax legislation, the losses can be carried forward indefinitely. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used.

Adjustment is made for deferred tax concerning unrealised intercompany profits and losses eliminated. Changes in deferred tax due to changed tax rates are recognised in the income statement.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Santa Fe Group Limited Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group did not recognise deferred tax assets of EUR 10.9m (EUR 9.5m) in respect of tax losses carried forward amounting to EUR 50.4m (EUR 42.8m) due to uncertainty with respect to utilisation within a foreseeable future.

The tax losses are primarily related to the UK Parent Company and Germany and under UK and German tax legislation, the losses can be carried forward indefinitely. Deferred tax has not been calculated on temporary differences relating to investments in subsidiaries and associates as these investments are not expected to be sold within the foreseeable future. No significant tax liabilities have been identified in this respect.

Deferred tax		**2019**		2018
EURm	Assets	Liabilities	Assets	Liabilities
Fixed assets	0.4	0.6	0.6	1.4
Current assets, net	0.2	0.9	0.1	0.1
Non-current debt	0.7	0.0	0.0	0.0
Current debt	0.2	0.0	0.0	0.0
Other liabilities	0.1	0.2	0.1	0.1
Losses carried forward	0.0	0.0	0.5	0.0
Provisions	0.4	0.0	0.3	0.1
Deferred tax assets / liabilities	2.0	1.7	1.6	1.7
Set-off within legal tax unit	1.2	1.2	0.2	0.2
Deferred tax assets / liabilities	**0.8**	**0.5**	**1.4**	**1.5**

5.3 Fees to auditors appointed at the annual general meeting

Audit fees

EURm	**2019**	2018
KPMG		
Statutory audit	0.3	0.2
Other assurance services	0.0	0.1
Tax/VAT advisory services	0.0	0.1
Other non-audit services	0.1	0.1

Amounts paid to the company's auditor and its associates in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

5.4 Incentive Schemes

Share Option Programmes
The Board of Directors of EAC Invest A/S (previously Santa Fe Group A/S), the previous shareholder, has for the years 2017, 2018 and 2019 granted a total of 974,800 Options to members of the global management team.

The Board of Directors have as a consequence of the divestment of Santa Fe Relocation resolved to accelerate the vesting and exercise periods relating to all Share Options. The vesting and exercise period will expire on 23 April 2020.

Exercise prices for the different options programmes are DKK 58.1, DKK 81.3, DKK 37.9 and DKK 6.7. With current share price, all options are expected to lapse with no options exercised.

Total cost recognised in income statements are EUR 0 (zero).

Restricted Shares
As contemplated by the Remuneration Policy and Incentive Guidelines as approved by the Company's general meeting, the Board of Directors have in 2019 granted a total of 198,000 Shares to members of the Management Team, against retention conditions, forfeiture conditions and salary sacrifices.

The Board of Directors have as a consequence of the divestment of Santa Fe Relocation resolved to release all restrictions connected to the share grants, and released receivers of the share grants of any conditions attached to the share grants.

The previous shareholder did cover its obligations to deliver the shares through its portfolio of treasury shares. The Restricted Shares have been expensed in 2019 by the previous shareholder EAC Invest A/S (previously Santa Fe Group A/S)

5.5 Discontinued Operations

Accounting policies
A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

Represents a separate major line of business or geographic area of operations
Is a part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations, or
Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income (OCI) is represented as if the operation had been discontinued from the start of the comparative year.

Assets, which according to Santa Fe Group Limited's strategic plan are to be sold, are classified as assets held for sale when their carrying amount is primarily expected to be realised in connection with a sale within 12 months. Such assets and related liabilities are presented separately in the balance sheet.

On 21 December 2018 the group closed the transaction with Kobus Fourie, Managing Director for Santa Fe Australia, whereby the Santa Fe and Wridgways activities in Australia were divested for a total price of AUD 1 (one). The transaction took the form of a share transfer.

The Santa Fe Relocation business continues in Australia under a Franchise Agreement.

The Australian business was classified as a discontinued operation in 2018.

In connection with closing of the sale in December 2018, the Santa Fe Group's share of the accumulated negative foreign exchange adjustments related to Santa Fe Australia was recycled from other comprehensive income and recognised in net loss from discontinued operations (in the income statement) in the amount of EUR 6.1m.

Net loss from discontinued operations for 2018 amounts to EUR 7.2m. The accounting impact of the divestment as a whole was a net accounting loss for 2018 of EUR 13.9m. During 2019 a provision related to a deferred consideration of EUR 3.3m was reversed.

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EURm	2019	2018
Revenue	-	**47.5**
Operating profit before amortisation, depreciation, impairment and special items	-	**-5.5**
Special items, net	-	-0.3
Operating profit before amortisation, depreciation and impairment	-	**-5.8**
Amortisation and depreciation of intangibles, property, plant and equipment	-	0.9
Operating profit/loss	-	-6.7
Net Financials	-	-0.5
Profit before income tax expense	-	**-7.2**
Income tax expense	-	0.0
Profit from discontinued operations	-	**-7.2**
Gain/loss on divestment of Santa Fe Australia	3.3	-6.7
Tax on divestment	-	0.0
Net loss from discontinued operations	**3.3**	**-13.9**
Net cash flow from operating activities	-	-5.2
Net cash flow from investing activities	-	0.1
Net cash flow from financing activities (Repayment of shareholder loan)	-	5.0
Changes in cash	-	**-0.1**
Intangible assets	-	0.0
Property, plant and equipment	-	2.5
Inventories	-	0.0
Trade receivables	-	8.0
Work in Progress	-	2.0
Other receivables	-	1.3
Cash and cash equivalents	-	0.5
Current and non-current borrowings	-	3.4
Trade payables	-	7.5
Other liabilities including provisions	-	6.1
Net liabilities sold	-	**-2.7**
Non-controlling interests	-	0.0
Santa Fe's share of equity	-	-2.7
Recycling of accumulated negative foreign exchange translation adjustments from equity (other comprehensive income)	-	-6.1
Allowance for doubtful loan receivable	3.3	-3.3
Loss on divestment recognised in income statement (discontinued operations)	**3.3**	**-6.7**
Cash consideration received	-	0.0
Cash and cash equivalents, disposed of	-	-0.5
Cash outflow, net	-	**-0.5**

5.6 Contingent Assets/Liabilities and uncertain tax positions

CONTINGENT ASSETS AND LIABILITIES

EURm	2019	2018
Other guarantees	0.2	0.3

Santa Fe Group Limited is jointly taxed with other UK companies in the Group. As the administration company, Santa Fe Group Limited, has several unlimited liabilities for UK corporate income taxes and interests within the joint taxation.

Legal proceedings pending and disputes, etc.
Certain claims have been raised against the Group including tax related disputes. In the opinion of management, the outcome of these proceedings will not have any material effect on the financial position of the Santa Fe Group other than already provided for in the balance sheet.

5.7 Related parties

Ownership
The Santa Fe Group Limited Group has related parties with controlling interest. Related parties in the Group comprise the sole shareholder Santa Fe Intressenter AB as well as affiliated companies and associates, members of the Board of Directors and Executive Board. Remuneration to the Board of Directors and the Executive Board is disclosed in note 2.5 and note 5.4.

Transactions
Intercompany transactions are eliminated in the consolidated financial statements. No further transactions with related parties have taken place during the year.

5.8 Subsequent Events

Capital structure
To further strengthen the capital structure of the Group the main lender Proventus Capital Partners did on 10 July 2020 agree to assign up to EUR 15m of debt in Santa Fe Group Limited into the direct parent company Santa Fe Intressenter AB. The subsequent total amount of the shareholder loan to Santa Fe Intressenter AB of EUR 19.7m could before year-end 2020 be converted into share capital in Santa Fe Group Limited.

COVID19
The Coronavirus is currently, the largest single external risk factor impacting the business, impacting customers, operations, and in particular the liquidity risk.

Liquidity: Whilst the temporary lockdown of a substantial part of our moving and relocation activities has a significant impact on cash flow, a number of actions has been taken to maintain sufficient liquidity. Capital investment has been put on hold. All discretionary spend such as marketing and travel activities is kept to the absolute minimum. Temporary voluntary pay-cut from 25-50% has been accepted by the vast majority of the work force and the company ensure that local Government support is utilised throughout the Group. Lease and supplier contracts has been renegotiated to the largest possible extent.

On top of all these initiatives the Santa Fe Group has been able to rely on support from the Proventus Capital Partners who financially has supported with additional funding.

Customers: Due to the uncertainty the timing of moving and relocation activities for are extremely difficult to predict. During this difficult phase the Santa Fe Group does everything possible to support customers and to make sure that the service can be delivered once circumstances allow. The Santa Fe Group is taking all protective measures to make sure that the customers are kept safe throughout the service.

No other material events have taken place after 31 December 2019.

SANTA FE
GROUP

PARENT COMPANY FINANCIAL STATEMENTS

SANTA FE GROUP

Parent Income Statement

EUR'000	Note	2019	2018
Other income from subsidiaries		9,475	8,482
Administrative costs	1	-4,255	-3,737
Staff costs	2,3	-5,278	-6,645
Bad debt provision on intercompany loans		-1,425	0
Bad debt provision on intercompany loans reversed		0	22,629
Intercompany loan write-off		0	-17,452
Other operating income		314	86
Operating loss before amortisation, impairments, depreciation and special items		**-1,169**	**3,363**
Special items, net	3	**-2,388**	**52**
Operating profit/loss before amortisation, impairments, depreciation		**-3,557**	**3,415**
Amortisation and depreciation of intangibles, property, plant and equipment	8,9	**-2,635**	-2,409
Operating profit/loss		**-6,192**	**1,006**
Impairment on investments in subsidiaries	10	-16,033	-62,755
Financial income	4	267	115
Financial expenses	5	-7,035	-4,081
Profit/loss before income tax expenses		**-28,993**	**-65,715**
Income tax expense	6,7	0	0
Net profit/loss for the year		**-28,993**	**-65,715**
Proposed distribution of profit/loss			
Retained earnings		-28,993	-65,715
Total		**-28,993**	**-65,715**

STATEMENT OF COMPREHENSIVE INCOME

Net loss for the year		-28,993	-65,715
Total net comprehensive loss for the year		**-28,993**	**-65,715**

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Parent Balance Sheet - Assets

EUR'000	Note	**31 Dec 2019**	31 Dec 2018
Non-current assets			
Intangible assets	8	8,154	9,071
Tangible Assets	9	158	13
Investment in subsidiaries	10	40,990	57,052
Other receivables	11	1,088	2,176
Total non-current assets		**50,390**	**68,312**
Current assets			
Other receivables	11	3,508	2,338
Receivables from subsidiaries		109	0
Cash and cash equivalents		107	1,286
Total current assets		**3,724**	**3,624**
Total assets		**54,114**	**71,936**

Parent Balance Sheet - Liabilities

EUR'000	Note	**31 Dec 2019**	31 Dec 2018
Equity			
Share capital	14	172,123	172,123
Retained earnings		-177,513	-148,319
Total equity		**-5,390**	**23,804**
Liabilities			
Non-current liabilities			
Borrowings	12	38,000	0
Shareholder loan	12	4,712	5,595
Total non-current liabilities		**42,712**	**5,595**
Current liabilities			
Borrowings	12	0	36,406
Payables to subsidiaries		12,874	4,379
Trade payables		1,663	875
Prepayments from clients		402	494
Other liabilities	13	1,853	383
Total current liabilities		**16,792**	**42,537**
Total liabilities		**59,504**	**48,132**
Total equity and liabilities		**54,114**	**71,936**

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Parent Statement of Changes in Equity

EUR'000	Share capital	Retained earnings	Total equity
Equity at 1 January 2018	**172,123**	**-148,319**	**23,804**
Comprehensive income for 2018			
Net loss for the year		-28,993	-28,993
Total comprehensive income for the year	**0**	**-28,993**	**-28,993**
Transactions with shareholders			
Equity-settled share payment transactions		-201	-201
Total transactions with shareholders	**0**	**-201**	**-201**
Equity at 31 December 2019	**172,123**	**-177,513**	**-5,390**

No dividend are proposed for 2019

Equity at 1 January 2018	**172,123**	**-82,346**	**89,777**
Comprehensive income for 2018			
Net profit/loss for the year		-65,715	-65,715
Translation reserve		-57	-57
Total comprehensive income for the year	**0**	**-65,772**	**-65,772**
Transactions with shareholders			
Equity-settled share payment transactions		-201	-201
Total transactions with shareholders	**0**	**-201**	**-201**
Equity at 31 December 2018	**172,123**	**-148,319**	**23,804**

These financial statements were approved by the board of directors on 4 December 2020 and were signed on its behalf by:

Runar Nilsen
Director
Company registered number: 05652020

The notes on pages 60 to 72 form an integral part of these financial statements.

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Parent Notes

01 Basis of preparation of the Parent financial statement

The financial statements of the Santa Fe Group Limited parent company for 2019 are prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

GENERAL INFORMATION

Santa Fe Group Ltd. is a private company limited by shares and incorporated and domiciled in the UK with registered office at 15 Central Way Park Royal, London, NW10 7XW. The Parent Company's principal activities include investment activities, operation of corporate functions and the holding of shares in subsidiaries.

The financial statements for the Parent Company were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

In the Parent financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;

As the consolidated financial statements of Santa Fe Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments;

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention. The functional currency of the Parent Company is Euro and the presentation currency of these financial statements is likewise Euro. All amounts in the financial statements have been rounded to the nearest EUR 1,000.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

None of the changes in accounting policies under UK GAAP have impacted the Parent Company's accounting policies for recognition and measurement.

Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euros at the rates of exchange ruling at the dates of the transactions. Exchange gains or losses arising are taken to the profit and loss account.

Foreign currency translation adjustments of balances with subsidiaries, which are neither planned nor likely to be settled in the foreseeable future, and which are therefore considered to form part of the net investment in the subsidiary, are recognised in the Parent Company's income statement as financial items.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost in the Parent Company's financial statements. If an indication of impairment is identified, an impairment test is carried out. If the carrying amount of investments exceeds the recoverable amount, a corresponding impairment loss is recognised. Impairment losses are recognised in the Parent Company's income statement as financial items. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

If the Parent Company has a legal or constructive obligation to cover a negative net asset value of a subsidiary, this obligation is recognised by means of a provision.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings. The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Office equipment	5 years
Computer equipment etc.	5 years
Other equipment	5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Intangible fixed assets

The cost of acquired software licences comprises the cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives on a straight line basis.

Costs that are directly associated with the production of identifiable and unique software products controlled by Santa Fe Group Limited that will probably generate economic benefits are recognised as intangible assets. Such software development costs are amortised over their estimated useful lives.

Intangible Assets	5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits

Dividend income and other income from subsidiaries

Other operating income from subsidiaries consist of management service fee and is recognised when the service has been provided.

Dividends from subsidiaries and associates are recognised in the Parent Company's income statement when the right to receive payment has been established (at the date of declaration). If the dividend exceeds the total comprehensive income of the subsidiary during the period, an impairment test is carried out.

Administrative expenses

Administrative expenses comprise of fees charged to other group companies for Management services and the income is recognised as it is invoiced monthly.

Staff costs

Staff cost include wages and salaries, pensions, social security cost and other staff cost. Staff cost are recognised in the financial year in which the employee renders the related service. Cost related to long term employee benefits, e.g. share-based payments, are recognised in the period to which they relate.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Financial income and expenses

Financial income and expenses are recognised in income statement as they accrue, using the effective interest method. Financial expenses and similar charges include interest expenses, finance charges related to finance facility agreements, net foreign exchange losses and impairment on investments in subsidiaries and loan receivables.

Financial income include interest income on funds invested, reversal of impairment on investments in subsidiaries and loan receivables and net foreign exchange gains.

Taxation

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Going Concern

Refer to section 1.7 in the Consolidated Financial Statements on page 26

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In connection with the preparation of the parent company financial statements, management has made accounting estimates and judgements that affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period.

Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

Management assesses that, in respect of the financial reporting for the Parent Company, no accounting estimates or judgements are made when applying the Parent Company's accounting policies which are significant to the financial reporting apart from those disclosed in note 1.7 in the Consolidated Financial Statements related to going concern.

1 Audit Fee

Please refer to note 5.3 of the Group Consolidated Financial Statements.

2 Staff Costs

EUR'000	**2019**	2018
Wages and salaries	4,351	5,361
Social security	506	681
Contribution to defined contribution plans	421	603
Total	**5,278**	**6,645**

Director's Remuneration

EUR'000	**2019**	2018
Directors salary	816	1,067
Directors salary within special items	274	0
Company contribution to pension plans	27	96
Amounts paid to other parties in respect of Directors Services	310	0
Total	**1,427**	**1,163**

The aggregate of remuneration of the highest paid director was EUR 826k in 2019 of which EUR 274k is included under special items. No amounts were received under long term incentive schemes.

	2019	2018
Santa Fe Group Limited average headcount	61	64
Total	**61**	**64**

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3 Special Items

EUR'000	2019	2018
Restructuring related costs	-2,388	-460
Reversal of provision related to divestment against subsequent matters	0	1,063
Other	0	-552
Total	**-2,388**	**52**

4 Financial Income

EUR'000	2019	2018
Interest received on financial assets at amortised costs	0	133
Interest received on external loan	122	0
Foreign currency exchange gain	145	57
Total	**267**	**190**

5 Financial Expenses

EUR'000	2019	2018
Interest expenses and fees on financial liabilities measured at amortised cost	-6,051	-3,452
Interest payable on Group undertakings	-528	-583
Foreign currency exchange loss	-456	-121
Total	**-7,035**	**-4,156**

6 Income tax expense

EUR'000	2019	2018
Current tax on profit for the period	0	0
Total	**0**	**0**

7 Reconciliation of Effective Tax Rate

EUR'000	**2019**	2018
Profit / (Loss) for the year	-28,993	-2,960
Total tax expense	0	0
Loss Excluding Taxation	-28,993	-2,960
Tax Using the UK corporation tax rate of 19% (2018 19%)	-5,509	-562
Non-deductible expense	772	3,398
Non-deductible impairment in Subsidiaries	3,046	0
Tax exempt revenues	0	-4,299
Current year losses for which no deferred tax asset was recognised	1,691	1,359
Group relief surrendered for nil consideration	0	-33
Total	**0**	**-137**

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 18% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

At the balance sheet date the company had unused tax losses of approximately EUR 35.8m (2018: EUR 25.4m), available for offset against certain future profits, on which no deferred tax asset has been recognised as it not expected that there will be sufficient profits in future years to offset tax losses. These tax losses may be carried forward indefinitely.

8 Intangible Fixed Assets

EUR'000	Software and Development
Cost	
01.01.2019	12,431
Additions	1,863
Reclassification	-214
31.12.2019	**14,080**
Amortisation	
01.01.2019	-3,360
Amortisation during year	-2,608
Reclassification	42
31.12.2019	**-5,926**
Net book value 31.12.2019	**8,154**
Cost	
01.01.2019	8,917
Additions	3,514
31.12.2019	**12,431**
Amortisation	
01.01.2019	-1,110
Amortisation during year	-2,250
31.12.2019	**-3,360**
Net book value 31.12.2018	**9,071**

9 Tangible Fixed Assets

EUR '000	Computer Equipment etc.	Office Fixture & Fittings	Other Equipment	Total
Cost				
01.01.2019	361	147	367	875
Additions	0	0	0	0
Reclassification	214	0	0	214
31.12.2019	**575**	**147**	**367**	**1,089**
Depreciation				
01.01.2019	-348	-147	-367	-862
Depreciation during the year	-28	0	0	-28
Reclassification	-42	0	0	-42
31.12.2019	**-418**	**-147**	**-367**	**-932**
Net book value 31.12.2019	**157**	**0**	**0**	**157**
Cost				
01.01.2018	361	147	367	875
Additions	0	0	0	0
31.12.2018	**361**	**147**	**367**	**875**
Depreciation				
01.01.2018	-82	-31	-168	-281
Depreciation during the year	-266	-116	-199	-581
31.12.2018	**-348**	**-147**	**-367**	**-862**
Net book value 31.12.2018	**13**	**0**	**0**	**13**

10 Investment In Subsidiaries

EUR'000	2019	2018
Cost 01.01.	119,807	189,821
Disposals	-29	-70,014
Cost 31.12.	119,778	119,807
Impairment:		
01.01	-62,755	-70,014
Impairment for the year	-16,033	-62,755
Disposals	0	70,014
Impairment 31.12	-78,788	-62,755
Carrying amount 31.12.	**40,990**	**57,052**

The list of Investments in subsidiaries are disclosed on page 72.

The directors review the carrying value of investments annually, in accordance with the provisions of FRS 102. The directors have compared the carrying value of investments to the value in use which has been determined using a discounted cash flow forecast up to 2024. The directors consider this period appropriate given the current trends in the industry.

Impairment in 2019 relates primarily to Santa Fe Holdings Limited, Hong Kong following the general negative development in the underlying business during 2019 which has reduced the enterprise value without resulting in an impairment of the Goodwill recognised in the consolidated Financial Statements. The impairment is based on a value in use assessment, primarily based on the key assumptions disclosed in note 3.1 in the consolidated financial statements of the Santa Fe Group Limited for the CGUs in the Santa Fe Group (EMEA and Asia), with the necessary adjustments relevant for Santa Fe Group Limited.

11 Other receivables

EUR'000	2019	2018
Current:		
Loan to divested company (Australia)	1,088	2,176
Total	**1,088**	**2,176**

EUR'000	2019	2018
Non-current:		
Other receivables	1,485	1,160
Loan to divested company (Australia)	1,974	1,088
Prepayments	49	90
Total	**3,508**	**2,338**

12 Borrowings

EUR'000	2019	2018
Non-current:		
Bank loan	38,000	0
Shareholder Loan	4,712	5,595
Total	**42,712**	**5,595**
Current:		
Bank loans	0	36,406
Total	**0**	**36,406**
Total borrowings	**42,712**	**42,001**

13 Other liabilities

EUR'000	2019	2018
Accrued expenses related to professional fees	556	56
Accrued insurance expenses	725	101
Accrued severance pay and other staff expenses	482	0
Other	90	226
Total	**1,853**	**383**

14 Capital and Reserves

EUR'000	2019	2018
Allotted, called up and fully paid 160,376,436 Ordinary shares of EUR 1.19 each	172,123	172,123
Total	**172,123**	**172,123**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

15 Incentive Schemes

Please refer to note 5.4 in the consolidated financial statements for information related to the Executive Board of the Parent Company.

16 Ultimate Parent Company and Parent Company of a Larger Group

The ultimate parent company of Santa Fe Group Limited, was until 25 September 2019, Santa Fe Group A/S a company incorporated and registered in Denmark and quoted on the Danish stock market.

As from 25 September the ultimate parent company of Santa Fe Group Limited is Lazarus Equity Partners AB

The company has taken advantage of the exemption under FRS 102.33.1A not to disclose details of transactions with other wholly owned subsidiaries and the parent company of the same group.

17 Contingent Liabilities and Uncertain Tax Positions

EUR'000	**2019**	2018
Guaranties and similar commitments	**0**	**0**

Santa Fe Group Limited is jointly taxed with other UK companies in the Group. As the administration company, Santa Fe Group Limited, has several unlimited liabilities for UK corporate income taxes and interests within the joint taxation.

18 Related Party Transactions

Please refer to note 5.8 in the consolidated financial statements. Dividends and other income (management fee) received from subsidiaries are disclosed separately in the income statement. Receivables from and payables to subsidiaries are disclosed separately in the balance sheet. Interest income and expense is disclosed separately in note 4 and 5.

19 Subsequent Events

Capital structure
To further strengthen the capital structure of the Group the main lender Proventus Capital Partners did on 10 July 2020 agree to assign up to EUR 15m of debt in Santa Fe Group Limited into the direct parent company Santa Fe Intressenter AB. The subsequent total amount of the shareholder loan to Santa Fe Intressenter AB of EUR 19.7m could before year-end 2020 be converted into share capital in Santa Fe Group Limited.

COVID19
The Coronavirus is currently, the largest single external risk factor impacting the business, impacting customers, operations, and in particular the liquidity risk.

Liquidity: Whilst the temporary lockdown of a substantial part of our moving and relocation activities has a significant impact on cash flow, a number of actions has been taken to maintain sufficient liquidity. Capital investment has been put on hold. All discretionary spend such as marketing and travel activities is kept to the absolute minimum. Temporary voluntary pay-cut from 25-50% has been accepted by the vast majority of the work force and the company ensure that local Government support is utilised throughout the Group. Lease and supplier contracts has been renegotiated to the largest possible extent.

On top of all these initiatives the Santa Fe Group has been able to rely on support from the Proventus Capital Partners who financially has supported with additional funding.

Customers: Due to the uncertainty the timing of moving and relocation activities for are extremely difficult to predict. During this difficult phase the Santa Fe Group does everything possible to support customers and to make sure that the service can be delivered once circumstances allow. The Santa Fe Group is taking all protective measures to make sure that the customers are kept safe throughout the service.

No other material events have taken place after 31 December 2019.

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Subsidiaries and associates

Share Capital		Entities per Business	Share in % Direct	SFG
		SANTA FE GROUP LIMITED		
EUR	213,334	Santa Fe Europe Limited, United Kingdom	100.0	100.0
HKD	28,000,000	Santa Fe Holdings Ltd., Hong Kong	100.0	100.0
USD	400,000	Santa Fe Group Americas, Inc., USA	100.0	100.0
BRL	154,701	Santa Fe Group Limited, Brazil	100.0	100.0
ZAR	4,100,000	Santa Fe Relocation Services (PTY), South Africa	100.0	100.0
THB	60,150,000	Santa Fe (Thailand) Ltd., Thailand	0.0	100.0
THB	19,000,000	Santa Fe Enterprises Ltd., Thailand	0.0	100.0
THB	9,700,000	Santa Fe Services Ltd., Thailand	0.0	100.0
MYR	500,000	Santa Fe Relocation Services Sdn. Bhd., Malaysia	0.0	100.0
GBP	650,000	Santa Fe Relocation Services Limited, United Kingdom	0.0	100.0
GBP	100	Santa Fe Consumer Limited, United Kingdom	0.0	100.0
EUR	915,000	Santa Fe International Relocation SAS, France	0.0	100.0
EUR	1,025,000	Santa Fe Relocation Services GmbH, Germany	0.0	100.0
EUR	750,066	Santa Fe Relocation Services SA, Spain	0.0	100.0
EUR	3,006	Record Storage S.L., Spain	0.0	100.0
EUR	483,300	Santa Fe Relocation Services SA, Portugal	0.0	100.0
EUR	1,377,250	Santa Fe Relocation Services NV, Belgium	0.0	100.0
EUR	820,000	Santa Fe Relocation Services SA, Luxembourg	0.0	100.0
EUR	74,551	Santa Fe B.V., Netherlands	0.0	100.0
EUR	1,000,000	Interdean Relocation Services S.R.L. Unipersonale, Italy	0.0	100.0
CHF	2,500,000	Santa FeRelocation Services Switzerland SA, Switzerland	0.0	100.0
EUR	35,000	Santa Fe Eastern Europe Ges.m.b.H, Austria	0.0	100.0
KZT	900,000	Interdean Central Asia LLC, Kazakhstan	0.0	100.0
KZT	69,700,000	Santa Fe Relocation Services LLC, Kazakhstan	0.0	100.0
BGN	10,000	Santa Fe Bulgaria EOOD, Bulgaria	0.0	100.0
RSD	403,804	Santa Fe Relocation Services D.O.O, Serbia	0.0	100.0
UAH	294,500	Interdean International Relocation Ukraine LLC, Ukraine	0.0	100.0
RUR	12,333,478	OOO Santa Fe Relocation (RUS), Russia	0.0	100.0
RON	153,130	Santa Fe Relocation Services Romania Srl, Romania	0.0	100.0
EUR	72,673	Santa Fe Relocation Services Ges.m.b.H, Austria	0.0	100.0
CZK	1,877,000	Santa Fe Relocation spol s.r.o, Czech Republic	0.0	100.0
HUF	30,000,000	Santa Fe Relocation Services Kft., Hungary	0.0	100.0
PLN	650,000	Santa FeRelocation Services SpZoo, Poland	0.0	100.0
EUR	6,639	Santa Fe SRO, Slovakia	0.0	100.0
HKD	920,000	Santa Fe Transport International Limited, Hong Kong	0.0	100.0
CNY	11,046,000	Sino Santa Fe International Transportation Services Co. Ltd., China	0.0	100.0
SGD	3,000,000	Santa Fe Relocation Services (S) Pte. Ltd., Singapore	0.0	100.0
MOP	25,000	Santa Fe Macau Limited, Macau	0.0	100.0
CNY	1,000,000	Sino Santa Fe Real Estate (Beijing) Co. Ltd., China	0.0	100.0
CNY	100,000	Sino Santa Fe Real Estate (Shanghai) Co. Ltd., China	0.0	100.0
TWD	14,800,000	Santa Fe Relocation Services, Taiwan	0.0	100.0
WON	450,000,000	Santa Fe Relocation Services, Korea	0.0	100.0
JPY	80,000,000	Santa Fe Relocation Services Japan K.K., Japan	0.0	100.0
INR	2,400,000	Santa Fe Moving Services Private Limited, India	0.0	100.0
INR	100,000	Santa Fe India Private Limited, India	0.0	100.0
VND	3,900,000,000	Santa Fe Joint Stock Company, Vietnam	0.0	100.0
AED	300,000	Santa Fe Relocation Services LLC, United Arab Emirates	0.0	100.0
MNT	196,000,000	Santa Fe Relocation Services LLC., Mongolia	0.0	100.0
QAR	200,000	Santa Fe Relocation Services (LLC), Qatar	0.0	100.0
KES	3,000,000	Santa Fe Relocation Services Ltd, Kenya	0.0	100.0
ZAR	100	Santa Fe Mobility Services (PTY), South Africa	0.0	100.0
MMK	42,900,000	Santa Fe Mobility Services (Myanmar) Limited, Myanmar	0.0	100.0
PHP	16,000,000	Santa Fe Moving and Relocation Services Phils., Inc., Philippines	0.0	100.0
IDR	550,000,000	PT Relokasi Jaya, Indonesia	0.0	100.0
IDR	5,795,151,600	PT Relokasi Jaya, Indonesia	0.0	100.0
DKK	500,000	Alfa Relocation Management A/S, Denmark*	50.0	50.0

* Associated company

All Class of shares are ordinary.

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