Reger Property Limited

Directors' report and financial statements

Registered number 06309143

Year ended 31 March 2018

Contents

Officers and professional advisors

The board of directors

JC Barnsley
RW Jefferson
ST Glanville

Company secretary

HL Austin

Registered office

First Floor, Finchale House
Belmont Business Park
Durham
DH1 1TW

Auditor

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company is property investment. The property investment has to date been made in Germany.

Results and dividends

The results for the year are set out on page 6.

During the year the company sold its investment property for a net sale price of €7.4m. Whilst this was the only commercial property asset owned by the company, the directors will look for similar investments in the foreseeable future.

The directors do not recommend the payment of a dividend *(2017: €nil)*.

Directors

The directors who served during the year were as follows:

JC Barnsley
RW Jefferson
ST Glanville

Political contributions

The company made no political donations or incurred any political expenditure during the year *(2017: €nil)*.

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 auditor is aware of that information.

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.

The directors' report has been prepared taking advantage of the small companies' exemption under Section 415A of the Companies Act 2006.

By order of the board

RW Jefferson
Director

First Floor, Finchale House
Belmont Business Park
Durham
DH1 1TW

6 November 2018

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the 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 company and of the profit or loss of the company for that period. In preparing these 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 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 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the 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 company and to prevent and detect fraud and other irregularities.

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Reger Property Limited

Opinion

We have audited the financial statements of Reger Property Limited ("the company") for the year ended 31 March 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- 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 company 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.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Reger Property Limited *(continued)*

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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 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 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.

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

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.

Nick Plumb

Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

16 November 2018

Income Statement
for the year ended 31 March 2018

	Note	2018	2017
		€	€
Revenue	2	**207,194**	537,602
Administrative expenses		**(267,794)**	(241,975)
Loss on sale of investment property	5	**(1,339,834)**	-
Operating (loss)/profit		**(1,400,434)**	295,627
Finance income	6	**912**	1,194
Finance expenses	7	**(777,701)**	(318,172)
Loss before taxation	2-5	**(2,177,223)**	(21,351)
Taxation	8	**102,191**	(18,320)
Loss for the year	16	**(2,075,032)**	(39,671)

Statement of Other Comprehensive Income
for the year ended 31 March 2018

	2018	2017
	€	€
Loss for the year	**(2,075,032)**	(39,671)
Other comprehensive income	**-**	-
Total comprehensive expense for the year	**(2,075,032)**	(39,671)

Balance Sheet
as at 31 March 2018

	Note	2018	2017
		€	€
Non-current assets			
Investment property	9	-	8,757,962
Current assets			
Trade and other receivables	10	**676,520**	159,679
Cash and cash equivalents	11	**7,607**	143,422
		684,127	303,101
Total assets		**684,127**	9,061,063
Current liabilities			
Loans from parent undertaking	12	-	(5,793,375)
Trade and other payables	13	**(264,228)**	(670,566)
		(264,228)	(6,463,941)
Non-current liabilities			
Deferred tax liabilities	14	-	(102,191)
Total liabilities		**(264,228)**	(6,566,132)
Net assets		**419,899**	2,494,931
Equity			
Share capital	15	**2,000,001**	2,000,001
Retained earnings	16	**(1,580,102)**	494,930
Total equity		**419,899**	2,494,931

These financial statements were approved by the board of directors on 6 November 2018 and were signed on its behalf by:

ST Glanville
Director

Company registration number: 06309143

Statement of Changes in Equity
for the year ended 31 March 2018

	Share capital €	Retained earnings €	Total €
Balance at 1 April 2016	2,000,001	534,601	2,534,602
Total comprehensive income for the year			
Loss for the year	-	(39,671)	(39,671)
Balance at 31 March 2017	2,000,001	494,930	2,494,931
Balance at 1 April 2017	**2,000,001**	**494,930**	**2,494,931**
Total comprehensive income for the year			
Loss for the year	-	**(2,075,032)**	**(2,075,032)**
Balance at 31 March 2018	**2,000,001**	**(1,580,102)**	**419,899**

Cash Flow Statement
for the year ended 31 March 2018

	Note	2018 €	2017 €
Cash flows from operating activities			
Loss for the year		**(2,075,032)**	(39,671)
Adjustments for:			
Loss on sale of investment property	*5*	**1,339,834**	-
Financial income	*6*	**(912)**	(1,194)
Financial expense	*7*	**777,701**	318,172
Taxation	*8*	**(102,191)**	18,320
		(60,600)	295,627
(Increase)/decrease in trade and other receivables		**(516,841)**	328,026
(Decrease)/increase in trade and other payables		**(406,338)**	229,305
		(983,779)	852,958
Interest paid	*12*	**(777,701)**	(318,172)
Tax paid		-	-
Net cash from operating activities		**(1,761,480)**	534,786
Cash flows from investing activities			
Proceeds from sale of investment property	*5*	**7,422,071**	-
Interest received		**912**	1,194
Acquisition of investment property	*9*	**(3,943)**	(257,962)
Net cash from investing activities		**7,419,040**	(256,768)
Cash flows from financing activities			
Repayment of intercompany loans	*12*	**(5,793,375)**	(164,063)
Net cash from financing activities		**(5,793,375)**	(164,063)
Net (decrease)/increase in cash and cash equivalents		**(135,815)**	113,955
Cash and cash equivalents at 1 April		**143,422**	29,467
Cash and cash equivalents at 31 March	*11*	**7,607**	143,422

Notes
(forming part of the financial statements)

1 Accounting policies

Reger Property Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 06309143 and the registered address is First Floor, Finchale House, Belmont Business Park, Durham, United Kingdom, DH1 1TW.

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

The company's functional and presentational currency is the Euro since this is the currency in which the majority of the company transactions are denominated.

Measurement convention

The financial statements are prepared on the historical cost basis except that investment properties are stated at their fair value.

Going concern

The company has no external borrowing and meets its day to day working capital requirements through its positive cash balances. The company's forecasts and projections show that the company is expected to have a sufficient level of financial resources available to settle its liabilities as the fall due.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Foreign currency

Transactions in foreign currencies are translated to the company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Classification of financial instruments issued by the company

Following the adoption of IAS 32, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes *(continued)*

1 Accounting policies *(continued)*

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables and interest bearing borrowings.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, 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.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the year end. Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the year in which they arise.

Gains or losses arising from the retirement or disposal of investment property, being the difference between the net disposal proceeds and carrying value, are included in profit or loss for the year of the retirement/disposal.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Rental income from investment property is recognised on a straight-line basis over the term of the relevant operating lease. The aggregate cost of lease incentives are recognised as a reduction of rental income on a straight-line basis over the term of the lease

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and expenses

Financing expenses comprise interest payable and is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income is used.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Standards and Interpretations applied for the first time

None of the Adopted IFRSs, which became effective for the first time, had a significant impact on either the company's result for the year or equity.

Adopted IFRS not yet applied

Of the IFRSs that have been issued and endorsed by the EU but have not yet been applied by the company, because they are not yet effective, none are expected to have a material effect on the company's financial statements.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Revenue

	2018	2017
	€	€
Investment property rentals	**207,194**	537,602

All of the company's revenue is derived from rent on investment property in Germany.

3 Expenses and auditor's remuneration

Included in profit/loss is the following:

Auditor's remuneration:

	2018	2017
	€	€
Audit of these financial statements	**3,000**	3,000

Notes *(continued)*

4 Remuneration of directors, staff numbers, and costs

	2018	2017
	€	€
Sums paid to third parties for directors' services	**9,859**	14,584

Fees in respect of directors' services are paid to a related undertaking (see note 19). The company had no other employees during the current year and preceding financial year.

5 Loss on sale of investment property

	2018	2017
	€	€
Proceeds from sale of investment property (net of selling costs)	**7,422,071**	-
Carrying value of investment property sold (note 9)	**(8,761,905)**	-
	(1,339,834)	-

6 Finance income

	2018	2017
	€	€
Net foreign exchange gain	**912**	1,194

7 Finance expenses

	2018	2017
	€	€
Interest on loans from parent undertaking (note 19)	**189,047**	318,172
Bank treasury breakage costs recharged by parent undertaking (note 19)	**588,654**	-
	777,701	318,172

8 Taxation

Recognised in the income statement

	2018	2017
	€	€
Current tax expense		
Domestic tax	-	-
Foreign tax	-	-
Total current tax expense	-	-
Deferred taxation (see note 14)		
Origination and reversal of timing differences	**(120,445)**	34,872
Effect of tax rate change on opening balance	**12,678**	(2,786)
Adjustment in respect of prior year	**5,576**	(13,766)
Total deferred tax (credit)/expense	**(102,191)**	18,320
Total tax (credit)/expense	**(102,191)**	18,320

Notes *(continued)*

8 Taxation *(continued)*

Reconciliation of effective tax rate

	2018	2017
	€	€
Loss for the year	**(2,075,032)**	(39,671)
Total tax (credit)/expense	**(102,191)**	18,320
Loss excluding taxation	**(2,177,223)**	(21,351)
Tax using the UK corporation tax rate of 19% *(2017: 20%)*	**(413,672)**	(4,270)
Effect of changes in tax rates	**12,678**	(2,786)
Non-deductible expenses	**12,666**	3,999
Non-taxable gains	**(152,593)**	-
Group relief surrendered for nil consideration	**-**	35,143
Current year losses for which no deferred tax asset was recognised	**433,154**	-
Adjustment in respect of prior years	**5,576**	(13,766)
Total tax (credit)/expense	**(102,191)**	18,320

Factors that may affect future current and total tax charges

The company has losses of €2,279,757 *(2017: €nil)* available to relieve against future profits of the company. The company also has capital losses carried forward of €872,555 *(2017: €nil)* available to relieve against future chargeable gains. A deferred tax asset of €535,893 has not been recognised in respect of these due to uncertainty surrounding their future recovery.

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. Tax balances at 31 March 2018 have been calculated based on these rates.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9 Investment property

	2018	2017
	€	€
Balance at 1 April	**8,757,962**	8,500,000
Additions	**3,943**	257,962
Disposal (note 5)	**(8,761,905)**	-
Balance at 31 March	**-**	8,757,962

In December 2017 the company sold its investment property.

The company had valued its investment property as at 31 March 2017 at fair value.

The fair value of the company's investment property had been updated by the directors with reference to a valuation carried out in 2015 by BNP Paribas Real Estate Consult GmbH on an open market value basis.

All of the investment properties were categorised within Level 3 of the fair value hierarchy outlined in note 17. The valuation was assessed by reference to market evidence of transaction prices for similar properties.

The company had pledged all of its investment property to secure loan facilities granted to Reger Holding Limited, the immediate parent company (see note 12).

Notes *(continued)*

10 Trade and other receivables

	2018	2017
	€	€
Current		
Trade receivables	**50,055**	1,698
Amounts due from related undertakings (note 19)	**658,454**	-
Other receivables	**13,863**	7,182
Prepayments and accrued income	**4,148**	150,799
	726,520	159,679
Provision for doubtful debts	**(50,000)**	-
	676,520	159,679

A provision against trade and other receivables is made when these are considered to be impaired after taking into account the specific nature of the receivable.

None of the balances noted above in the current and prior period were past their due date.

11 Cash and cash equivalents/ bank overdrafts

	2018	2017
	€	€
Cash and cash equivalents per balance sheet	**7,607**	143,422
Bank overdrafts	-	-
Cash and cash equivalents per cash flow statements	**7,607**	143,422

12 Loans from parent undertakings

	2018	2017
	€	€
Current		
Loans from parent undertaking - secured	-	5,793,375

The loan from parent undertaking was denominated in Euro and was repaid following sale of the company's investment property in December 2017.

The loan was arranged by Reger Holding Limited, the immediate parent company, and was subsequently lent to the company. Reger Holding Limited uses interest rate swaps to manage its exposure to interest rate movements on the floating rate of its bank borrowings. The weighted average interest rate re-charged to the company during the year was 5.37% *(2017: 5.5%)*.

Notes *(continued)*

12 Loans from parent undertakings *(continued)*

Changes in liabilities from financing activities

	Loans and borrowings €
Balance at 1 April 2017	**5,793,375**
Changes from financing cash flows	
Repayment of borrowings	**(5,793,375)**
Total changes from financing cash flows	**(5,793,375)**
Other changes	
Interest expense	**777,701**
Interest paid	**(777,701)**
Total other changes	**-**
Balance at 31 March 2018	**-**

13 Trade and other payables

	2018 €	2017 €
Current		
Trade payables	**61,415**	130,395
Amounts owed to related undertakings (note 19)	**-**	524,952
Other tax and social security	**-**	10,042
Accruals and deferred income	**202,813**	5,177
	264,228	670,566

The directors consider that the carrying value of trade and other payables approximates to their fair value. Classification of trade and other payables within current liabilities represent the fact their contractual cash flows are due in less than one year.

14 Deferred tax assets and liabilities

Deferred tax liabilities are attributable to the following:

	2018 €	2017 €
Non-current		
Accelerated capital allowance	**-**	102,191

Movement in deferred tax during the year

	1 April 2017 €	**Recognised in income €**	**Recognised in equity €**	**31 March 2018 €**
Accelerated capital allowance	**102,191**	**(102,191)**	**-**	**-**

Notes *(continued)*

14 Deferred tax assets and liabilities *(continued)*

Movement in deferred tax during the prior year

	1 April 2016 €	Recognised in income €	Recognised in equity €	31 March 2017 €
Accelerated capital allowance	83,871	18,320	-	102,191

15 Called up share capital

	'A' Ordinary shares		Ordinary shares	
	2018 Number	2017 Number	**2018 Number**	2017 Number
In issue at 1 April and 31 March - fully paid	**2,000,000**	2,000,000	**1**	1

	2018 €	2017 €
Allotted, called up and fully paid		
1 ordinary share of £1	**1**	1
2,000,000 'A' ordinary shares of €1	**2,000,000**	2,000,000
	2,000,001	2,000,001
Shares classified in shareholders' funds	**2,000,001**	2,000,001

The holders of the ordinary share and 'A' 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.

The ordinary share and the 'A' ordinary shares rank pari passu and carry the same rights and privileges in all respects, save as to the respective amounts of nominal capital payable on a winding up or on a reduction or return of capital.

Dividends

No dividend was recognised during the year *(2017: €nil)*.

16 Reserves

	Retained earnings €
Balance at 1 April 2016	534,601
Loss for the year	(39,671)
Balance at 31 March 2017	494,930
Balance at 1 April 2017	**494,930**
Loss for the year	**(2,075,032)**
Balance at 31 March 2018	**(1,580,102)**

Notes *(continued)*

17 Financial instruments

The company's financial assets and liabilities consist primarily of cash and cash equivalents, trade and other receivables, trade and other payables and interest-bearing loans and borrowings. The company does not trade in financial instruments and all of its financial assets and liabilities are denominated in Euro. No financial instruments are measured at fair value.

Fair value of financial instruments (disclosure only)

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated at its carrying value where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if this is material.

Trade and other payables

The fair value of trade and other payables is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Fair value hierarchy

The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market prices (unadjusted) in an active market for an identical item.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs. This category includes those items where the valuation technique includes inputs not based on observable data and the unobservable data have a significant effect on the valuation.

The fair values of all other financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

	2018		2017	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	€	**€**	€	€
Loans and receivables				
Cash and cash equivalents	**7,607**	**7,607**	143,422	143,422
Trade receivables	**55**	**55**	-	-
Amounts due from related undertakings	**658,454**	**658,454**	-	-
Other receivables	**13,863**	**13,863**	7,182	7,182
Total financial assets	**679,979**	**679,979**	150,604	150,604
Financial liabilities measured at amortised cost				
Loans from parent undertaking	-	-	5,793,375	5,793,375
Trade and other payables	**264,228**	**264,228**	670,566	670,566
Total financial liabilities	**264,228**	**264,228**	6,463,941	6,463,941

Cash and cash equivalents falls within Level 1. All other financial assets and financial liabilities noted above fall within Level 2.

Notes *(continued)*

17 Financial instruments *(continued)*

Management of financial risk

The company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The main risks associated with the company's financial instruments have been identified as credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations and arises from the company's amounts due from related parties and trade and other receivables. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits. Credit assessments are performed on all tenants looking to enter into lease agreement with the company, with the majority of tenants paying rent in advance. Outstanding tenants' receivables are monitored on a regular basis. The carrying amount of balances due from related parties and trade and other receivables in the balance sheet represents the maximum exposure to credit risk. There were no balances past their due date at the balance sheet date.

The directors consider the company's exposure to credit risk to be acceptable and normal for entities of its size.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the company's reputation. The company itself has no external borrowing.

All of the company's financial liabilities, as noted above, are contractual due within 1 year or less.

Interest rate risk

Interest rate risk reflects the company's exposure to fluctuations to interest rates in the market. The risk arose because the company had borrowed at floating rates of interest based on base rate of EURIBOR plus a fixed margin. The company's immediate parent undertaking, Reger Holding Limited, uses interest rate swaps to manage its exposure to interest rate movements on the floating rate of its bank borrowings. The weighted average interest rate re-charged to the company during the year was 5.37% *(2017: 5.5%)*. Following the repayment of its inter-company loan, the company now has no significant exposure to fluctuations in interest rates.

Capital management

The company defines capital as share capital and retained earnings. The company's objective in capital management is to safeguard its ability to continue as a going concern providing returns to shareholders, through optimisation of the debt and equity balance, and to maintain a strong credit rating and headroom. The company manages its capital structure and makes appropriate decisions in light of the current economic conditions and strategic objectives of the company.

Notes *(continued)*

18 Commitments

Capital commitments

Capital commitments at the end of the period for which no provision has been made amounted to €nil *(2017: €nil)*.

Leases as lessor

The investment properties let under operating leases was disposed of during the year. The future minimum lease payments under non-cancellable leases were as follows:

	2018	2017
	€	€
Less than one year	-	473,049
Between one and five years	-	1,666,244
More than five years	-	288,316
	-	2,427,609

Where the operating leases on investment properties provide for contingent rental increases, estimate of these contingent rents have not been included in the above note.

19 Related party transactions

The company undertook the following transactions with companies whose directors included JC Barnsley, RW Jefferson and ST Glanville:

	Transactions in		**Amounts due from**		**Amounts due to**	
	2018	2017	**2018**	2017	**2018**	2017
	€	€	**€**	€	**€**	€
API Limited						
Management fees payable	**15,939**	21,252	-	-	-	52,718
Branden Property Ltd						
Payments made on account	**8,151**	-	**8,151**	-	-	-
Bruder Property Limited						
Payments made on account	**2,101**	-	**2,101**	-	-	-
Reger Holding Limited						
Payments made on account	**1,120,436**	-	**648,202**	-	-	472,234
Loans repaid	**(5,793,375)**	-	-	-	-	5,793,375
Interest charged on parent loan	**777,701**	318,172	-	-	-	-
Stampflat Limited						
Payments made on account	-	-	-	-	-	-
Michael Noble Investments						
Fees in respect of directors' services	**9,859**	14,584	-	-	-	-

All related party balances are unsecured and will be settled by cash generated from operations.

Transactions with key management personnel

Directors of the company and their immediate relatives control none of the voting shares of the company.

Key management personnel (including the directors) are not compensated by the company. Compensation in respect of key management personnel is instead recharged to the company through management fees payable to API Limited and directors' fees payable to Michael Noble Investments, related undertakings, as noted above.

Notes *(continued)*

20 Ultimate parent company and parent company of larger group

The immediate controlling party is Reger Holding Limited, a company incorporated in the United Kingdom.

As at 31 March 2018, the directors do not consider there to be an ultimate controlling party.

The only group in which the results of the company are consolidated is that headed by Reger Holding Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House.