

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

AUDITED FINANCIAL STATEMENTS

For the period ended 31 December 2016

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ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

GENERAL INFORMATION

Company registration number
9213965

Registered office address
1 Wheatfield Way
Kingston upon Thames
KT1 2TU
United Kingdom

Directors
Spiros Noussis
Karen Bodenstein

Bankers
HSBC Bank plc
54 Clarence Street
Kingston upon Thames
KT1 1NS
United Kingdom

Auditors
King and King Chartered Accountants & Registered Auditors
Roxburghe House
273 - 287 Regent Street
London
W1B 2HA

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

DIRECTORS' REPORT

For the period ended 31 December 2016

The directors have pleasure in presenting their report for the period ended 31 December 2016.

Nature of business

The company is an investment holding company. Details of subsidiary companies are provided in note 3 to the financial statements.

Results of operations

The results of operations are set out in the attached annual financial statements of the company.

Dividends

No dividends were declared during the current period.

Directors

S Noussis

K Bodenstein - appointed 5 November 2015

NJ Matulovich - resigned 18 January 2016

Statement as to disclosure of information to the auditors

Each person who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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

Auditors

The auditor, King & King, is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

The directors acknowledge their responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for that year and which comply with International Financial Reporting Standards ("IFRS"); and
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iii) IFRS has been adhered to. Any departure in the interest in fair presentation has been disclosed, explained and quantified; and

In addition, the directors have made an assessment of the group's and company's ability to continue as a going concern and there is no reason to believe that the business will not be a going concern in the year ahead.

Approval of the financial statements of the company

The financial statements of the company were approved by the board of directors on 27 June 2017
and are signed on its behalf by:



S Noussis
Director

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED

Independent Auditor's report to the shareholders of Rockcastle Global Real Estate Company UK Limited for the period ended 31 December 2016

We have audited the financial statements of Rockcastle Global Real Estate Company UK Limited for the period ended 31 December 2016 which comprise the statement of financial position, statement of comprehensive income, statement of changes in equity statement, statement of cash flows and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of Directors and Auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amount and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of, whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED

Independent Auditor's report to the shareholders of Rockcastle Global Real Estate Company UK Limited for the period ended 31 December 2016

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or
- the company's 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.

Milankumar H Patel
(Senior Statutory Auditor)



for and on behalf of King & King
Chartered Accountants and Statutory Auditor

Roxburghe House
273-287 Regent Street London
W1B 2HA

27 June 2017

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Notes	2016 GBP	2015 GBP
ASSETS			
Non-current assets		79 908 790	4 424 503
Investment in and loans to subsidiaries	3	79 908 790	4 424 503
Current assets		63 905	18 813
Trade and other receivables		1 648	-
Intercompany receivables	4	2 287	-
Cash and cash equivalents		59 970	18 813
TOTAL ASSETS		79 972 695	4 443 316
EQUITY AND LIABILITIES			
Total equity attributable to equity holders		79 934 263	334 576
Share capital	5	100	100
Share premium		80 108 790	-
Retained (loss)/profit		(174 627)	334 476
Non-current liabilities			
Non-interest bearing borrowings	6	-	4 106 029
Current liabilities			
Trade and other payables	7	38 432	2 711
TOTAL EQUITY AND LIABILITIES		79 972 695	4 443 316

The financial statements were approved by the board of directors and authorised for issue on 27 June 2017.



S Noussis
Director

Company registration number: 9213965

The notes on pages 10 to 17 form part of these financial statements.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 December 2016

		For the 18 months ended 31 December 2016 GBP	For the 10 months ended 30 June 2015 GBP
	Note		
Management fee income		623 650	-
Operating expenses		(774 379)	(23 898)
Foreign exchange (loss)/gain		(358 374)	358 374
Profit before finance costs		(509 103)	334 476
Finance costs		-	-
(Loss)/profit before income tax expense		(509 103)	334 476
Income tax	8	-	-
(Loss)/profit for the period		(509 103)	334 476
Total comprehensive (loss)/profit for the period		(509 103)	334 476

The notes on pages 10 to 17 form part of these financial statements.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2016

	<u>SHARE</u> <u>CAPITAL</u> <u>GBP</u>	<u>SHARE</u> <u>PREMIUM</u> <u>GBP</u>	<u>RETAINED</u> <u>(LOSS)/PROFIT</u> <u>GBP</u>	<u>TOTAL</u> <u>GBP</u>
Issue of share capital	100	-	-	100
Total comprehensive profit for the period			334 476	334 476
Balance at 30 June 2015	100	-	334 476	334 576
Equity contributed		80 108 790		80 108 790
Total comprehensive loss for the period			(509 103)	(509 103)
Balance at 31 December 2016	100	80 108 790	(174 627)	79 934 263

The notes on pages 10 to 17 form part of these financial statements.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

STATEMENT OF CASH FLOWS

For the period ended 31 December 2016

		For the 18 months ended 31 December 2016 GBP	For the 10 months ended 30 June 2015 GBP
	Note		
OPERATING ACTIVITIES			
Cash utilised in operations	13.1	<u>(158 843)</u>	<u>(21 187)</u>
Cash outflow from operating activities		<u>(158 843)</u>	<u>(21 187)</u>
FINANCING ACTIVITIES			
Proceeds from equity funding		200 000	-
Proceeds from non-interest bearing borrowings		<u>-</u>	<u>40 000</u>
Cash inflow from financing activities		<u>200 000</u>	<u>40 000</u>
Increase in cash and cash equivalents		<u>41 157</u>	<u>18 813</u>
Cash and cash equivalents at the beginning of the period		<u>18 813</u>	<u>-</u>
Cash and cash equivalents at the end of the period		<u><u>59 970</u></u>	<u><u>18 813</u></u>

The notes on pages 10 to 17 form part of these financial statements.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

REPORTING ENTITY

Rockcastle Global Real Estate Company UK Limited is a private company with limited liability incorporated in England and Wales on 11 September 2014. The company's main activity is to serve as an investment holding company.

The financial statements for the period ended 31 December 2016 were authorised for issue by the directors on 27 June 2017.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the UK Companies Act 2006.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Pound Sterling.

The company does not present consolidated financial statements as it is a wholly owned subsidiary of its ultimate parent company Rockcastle Global Real Estate Company Limited, which prepares consolidated financial statements, and meets all other requirements set out by IFRS10:4(a) in respect of the Consolidation Exemption.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

1 ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the period ended 31 December 2016.

1.1 INVESTMENT IN AND LOANS TO SUBSIDIARIES

Investment in and loans to subsidiaries are stated at cost less accumulated impairment losses.

1.2 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the company's statements of financial position when the company has become party to the contractual provisions of the instrument. Financial instruments acquired for trading purposes and derivative instruments are stated at fair value. Resulting gains or losses are recognised directly in profit or loss. Financial instruments presented in the financial statements include investment in and loans to subsidiaries and non-interest bearing borrowings. Financial instruments are initially recognised at fair value including transaction costs.

Subsequent to initial recognition, these instruments are measured as follows:

1.2.1 Financial assets

The classification of financial assets depends on their nature and purpose and is determined at the time of initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

1 ACCOUNTING POLICIES (continued)
1.2 FINANCIAL INSTRUMENTS (continued)
1.2.1 Financial assets (continued)

Financial instruments at fair value through profit or loss - Financial instruments at fair value through profit or loss are financial assets held-for-trading and those designated at fair value through profit or loss at inception. These assets are carried at fair value being the quoted closing price at the statement of financial position date. Realised gains/(losses) on disposal of investments and unrealised gains and losses arising from changes in the fair value of these instruments are recognised in profit or loss in the period in which they arise. Attributable transaction costs are recognised in profit or loss as incurred.

Loans and receivables - Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets - Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

Receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in companies that share similar credit characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised and the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised.

Derecognition of financial assets - A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is derecognised where the contractual rights to receive cash flows from the asset have expired, the company retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement or the company has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards from the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

1 ACCOUNTING POLICIES (continued)

1.2 FINANCIAL INSTRUMENTS (continued)

1.2.2 Financial liabilities

Classification as debt or equity - Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade and other payables - Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities - All other financial liabilities, with the exception of derivatives, are accounted for at amortised cost using the effective interest method.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Where an existing liability from a lender is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amount is recognised in profit or loss.

On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is recognised directly in profit or loss.

Effective interest method - The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset, or, where appropriate, a shorter period.

Offset - Where a legally enforceable right of set-off exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the assets simultaneously, all related financial effects are offset.

1.3 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when a present legal or constructive obligation exists as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate of the amount of the obligation can be made. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market "assessments of the time value of money and where appropriate, the risks specific to the obligation."

The company discloses a contingent liability when it has a possible obligation arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

1.4 STATED CAPITAL

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds.

When stated capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

1.5 RELATED PARTIES

Related parties include any shareholder who is able to exert a significant influence on the operating policies of the company. Directors, their close family members and any employee who is able to exert significant influence on the operating policies of the company are also considered to be related parties.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

2 FINANCIAL RISK MANAGEMENT

The company has exposure to the following risks from its use of financial instruments:

- credit risk; and
- liquidity risk.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements (refer to note 11).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has delegated the responsibility for developing and monitoring the company's risk management policies to the risk committee. The committee reports to the board of directors on its activities. The risk committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

The company's risk management policies are established to identify and analyse the risks 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.

Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's investments in and loans to subsidiaries.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations, comprising interest-bearing borrowings and trade and other payables, as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. In this respect, the company prepares cash flow analyses and forecasts which enable the directors to assess the level of financing required in future periods.

3 INVESTMENT IN AND LOANS TO SUBSIDIARIES

		2016				
Subsidiaries	Incorporated in and place of business	Stated Capital	Effective Interest	Investment GBP	Loan Amount GBP	Total GBP
Rockcastle Global Real Estate Holdings B.V.	Netherlands	EUR94 336 020	100%	79 908 790	-	79 908 790
				<u>79 908 790</u>	<u>-</u>	<u>79 908 790</u>
		2015				
Subsidiaries	Incorporated in and place of business	Stated Capital	Effective Interest	Investment GBP	Loan Amount GBP	Total GBP
Rockcastle Global Real Estate Holdings B.V.	Netherlands	EUR5 760 722	100%	4 424 503	-	4 424 503
				<u>4 424 503</u>	<u>-</u>	<u>4 424 503</u>

Amounts owing are unsecured, bear interest at rates agreed from time to time and the terms of repayment are specific to individual tranches advanced. The subsidiary period end is 31 December. Class of shares held are ordinary share capital. The main business of the company is as an investment holding company.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

4 INTERCOMPANY RECEIVABLES	2016	2015
	GBP	GBP
Loan from Rockcastle Global Real Estate Company Limited	2 187	-
Loan from Rockcastle Europe Limited	100	-
	<u>2 287</u>	<u>-</u>

5 SHARE CAPITAL	2016	2015
	GBP	GBP
Authorised:		
100 ordinary shares of GBP1 each		
Issued:		
100 ordinary shares of GBP1 each	<u>100</u>	<u>100</u>

6 NON-INTEREST BEARING BORROWINGS	2016	2015
	GBP	GBP
Loan from Rockcastle Global Real Estate Company Limited	-	40 000
Loan from Rockcastle Europe Limited	-	4 066 029
	<u>-</u>	<u>4 106 029</u>

The loans are unsecured and interest free. Terms of repayment are specific to individual tranches advanced.

7 TRADE AND OTHER PAYABLES	2016	2015
	GBP	GBP
VAT payable	160	-
Employee accruals and provisions	32 872	2 711
Sundry accruals and provisions	5 400	-
	<u>38 432</u>	<u>2 711</u>

8 INCOME TAX EXPENSE	2016	2015
	GBP	GBP
Current tax	<u>-</u>	<u>-</u>

9 CONTINGENT LIABILITIES
There are no contingent liabilities.

10 SUBSEQUENT EVENTS

The directors are not aware of any events subsequent to 31 December 2016 not arising in the normal course of business which are likely to have a material effect on the financial information contained in the financial statements.

11 FINANCIAL INSTRUMENTS

11.1 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2016	2015
	GBP	GBP
Investment in and loans to subsidiaries	<u>79 908 790</u>	<u>4 424 503</u>

None of the borrowers to whom loans were granted were in breach of their obligations and no impairment losses were recognised.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

11 FINANCIAL INSTRUMENTS (continued)

	<u>Carrying Value</u>	<u>Contractual outflows</u>	<u>Less than 1 year</u>	<u>More than 5 years</u>
	2016	2016	2016	2016
	GBP	GBP	GBP	GBP
Trade and other payables	38 432	38 432	38 432	-
	<u>38 432</u>	<u>38 432</u>	<u>38 432</u>	<u>-</u>
	2015	2015	2015	2015
	GBP	GBP	GBP	GBP
Non-interest bearing borrowings	4 106 029	4 106 029	-	4 106 029
Trade and other payables	2 711	2 711	2 711	-
	<u>4 108 740</u>	<u>4 108 740</u>	<u>2 711</u>	<u>4 106 029</u>

Cash flows are monitored on a regular basis to ensure that cash resources are adequate to meet funding requirements.

12 RELATED PARTY TRANSACTIONS

Identity of related parties with whom material transactions have occurred

The company's subsidiaries and directors are related parties. The subsidiaries of the company are set out in note 3 and the directors are set out on page 1.

Material related party transactions

Loans to subsidiaries are set out in note 3.

Related party transactions are made in the normal course of business. For the period ended 31 December 2016, the company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	2015	2015
	GBP	GBP
13 NOTES TO THE STATEMENT OF CASH FLOWS		
13.1 Cash utilised in operations		
(Loss)/profit before income tax expense	(509 103)	334 476
Adjusted for:		
Foreign exchange gain	<u>318 475</u>	<u>(358 374)</u>
	<u>(190 628)</u>	<u>(23 898)</u>
Changes in working capital:		
Increase in trade and other payables	35 720	2 711
Increase in trade and other receivables	<u>(3 935)</u>	<u>-</u>
	<u>(158 843)</u>	<u>(21 187)</u>

14 STANDARDS AND INTERPRETATIONS

Statement of compliance with International Financial Reporting Standards ("IFRS")

The company applies all applicable IFRS as issued by the International Accounting Standards Board ("IASB") in preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

14 STANDARDS AND INTERPRETATIONS (continued)
14.1 Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the company's financial statements.

Amendments to IAS 27, Equity method in separate financial statements. The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate FS. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment had no impact on the company's financial statements.

Annual improvements to IFRSs 2012-2014 cycle:

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment had no impact on the company's financial statements.
- IFRS 7 amendment provides specific guidance for 'transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment had no impact on the company's financial statements.
- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment had no impact on the company's financial statements.
- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment had no impact on the company's financial statements.

Amendments to IAS 1, Disclosure Initiative. The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Amendments to IFRS 10, IFRS 12 and IAS 28, Investment entities: Applying the consolidation exception. The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the company's financial statements.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 9213965)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

14 STANDARDS AND INTERPRETATIONS (continued)

14.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2017 or later periods, but which the company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contract with Customers
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- IFRS 16 Leases
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
- Amendments to IAS 7 Statement of Cash Flows
- Clarifications to IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
- Annual Improvements to IFRSs 2014–2016 Cycle
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Transfers of Investment Property (Amendments to IAS 40)

Where relevant, the company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

15 ULTIMATE PARENT COMPANY

The ultimate parent company is Rockcastle Global Real Estate Company Limited, a company registered in Mauritius, which is the ultimate controlling party. The consolidated financial statements for Rockcastle Global Real Estate Company Limited are available to the public and may be obtained from its website: www.rockcastleglobal.com.