ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 09213965)

AUDITED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2018

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(Registration number: 09213965)

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ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
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AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

GENERAL INFORMATION

Company registration number
09213965

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

Directors
Spiros Noussis (resigned on 24/01/2019)
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: 09213965)

DIRECTOR'S REPORT
For the year ended 31 December 2018

The director presents the audited financial statements for the year ended 31 December 2018.

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 audited annual financial statements of the company.

Dividends
No dividends were declared during the current period.

Directors
The directors who served the company during the year were as follows:
S Noussis (resigned on 24/01/2019)
K Bodenstein

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;

• 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.

Strategic report
The company is entitled to the small companies exemption in relation to the disclosure of a strategic report in terms of section 414B(a) of the Companies Act 2006.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 09213965)

DIRECTOR'S RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2018

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 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 annual financial statements of the company

The annual financial statements of the company were approved by the board of directors on 12 February 2019 and are signed on its behalf by:

K Bodenstein
Director

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Rockcastle Global Real Estate Company UK Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. 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.
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

• the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
• the financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of directors' remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's responsibilities for the audit of the financial statements (continued)

• Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Milankumar H Patel
(Senior Statutory Auditor)
for and on behalf of King & King
Chartered Accountants and Statutory Auditor
First Floor Roxburghe House
273-287 Regent Street London
WIB 2HA

12 February 2019

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 09213965)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	2018 GBP	2017 GBP
ASSETS			
Non-current assets		**170,755,255**	170,441,627
Investment in and loans to subsidiary	3	**170,743,071**	170,402,670
Deferred tax asset	8	**12,184**	38,957
Current assets		**1,104,157**	117,621
Trade and other receivables		**27,391**	-
Intercompany receivables	4	**18,064**	8,598
Cash and cash equivalents		**1,058,702**	109,023
TOTAL ASSETS		**171,859,412**	170,559,248
EQUITY AND LIABILITIES			
Total equity attributable to equity holders		**170,882,530**	170,431,248
Share capital	5	**100**	100
Share premium		**170,936,338**	170,595,937
Retained loss		**(53,908)**	(164,789)
Current liabilities		**976,882**	128,000
Intercompany payables	6	**953,868**	5,872
Trade and other payables	7	**23,014**	122,128
TOTAL EQUITY AND LIABILITIES		**171,859,412**	170,559,248

The financial statements were approved by the board of directors and authorised for issue on 12 February 2019.

K Bodenstein
Director

Company registration number: 09213965

The notes on pages 12 to 19 form part of these financial statements.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 09213965)

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	Note	For the year ended 31 December 2018 GBP	For the year ended 31 December 2017 GBP
Management fee income		**2,212,300**	1,059,300
Operating expenses		**(2,074,365)**	(1,085,443)
Foreign exchange loss		**(210)**	(2,976)
Profit/(loss) before finance costs		**137,725**	(29,119)
Finance costs		**(71)**	-
Profit/(loss) before income tax expense		**137,654**	(29,119)
Income tax	8	**(26,773)**	38,957
Profit for the year		**110,881**	9,838
Total comprehensive profit for the year		**110,881**	9,838

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 12 to 19 form part of these financial statements.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 09213965)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	SHARE CAPITAL GBP	SHARE PREMIUM GBP	RETAINED LOSS GBP	TOTAL GBP
Balance at 31 December 2016	100	80,108,790	(174,627)	79,934,263
Equity contributed		90,487,147		90,487,147
Total comprehensive profit for the year			9,838	9,838
Balance at 31 December 2017	**100**	**170,595,937**	**(164,789)**	**170,431,248**
Equity contributed		**340,401**		**340,401**
Total comprehensive profit for the year			**110,881**	**110,881**
Balance at 31 December 2018	**100**	**170,936,338**	**(53,908)**	**170,882,530**

The notes on pages 12 to 19 form part of these financial statements.

ROCKCASTLE GLOBAL REAL ESTATE COMPANY UK LIMITED
(Registration number: 09213965)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	Note	For the year ended 31 December 2018 GBP	For the year ended 31 December 2017 GBP
OPERATING ACTIVITIES			
Cash generated by operations	13.1	**949,679**	55,786
Cash inflow from operating activities		**949,679**	55,786
INVESTING ACTIVITIES			
Increase in investment in subsidiary		**(340,401)**	(90,493,880)
Cash outflow from investing activities		**(340,401)**	(90,493,880)
FINANCING ACTIVITIES			
Proceeds from equity funding		**340,401**	90,487,147
Cash inflow from financing activities		**340,401**	90,487,147
Increase in cash and cash equivalents		**949,679**	49,053
Cash and cash equivalents at beginning of the year		**109,023**	59,970
Cash and cash equivalents at end of the year		**1,058,702**	109,023

The notes on pages 12 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

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 address of the registered office is 1 Wheatfield Way, Kingston upon Thames, KT1 2TU, United Kingdom.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard 101 Reduced Disclosure Framework (EU adopted IFRS) issued by the Financial Reporting Council and with the 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 Nepi Rockcastle Plc, which prepares consolidated financial statements, and meets all other requirements set out by IFRS10:4(a) in respect of the Consolidation Exemption. The consolidated annual financial statements of Nepi Rockcastle Plc can be viewed on its website: www.nepirockcastle.com.

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 year ended 31 December 2018.

1.1 REVENUE

Revenue is recognised when it can be reliably measured and it is probable that the economic benefits will flow to the company. Revenue is recognised at the fair value of the consideration received or receivable. Revenue comprises management fee income, excluding VAT.

1.2 TAX

Current tax comprises tax payable calculated on the basis of the expected taxable income for the period, using the tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment of tax payable in respect of previous years. Deferred tax is recognised for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

1.3 INVESTMENT IN AND LOANS TO SUBSIDIARIES

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

1 ACCOUNTING POLICIES (continued)

1.4 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:

1.4.1 Financial assets

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

Cash and cash equivalents - Cash and cash equivalents comprise cash balances. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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.

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.

1 ACCOUNTING POLICIES (continued)

1.4 FINANCIAL INSTRUMENTS (continued)

1.4.1 Financial assets (continued)

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.

1.4.2 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.

1.5 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.

1.6 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.

1.7 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.

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 SUBSIDIARY

<u>Rockcastle Global Real Estate Holdings B.V.</u>

	2018				
Incorporated in and place of business	**Stated Capital EUR**	**Effective interest**	**Investment GBP**	**Loan Amount GBP**	**Total GBP**
Netherlands	94,336,020	100%	**170,743,071**	-	**170,743,071**
			170,743,071	-	**170,743,071**

	2017				
Incorporated in and place of business	**Stated Capital EUR**	**Effective interest**	**Investment GBP**	**Loan Amount GBP**	**Total GBP**
Netherlands	94,336,020	100%	170,402,670	-	170,402,670
			170,402,670	-	170,402,670

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: 09213965)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

4 INTERCOMPANY RECEIVABLES

	2018 GBP	2017 GBP
Loan to Rockcastle Global Securities Limited	-	8,067
Loan to Rockcastle UK Property SPV Limited	18,064	531
	18,064	8,598

5 SHARE CAPITAL

	2018 GBP	2017 GBP
Authorised:		
100 ordinary shares of GBP1 each		
Issued:		
100 ordinary shares of GBP1 each	100	100

6 INTERCOMPANY PAYABLES

	2018 GBP	2017 GBP
Loan from Rockcastle Real Estate Holdings BV	6,077	5,872
Loan from Rockcastle Global Securities Limited	947,791	-
	953,868	5,872

7 TRADE AND OTHER PAYABLES

	2018 GBP	2017 GBP
Employee accruals and provisions	11,169	117,190
Sundry accruals and provisions	11,844	4,938
	23,013	122,128

8 TAXATION

	2018 GBP	2017 GBP
Tax on profit/(loss)		
Deferred tax:		
Origination and reversal of timing differences	26,773	(38,957)
Profit/(loss) before income tax expense	137,654	(29,119)
Tax at 19%	26,154	(5,824)
Effect of expenses not deductible for tax purposes	1,930	595
Loss brought forward from 2017	(28,084)	5,228
Effect of provisions and timing difference	26,773	(38,957)
Statement of comprehensive income charge	26,773	(38,957)
Deferred tax asset		
Opening balance	38,957	-
Statement of comprehensive income charge	(26,773)	38,957
Closing balance	12,184	38,957

9 CONTINGENT LIABILITIES

There are no contingent liabilities.

10 SUBSEQUENT EVENTS

The directors are not aware of any events subsequent to 31 December 2018 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:

	2018	2017
	GBP	GBP
Investment in and loans to subsidiaries	170,743,071	170,402,670

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

11.2 Liquidity risk

	Carrying Value	Contractual outflows	Less than 1 year	More than 5 years
	2018	2018	2018	2018
	GBP	GBP	GBP	GBP
Intercompany payables	953,868	953,868	953,868	
Trade and other payables	23,014	23,014	23,014	-
	976,882	976,882	976,882	-
	2017	2017	2017	2017
	GBP	GBP	GBP	GBP
Intercompany payables	5,872	5,872	5,872	
Trade and other payables	122,128	122,128	122,128	-
	128,000	128,000	128,000	-

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.

Fees paid to directors during the current and previous year are detailed in the table below.

	2018	2017
Directors' fees	GBP	GBP
Spiros Noussis	1,067,830	484,284

Related party transactions are made in the normal course of business. For the year ended 31 December 2018, 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.

13 NOTES TO THE STATEMENT OF CASH FLOWS

13.1 Cash generated by operations

	2018 GBP	2017 GBP
Profit/(loss) before income tax expense	**137,654**	(29,119)
Adjusted for:		
Foreign exchange loss	**210**	2,976
	137,864	(26,143)
Changes in working capital:		
Increase in trade and other payables	**848,672**	86,592
Increase in trade and other receivables	**(36,857)**	(4,663)
	949,679	55,786

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.

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.

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

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.

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 Nepi Rockcastle Plc, a company registered in Isle of Man, which is the ultimate controlling party. The consolidated financial statements for Nepi Rockcastle Plc are available to the public and may be obtained from its website: www.nepirockcastle.com.