CEPF II Meteor Developments Ltd

Report of the Directors and Audited Financial Statements

For the year ended 31 December 2019

Registered Number: 10475500

CONTENTS

Registered Number: 10475500

COMPANY INFORMATION

DIRECTORS

Murray Jonathan Martin Petit
Guy Ian Swinburn Wilson
Christakis Christofi (Resigned 30 June 2020)

REGISTERED OFFICE

33 Cavendish Square
London
W1G 0PW
United Kingdom

AUDITOR

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2019.

Results

The result for the year, after taxation, amounted to a profit of £241,288 (2018: loss £1,121,132).

Principal activity and review of the business

CEPF II Meteor Developments Ltd is a United Kingdom company incorporated on 11 November 2016, subject to general company law.

The principal activities of the Company comprise management, development and trading of commercial property. The Company repaid share premium of £1,002,732 (2018: £nil) to shareholders during the year.

Review of the business

The Company's key financial and performance indicators for the year were as follows:

	01 Jan 2019 to 31 Dec 2019	*01 Jan 2018 to 31 Dec 2018*
	£	£
Operating Profit/(loss)	391,486	(856,955)
Profit/(Loss) for the year	241,288	(1,121,132)
Equity shareholders' funds	1,680,661	2,442,105

Principal risks and uncertainties

- Liquidity risk

The Directors manage liquidity risk by monitoring projected cash flows and maintaining sufficient short-term cash balances for the Company's activities. Long-term liquidity is made available by the shareholders if requested by the Directors.

- Market risk

The Company manages and mitigates market risk through the careful assessment and selection of assets with appropriate location and physical condition, tenant's covenant strength and long lease period, in line with the Group strategy

- Interest rate risk

The Company has one bank loan with a variable interest rate and therefore is exposed to increases in market interest rates.

- Credit risk

The Company trades only with a recognised, creditworthy parties. Receivable balances are monitored on an ongoing basis. The Company is not aware of any bad debts from current operations.

- Political risk Management - Brexit

Following the referendum in the United Kingdom on 23 June 2016 and triggering of relevant legislative clauses (Article 50) in March 2017, the United Kingdom exited the European Union on 31 January 2020. This began a transition period that is set to end on 31 December 2020. In the meantime, the Directors continue to monitor the situation and take appropriate measures as required based on the outcome of ongoing national negotiations. Such measures will seek to reduce operational risk and may include currency hedging, revision of contracts and revision of business plans as appropriate.

DIRECTORS' REPORT

- Global pandemic- COVID-19

The Coronavirus (COVID-19) pandemic was declared in March 2020 and as of the date of this report the impact of the virus on the UK economy has been negative and the future outlook is uncertain. In line with UK government requirements, the Company's tenants have closed their stores. This will have an adverse impact on tenant incomes, which in turn could result in delays or non-payment of rent to the Company.

The Company is managing this risk by maintaining contact with tenants to assess debt recoverability against future viability of occupiers, in addition to limiting cash outflows to maintain liquidity during the ongoing pandemic. Other mitigating factors include seeking government assistance from various EU and UK programmes and seeking recovery of some losses through insurance claims where applicable.

COVID-19 is a non-adjusting post balance sheet event. The valuation of the Company's assets is based on events and conditions that existed at the balance sheet date.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he or she is obliged to take as a director in order to make himself or herself aware of any relevant audit information and to establish that the 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

Directors

The director Murray Jonathan Martin Petit was appointed on 12 November 2016 and the director Guy Ian Swinburn Wilson was appointed on 11 November 2016; both have held office from the date of appointment to the date of this report. The director Christakis Christofi was appointed on 11 November 2016 and resigned on 30 June 2020.

On behalf of the board:

....

J Petit - Director

Date 20.8.20

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 UK accounting standards and applicable law FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEPF II METEOR DEVELOPMENTS LTD

Opinion

We have audited the financial statements of CEPF II Meteor Development Ltd ("the company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- 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.

Material uncertainty related to going concern

We draw your attention to note 1 to the financial statements which describes uncertainties related to the ability of the group headed by Catalyst European Property Fund II LP to continue its financial support to the Company. These events and conditions, along with other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 other information;
- in our opinion the information given in the directors' 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEPF II METEOR DEVELOPMENTS LTD

Directors' responsibilities

As explained more fully in their statement set out on page 5, 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.

Richard Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

Date 21 August 2020

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Note	31 Dec 2019 £	31 Dec 2018 £
Turnover	2	7,165,167	583,923
Disposal of trading property	6	(5,550,678)	-
Impairment on trading properties		(1,115,138)	(738,227)
Property expenses		(59,674)	(679,337)
Gross profit/(loss)		**439,677**	**(833,641)**
Administrative expenses		(48,191)	(23,314)
Operating profit/(loss)	3	**391,486**	**(856,955)**
Interest income		1,904	23
Interest payable and similar charges	4	(152,102)	(264,200)
Profit/(Loss) before taxation		**241,288**	**(1,121,132)**
Tax on profit/loss	5	-	-
Profit/(Loss) for financial year		**241,288**	**(1,121,132)**
Total other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		**241,288**	**(1,121,132)**

The Company results for the year presented are all derived from continuing operations.

The accounting policies and notes on pages 11 to 19 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	31 Dec 2019 £	31 Dec 2018 £
Current assets			
Debtors	7	239,238	621,295
Trading properties	6	2,397,300	8,944,173
Cash at bank and in hand	8	894,775	165,724
		3,531,313	9,731,192
Creditors: amounts falling due within one year	9a	(1,584,873)	(3,302,878)
Net current assets		1,946,440	6,428,314
Total assets less current liabilities		1,946,440	6,428,314
Creditors: amounts falling due after more than one year	9b	(265,779)	(3,986,209)
Net assets		**1,680,661**	**2,442,105**
Capital and Reserves			
Share capital		9,500	9,500
Share premium		2,825,168	3,827,900
Profit and loss account		(1,154,007)	(1,395,295)
Equity shareholders' funds		**1,680,661**	**2,442,105**

The financial statements were approved by the Board and signed on its behalf by

J Petit - Director

Date: 20.8.20

The accounting policies and notes on pages 11 to 19 form part of these financial statements.

Company registration no: 10475500

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance as at 31 December 2017	**9,500**	**3,827,900**	**(274,163)**	**3,563,237**
Total comprehensive loss for the year	-	-	(1,121,132)	(1,121,132)
Balance as at 31 December 2018	**9,500**	**3,827,900**	**(1,395,295)**	**2,442,105**
Reduction and repayment of capital	-	(1,002,732)	-	(1,002,732)
Total comprehensive income for the year	-	-	241,288	241,288
Balance as at 31 December 2019	**9,500**	**2,825,168**	**(1,154,007)**	**1,680,661**

The accounting policies and notes on pages 11 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1 ACCOUNTING POLICIES

Basis of preparation

CEPF II Meteor Developments Ltd (the "Company") is a private company limited by shares established in England and Wales, United Kingdom. The registered office is 33 Cavendish Square, London, W1G 0PW, United Kingdom. The principal activities of the company are set out in the Directors' report on page 3.

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, ("FRS 102"), as issued in August 2016.

The Company has taken the exemption from producing a statement of cash flows under paragraph 7.1B of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements are discussed below.

The Company financial statements are presented in Sterling, which is the Company's functional currency. Amounts have been rounded to the nearest £.

Going concern

The Company is a member of the group headed by Catalyst European Property Fund II LP ('the Group').

As at 31 December 2019 the Company has loans repayable on demand to other group companies of £569,587. CEPF II Meteor Holdings S.à r.l has indicated its intention to continue to make available funds as are needed by the Company for the period not less than 12 months following the approval of these financial statements. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue. However, notwithstanding the financial position of the Group, as described further below, they have no reason to believe that it will not do so.

The financial statements of the Group include a material uncertainty over going concern assumption, which states the following:

The Group's property portfolio is let to a diverse range of tenants across over 25 properties in 4 European countries (of which 14 properties are held by joint ventures or associates). The majority of the Group's properties are in the retail sector, which is amongst the sectors most severely impacted by Covid-19 and there remain significant unpaid rents from tenants. Each country in which the Group invests has implemented different legislation governing which premises can remain open for trading. Further there are different regulations on what protections are available to tenants and landlords for non-payment of rents. The Group's forecasts are based on levels of rent arrears to date and whether the tenant is in the retail sector.
In severe but plausible downside forecasts, the forecasts show that to maintain sufficient cash resources the Group is reliant on receipts from the sale of property within one of its associates, with the proceeds then being distributed to the Group. The sale is at an advanced stage of negotiations and is expected to complete in September 2020. The associate is concurrently discussing loan financing options with a potential lender should the sale not proceed. Therefore, the Group is confident the funds, via either a sale or refinancing, will be available.

The Group has a range of loan facilities which are described in note 11c to the financial statements. Each loan is secured on specific property assets held by the Group. The Group's joint ventures and associates also have secured debt facilities on the property of the joint venture/associate, which are non-recourse to the Group.

1 ACCOUNTING POLICIES (continued)

The loans include financial covenants in various combinations of: loan-to-value ('LTV'), Debt Yield ('DY') and Interest Cover ('ICR'). Given the reduction in rent receipts in 2020, the Group is forecasting that breaches in ICR covenants may occur. The Group has agreed covenant waivers with certain lenders for a period of 6 months. Further the Group is in negotiations with other lenders for waivers typically for a period of 6 months. Based on the status of negotiations up to the date of approval of these financial statements, the Group believes the remaining waivers will be obtained. However, there can be no certainty this will be the case. Nor can it be certain that further waivers will not be required after the waiver period has ended. Further, it is possible that declines in property valuations may cause future breaches in LTV covenants. Were this to occur the Group would enter discussions with the respective lenders to waive or cure the covenant.

The material uncertainty in the Group means that should the Company require support from the Group in the severe but plausible downside case, there is a risk that this support will not be available. Accordingly, the Directors believe that it remains appropriate to prepare these financial statements on a going concern basis. However, the ability of the Group to continue its financial support of Company, represents a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The following principal accounting policies have been applied:

Revenue recognition

Rental income from operating leases is recognised on a straight line basis over the term of lease. Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the term of the lease. Service charge income is recognised as revenue on the statement of comprehensive income. Property cost equal and opposite to this income figure is recognised when service is provided.

Proceeds from sale of trading properties are recognised on unconditional exchange of contracts.

Trading properties

Trading properties are acquisitions made with the intention of resale. Trading properties are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the expenditure incurred in acquiring the properties and other costs in bringing them to their existing location and condition.

To ascertain the net realisable value of trading properties they are externally valued on the basis of Market Value by external, professionally qualified valuers in accordance with The Royal Institution of Chartered Surveyors ('RICS') Valuation Professional Standards. The property was valued as at 31 December 2019 by Cushman & Wakefield LLP. The net realisable value reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions less the costs that would be incurred in disposing of the trading property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the costs of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred

Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are recognised initially at fair value. The Company financial assets are all 'loans and receivables' including trade debtors, intercompany loans, cash and other debtors. The Company financial liabilities are all 'loans and borrowings' including trade creditors, shareholder and bank loans, and other creditors.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any

1 **ACCOUNTING POLICIES** (continued)

impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Intercompany loans

Intercompany loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits due on demand, and other current and highly liquid financial assets with an original term of no more than three months, as well as current account credit lines. Credit lines that are being drawn are recognised in the statement of financial position as bank overdraft within current liabilities.

Financial liabilities and equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

i. there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

ii. The instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

Financial liabilities

Interest bearing shareholder and bank loans are recognised initially at fair value, being the fair value of the consideration received net of issuance costs associated with the loan. Subsequent to initial recognition interest bearing shareholder and bank loans are measured at amortised cost with changes recognised in statement of comprehensive income using the effective interest method.

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Taxation

Current Tax

Current tax is provided at amounts expected to be paid by the company using the tax rates and laws that have been substantively enacted by the statement of financial position date.

Current income tax assets and liabilities for the period are valued at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the Directors consider that is it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1 **ACCOUNTING POLICIES** (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

Leases where a material portion of the benefits and risks from ownership of the leased asset remain with the lessor are classified as operating leases. Payments made under an operating lease (less incentive payments granted by the lessor) are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

Distributions

Dividend distributions are recognised in the Company's statement of comprehensive income and statement of financial position in the period in which they are approved.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted and other factors including current market conditions.

Management make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

i. Trading properties

Trading property is inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date. See note 6.

ii. Classification of assets

The initial classification of investment and trading properties is made at acquisition based on the investment intentions at the time. The classification is assessed by the Directors periodically and reviewed in accordance with updated investments plans.

2 **Turnover**

	2019	**2018**
	£	**£**
Rental income	237,058	506,064
Service charge income	693	77,859
Sale of property	6,927,416	-
	7,165,167	583,923

All turnover is wholly attributable to the principal activity of the Company and arises solely within United Kingdom.

3 Operating profit/(loss)

	2019	2018
	£	£
This has been arrived at after charging:		
Auditor's remuneration	14,409	9,570

The Company had no employees for the year to 31 December 2019 (2018: nil).

No director received any remuneration for services to the company.

4 Interest payable and similar charges

	2019	2018
	£	£
Shareholder loan interest (see note 9a)	69,513	113,197
Amortisation of deferred financing costs	44,802	23,053
Bank loan interest and similar charges	37,791	128,312
Foreign currency gain	(4)	(362)
	152,102	264,200

5 Tax on loss

a) Tax on profit/(loss)

	2019	2018
	£	£
Current tax:		
Local income tax	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Deferred tax	-	-
Total tax expense	-	-

b) Factors affecting current tax charge

	2019	2018
	£	£
Profit/(loss) before tax	241,288	(1,121,132)
Loss multiplied by the tax rate applicable to the Company of 19% (2018: 19%)	45,845	(213,015)
Disallowable expenses	4,863	7,138
Losses carried forward (not recognised)	(50,708)	205,877
Total tax expense	-	-

c) Deferred tax

The Company has unrecognised deferred tax assets of £1,011,182 (2018: £1,170,911) in relation to current gross tax losses (net tax losses £192,125 (2018: £222,473). These assets have not been recognised due to uncertainty of future profits against which the losses could be utilised.

6 Trading property

Trading property is stated at the lower of cost or net realisable value. The market value of the trading property as at December 31, 2019 was determined on the basis of a valuation by an independent external property adviser, Cushman & Wakefield LLP.

The trading property valuation has been assessed at a market value of £4,880,000 (2018: £10,425,000), by external valuation, in accordance with United Kingdom Valuation Standards. Market value is defined as the estimated amount for which the assets should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

The total amount of the net realisable value is £2,397,300 (2018: £8,944,173) after deducting estimated sales costs, the historic cost is £4,644,969 (2018: £10,076,705). Therefore the property has been impaired to net realisable value.

Disposal of trading properties of £5,550,678 comprises cost of the asset £5,431,735 and cost of sales of £118,943.

	2019	2018
	£	£
At 01 January	8,944,173	8,744,250
Acquisitions	-	-
Capital costs	-	938,150
Disposals	(5,431,735)	-
Impairment	(1,115,138)	(738,227)
At 31 December	2,397,300	8,944,173

7 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Amounts due from group undertakings (see note 12)	-	-
Other debtors	239,238	621,295
	239,238	621,295

8 Cash at bank and in hand

Included within the Company's cash at bank and in hand is a sum of £119,792 (2018: £119,618) which is restricted. These are held in accounts controlled by third party property managers and used for service charge payments.

9a Creditors: amounts falling due within one year

	2019	2018
	£	£
Shareholder loans (see note 12)	569,587	1,119,531
Trade creditors	19,658	178
Amounts owed to group undertakings (see note 12)	615,239	1,663,533
Other creditors	54,541	55,870
Accruals and deferred income	124,629	163,875
Loan interest payable	201,219	299,891
	1,584,873	3,302,878

The shareholder loan included above is repayable on demand at any time up to its final maturity date of 18 January 2027 and therefore has been classified as a current liability. Interest of £69,513 (2018: £113,197) was charged in respect of this loan, which is based on a fixed interest rate of 10%

9b Creditors: amounts falling due after more than one year

The bank loan is secured on the Company's trading property (refer to note 6).

The Company has entered into loan agreement as follows:

Loan	Available	Utilised	Repayment date	Interest rate
	£	£		
Wells Fargo	8,284,145	8,284,145	18 January 2021	LIBOR + 2.65% margin

	2019	2018
	£	£
Drawdown	278,841	4,044,073
Deferred finance costs	(13,062)	(57,864)
Repayment	-	-
	265,779	3,986,209

The Company is compliant with all loan covenants.

10 Financial instruments

The Company has the following financial instruments:

	2019 £	2018 £
Financial assets measured at amortised cost:		
Cash and cash equivalents	894,775	165,724
Amounts due from group undertakings	-	-
Other debtors	239,238	621,295
Financial liabilities measured at amortised cost:		
Bank borrowings	278,841	4,044,073
Trade and other payables	74,200	56,048
Shareholder loan	569,587	1,119,531
Interest payable	201,219	299,891
Amounts owed to group undertakings	615,239	1,663,533

The fair value of these instruments in each case approximates their carrying value.

11 Operating lease agreements where the Company is lessor or lessee:

The Company holds real estate assets as trading properties, as disclosed in note 6, which are let to third parties.

Future minimum rentals receivable and payable under non-cancellable operating leases are as follows:

	2019 £	2018 £
Receivable		
Not later than one year	400,499	443,001
Later than one year but not later than five years	666,295	1,102,368
Later than five years	8,329	179,625
	1,075,123	1,724,994

	2019 £	2018 £
Payable		
Not later than one year	37,101	37,000
Later than one year but not later than five years	148,101	148,101
Later than five years	3,442,521	3,479,622
	3,627,723	3,664,723

12 Related party transactions

During the year, the Company entered into transactions in the ordinary course of business, with related parties. Transactions entered into and balances outstanding at 31 December 2019 with related parties are set out below:

	2019 £	2018 £
Purchases and services from related parties	(15,278)	(34,157)
Amounts owed to related parties	(1,384,620)	(3,060,669)
Amounts owed by related parties	-	-

CEPF II Meteor Holdings S.à r.l is considered to be a related party due to being the immediate parent of the company.

The company was invoiced asset management fees of £13,176 (2018: £6,295) and reimbursement of expenses of £2,102 (2018: £4,434) by Catalyst Capital LLP. The total balance payable to Catalyst Capital LLP at year-end was £6,081 (2018: £ nil).

13 Share Capital

There has been no share capital movement during the year. The Company's share capital is set at £9,500 (2018: £9,500) represented by 9,500 shares at £1.00 each. The company repaid share premium of £1,002,732 (2018: £ nil) to shareholders during the year.

14 Ultimate controlling party

CEPF II Meteor Holdings S.à r.l. (registered address 12C, rue Guillaume Kroll, L-1882 Luxembourg) has a 100% holding in the Company. The largest and the smallest group in which the results of the company are consolidated is headed by Catalyst European Property Fund II LP, First Floor.17 The Esplanade, St Helier, Jersey. The consolidated financial statements of this group are available to the public and may be obtained from First Floor 17 The Esplanade, St Helier, Jersey. The general partner of Catalyst European Property Fund II LP is the controlling party of the consolidated group.

15 Post balance sheet events

Impact of COVID-19

The Coronavirus (COVID-19) pandemic started in December 2019 and is a novel virus which currently has no known cure. The spread of the virus during Q1 2020 has become a pandemic that is dangerous for all individuals, in particular those with existing health conditions and the aged. Government response in Europe varies but generally has by the effect of la or Government advice, caused the shutdown of most non-essential retail and work spaces, minimised social interaction and enacted a full "lock-down" of citizens in many European jurisdictions. The Meteor portfolio comprises office, retail and industrial assets, which are affected to a varying extent by the pandemic and by tenants ability to make their rental payments. Given the effect on the global market and in particular the UK retail market, it is likely that forecast sales will be postponed and that market value may suffer a decrease during and following the pandemic. Tenants' ability to make their rental payments may also be affected.

The Company is managing valuation and liquidity risk by maintaining contact with tenants to assess debt recoverability against future viability of occupiers. In addition, where possible cash outflows are limited to maintain liquidity during the ongoing pandemic, accessing government assistance and recourse to insurance. Capital expenditure works may also be postponed pending future sales and recovered stability of the market. The Asset Manager is also in contact with the senior lender to explore deferral of loan and interest payments. The directors believe that such actions will enable the portfolio to meet its required cash outflows over the course of the business plan.

There are no other post reporting date events requiring disclosure in or adjustment to the financial statements.