REPORT OF THE DIRECTORS AND

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2017 TO 31 DECEMBER 2018

FOR

D.U.K.E. Continental Partners Limited

CONTENTS OF THE FINANCIAL STATEMENTS
for the Period 1 July 2017 to 31 December 2018

D.U.K.E. Continental Partners Limited

COMPANY INFORMATION
for the Period 1 July 2017 to 31 December 2018

DIRECTORS:	Cromwell Director Limited J E Maddy
SECRETARY:	Cromwell Corporate Secretarial Limited
REGISTERED OFFICE:	1st Floor Exchange Place 3 3 Semple Street Edinburgh EH3 8BL
REGISTERED NUMBER:	SC286340 (Scotland)
ACCOUNTANTS:	Deloitte LLP Chartered Accountants and Statutory Auditors 4 Brindley Place Birmingham B1 2HZ
BANKERS:	Bank of Scotland 2nd Floor New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN

REPORT OF THE DIRECTORS
for the Period 1 July 2017 to 31 December 2018

The directors present their annual report and the audited financial statements of the company for the period ended 31 December 2018.

REVIEW OF BUSINESS
Both the level of business for the year and financial position of the company were as anticipated by the directors.

The results of the company for the period ended 31 December 2018 are set out in detail on page 7.

DIRECTORS
Cromwell Director Limited has held office during the whole of the period from 1 July 2017 to the date of this report.

Other changes in directors holding office are as follows:

J E Maddy was appointed as a director after 31 December 2018 but prior to the date of this report.

C Treacy ceased to be a director after 31 December 2018 but prior to the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES
The directors of D.U.K.E. Real Estate Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the business of the company. The principal risks and uncertainties of D.U.K.E. Real Estate Limited, which include those of the company, are discussed in the group's annual report which does not form part of this report.

KEY PERFORMANCE INDICATORS
The directors of D.U.K.E. Real Estate Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators of the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of D.U.K.E. Real Estate Limited, which includes the company, is discussed in the group's annual report, which does not form part of this report.

FINANCIAL RISK MANAGEMENT
The company's financial risk management is set out in detail in the notes to the financial statements.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
James Maddy
For and on behalf of Cromwell Director Limited - Director

Date: 23/09/2019

INCOME STATEMENT
for the Period 1 July 2017 to 31 December 2018

	Notes	Period 1.7.17 to 31.12.18 €'000	Year Ended 30.6.17 €'000
CONTINUING OPERATIONS			
Revenue		-	-
Impairment of loans		3,662	(1,844)
Administrative expenses		-	(112)
Forgiveness of intercompany balances		89	16,160
OPERATING PROFIT		3,751	14,204
Finance costs	4	(81)	2,483
PROFIT BEFORE INCOME TAX	5	3,670	16,687
Income tax	6	-	-
PROFIT FOR THE PERIOD		3,670	16,687

The notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
for the Period 1 July 2017 to 31 December 2018

	Period 1.7.17 to 31.12.18 €'000	Year Ended 30.6.17 €'000
PROFIT FOR THE PERIOD	3,670	16,687
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,670	16,687

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 December 2018

	Notes	31.12.18 €'000	30.6.17 €'000
ASSETS			
CURRENT ASSETS			
Trade and other receivables	7	3,662	-
TOTAL ASSETS		3,662	-
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	8	83,625	83,625
Share premium	9	9,000	9,000
Accumulated losses	9	(88,963)	(92,633)
TOTAL EQUITY		3,662	(8)
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	-	8
TOTAL LIABILITIES		-	8
TOTAL EQUITY AND LIABILITIES		3,662	-

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:
(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements on pages 3 to 18 were approved by the Board of Directors on 23/09/2019 and were signed on its behalf by:

James Maddy
For and on behalf of Cromwell Director Limited - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the Period 1 July 2017 to 31 December 2018

	Called up share capital €'000	Accumulated losses €'000	Share premium €'000	Total equity €'000
Balance at 1 July 2016	83,625	(109,320)	9,000	(16,695)
Changes in equity				
Total comprehensive income	-	16,687	-	16,687
Balance at 30 June 2017	83,625	(92,633)	9,000	(8)
Changes in equity				
Total comprehensive income	-	3,670	-	3,670
Balance at 31 December 2018	83,625	(88,963)	9,000	3,662

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
for the Period 1 July 2017 to 31 December 2018

		Period 1.7.17 to 31.12.18 €'000	Year Ended 30.6.17 €'000
Cash flows from operating activities			
Cash generated from operations	1	-	-
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		-	-

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the Period 1 July 2017 to 31 December 2018

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Period 1.7.17 to 31.12.18	Year Ended 30.6.17
	€'000	€'000
Profit before income tax	3,670	16,687
Waiver of intercompany loans	(81)	(16,160)
Impairment of loans	(3,662)	1,844
Finance costs	81	(2,483)
	8	(112)
Decrease in trade and other receivables	-	652
Decrease in trade and other payables	(8)	(540)
Cash generated from operations	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the Period 1 July 2017 to 31 December 2018

1. STATUTORY INFORMATION

D.U.K.E. Continental Partners Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation
The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with European Union ("EU") Endorsed International Financial Reporting Standards ("IFRSs"), IFRS IC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by revaluation of financial statements and derivatives.

The preparation of financial statements in conformity with IFRSs 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on page 14.

The company is exempt under section 399 of the Companies Act 2006 from preparing consolidated financial statements on the grounds that it is subject to the small companies regime.

As a consequence of the deal agreed during the year to sell the Group's remaining assets, as detailed below, the directors have prepared the financial statements on a basis other than going concern. The key features of a basis of preparation other than going concern are that the assets are written down to their recoverable amount and provision is made for all future closure costs and operating losses. No adjustments were needed in these financial statements to reduce assets to their recoverable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long term liabilities as current assets and liabilities. Any future closure costs will be borne by the parent entity and a relevant provision for these has been made in the parent company accounts.

2. **ACCOUNTING POLICIES - continued**

New and amended standards
There are no new standards and amendments to standards that are mandatory for the financial period beginning 1 July 2016.

New and amended standards not currently relevant to the company
The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 July 2016, but are not currently relevant to the company:

- Amendment to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation (effective 1 January 2016)

- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' on depreciation and amortisation (effective 1 January 2016)

- Amendments to IAS 27, 'Separate financial statements' on the equity method (effective 1 January 2016)

- Annual improvements 2014 (effective 1 January 2016)

ACCOUNTING POLICIES - continued

- Amendment to IAS 1 'Presentation of financial statements' on the disclosure initiative (effective 1 January 2016)

- Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception (effective 1 January 2016)

New and amended standards not effective for current financial year

The following new standards and amendments have been issued but are not effective for the financial year beginning 1 July 2016 and have not been adopted early:

- Amendments to IAS 7, 'Statement of cash flows' on disclosure initiative (effective 1 January 2017)

- Amendments to IAS 12, 'Income taxes' on recognition of deferred tax assets for unrealised losses (effective 1 January 2017)

- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)

- IFRS 9 'Financial instruments' (effective 1 January 2018)

- Amendments to IFRS 2 'Share-based payment' on clarifying how to account for certain types of share-based payment transactions (effective 1 January 2018)

- Amendments to IFRS 16 'Leases' (effective 1 January 2019)

- Amendments to IAS 40, 'Investment property' relating to transfers of investment property (effective 1 January 2018)

- Annual Improvements 2014-16, (effective 1 January 2017)

- IFRIC 22 'Foreign currency transactions and advance consideration' (effective 1 January 2018)

The impact of these standards is yet to be finalised by the company.

General information

2. **ACCOUNTING POLICIES - continued**

The company is a limited liability company incorporated and domiciled in Scotland. The address of its registered office is: Exchange Place 3, 3 Semple Street, Edinburgh, EH3 8BL.

Financial instruments

The company recognises financial instruments when it becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to receive the cash flows expires or it has transferred the financial asset and the economic benefit of the cash flows. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial instruments are used to support the company's operations. Interest is charged to the income statement as incurred or earned. Issue costs for instruments subsequently recorded at amortised cost are netted against the fair value of the related debt instruments on initial recognition and are charged to the income statement over the term of the relevant facility.

Financial instruments are recorded initially at fair value. Subsequent measurement depends on the designation of the instrument, as follows:

a) Financial assets/liabilities held for short term gain, including derivatives other than hedging instruments, are measured at fair value and movements in fair value are credited/charged to the income statement in the year.

b) Loans and receivables/payables and non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market are measured at amortised cost. These are included in current assets/liabilities except for instruments that mature after more than 12 months which are included in non current assets/liabilities.

Critical judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements, and the key areas summarised below.

Areas of judgement and sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are:

Estimation of fair value of Investments

The fair value of investments reflects the group's share of the underlying net asset value of the investments. Where there are property assets included in the underlying net asset value of the investment, the property valuation has been arrived at primarily after consideration of market evidence for similar property.

2. **ACCOUNTING POLICIES - continued**

Taxation

Current tax

The expense or credit for current tax is based on the results for the year adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax expense or credit. The tax expense or credit is calculated using taxation rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred tax is recognised using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of all taxable temporary differences, with certain limited exceptions:

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; and

- deferred tax assets are only recognised if it is probable that there will be sufficient profits from which the future reversal of the temporary differences can be deducted. In deciding whether future reversal is probable, the directors review the company's forecasts and make an estimate of the aggregate deferred tax asset that should be recognised. This aggregate deferred tax asset is then allocated into the different categories of deferred tax.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except where it applies to items credited or charged to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

Functional and presentation currency

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. The company's functional currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.
Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in equity.

2. ACCOUNTING POLICIES - continued

Investments
Fixed asset investments are stated in the statement of financial position at cost, less provision for any impairment.

Impairment
The carrying value of cash generating units (taking into account related liabilities and allocated central net assets) is tested for impairment by comparison with expected relevant future cash flows discounted at the pre-tax cost of capital taking into account appropriate risk; provision is made for any impairment identified.

When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the present value of expected future cash flows of the relevant cash generating unit) or 'fair value less costs to sell'. Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the company could receive for the cash generating unit in an arm's length transaction.

Receivables
Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due. Indicators of impairment would include financial difficulties of the debtor, likelihood of the debtor's insolvency, default in payment or a significant deterioration in credit worthiness. Any impairment is recognised in the income statement within 'administrative expenses'. When a receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against 'other operating income and expenses' in the income statement.

Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents
In the preparation of the company's statement of cash flows, cash and cash equivalents represent short term liquid investments which are readily realisable. Cash which is subject to restrictions, being held to match certain liabilities, is included in cash and cash equivalents in the statement of financial position.

Ordinary shares and preference shares
Ordinary shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution
Dividend distribution to the company's shareholders is recognised in the financial statements in the year in which the dividends are paid.

3. EMPLOYEES AND DIRECTORS

The company had no employees during the current or prior year.

Directors' emoluments
The directors are executives of the Cromwell (Europe) Limited group. D.U.K.E. Real Estate Limited, the ultimate parent company, has a management agreement with Cromwell Management Services Limited, a subsidiary of Cromwell (Europe) Limited. The management charge is invoiced to D.U.K.E. Real Estate Limited and a recharge is not made to subsidiary companies. The management charge includes various costs and the directors' remuneration cannot be separately identified.

4. **NET FINANCE COSTS**

	Period 1.7.17 to 31.12.18 €'000	Year Ended 30.6.17 €'000
Finance costs:		
Bank interest	-	(534)
Interest receivable from group undertakings	81	(1,949)
	81	(2,483)

The bank interest credit relates to accrued bank loan interest that was released following the sale of the Group's assets.

5. **PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging/(crediting):

	Period 1.7.17 to 31.12.18 €'000	Year Ended 30.6.17 €'000
Foreign exchange differences	-	118
Waiver of intercompany loans	(81)	(16,160)

Auditors' remuneration
The audit fee of the company for the current and prior year is borne by the ultimate parent company, D.U.K.E. Real Estate Limited.

6. **INCOME TAX**

Analysis of tax expense
No liability to UK corporation tax arose for the period ended 31 December 2018 nor for the year ended 30 June 2017.

6. **INCOME TAX - continued**

Factors affecting the tax expense

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.7.17 to 31.12.18 €'000	Year Ended 30.6.17 €'000
Profit before income tax	3,670	16,687
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.750%)	697	3,296
Effects of:		
investments		
Non-deductible impairment of/(reversal of impairment of) loans	(696)	364
Utilization of brought forward tax losses	(1)	(83)
group companies for nil		
Non-taxable interest received on intercompany loans	15	(385)
Non-taxable waiver of intercompany loans	(15)	(3,192)
Tax expense	-	-

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015. Given that these changes were substantively enacted at the balance sheet date its effects are included in these financial statements.

7. **TRADE AND OTHER RECEIVABLES**

	31.12.18 €'000	30.6.17 €'000
Current:		
Amounts owed by group undertakings	3,662	-

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18 €	30.6.17 €
50	'A' ordinary shares	€1	50	50
50	'B' ordinary shares	€1	50	50
83,624,702	Redeemable preference shares	€1	83,624,702	83,624,702
			83,624,802	83,624,802

8. CALLED UP SHARE CAPITAL - continued

The redeemable preference shares carry a zero coupon. The redemption date is indefinite and so the redeemable preference shares have been disclosed as part of equity.

9. RESERVES

	Accumulated losses €000
At 1 July 2017	(92,633)
Profit for the period	3,670
At 31 December 2018	(88,963)

10. TRADE AND OTHER PAYABLES

	31.12.18 €'000	30.6.17 €'000
Current:		
Trade payables	-	8

Amounts owed to group undertakings are unsecured, repayable on demand and incur no interest.

11. FINANCIAL INSTRUMENTS

The company's principal financial instruments include trade and other receivables, cash and cash equivalents and trade and other payables.

	31.12.18		30.6.17	
	Book value €'000	**Fair value** €'000	Book value €'000	Fair value €'000
Assets				
Trade and other receivables	3,662	3,662	-	-
Liabilities				
Trade and other payables	-	-	(8)	(8)

In accordance with IAS 39, the company classifies the assets in the analysis above as 'loans and receivables'. At the 2018 and 2017 year ends, the company did not have any 'held to maturity' or 'available for sale' financial assets or 'held for trading' financial assets and liabilities as defined by IAS 39.

For other financial assets and liabilities, which are all short-term in nature, the carrying value approximates to fair value.

12. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is D.U.K.E. Property Holdings (UK) Limited.

The company's ultimate parent undertaking, D.U.K.E. Real Estate Limited, is jointly owned by Uberior Europe Limited (a subsidiary of Lloyds Banking Group plc - a UK entity) and Cromwell Holdings Europe Limited. Cromwell Holdings Europe Limited's ultimate parent entity is Cromwell Corporation Limited, an Australian entity.

13. RELATED PARTY DISCLOSURES

Amounts owed by group undertakings
The funding of D.U.K.E Real Estate Limited and its subsidiaries ('the group') is controlled centrally. Resources are allocated to different entities within the group according to their needs, which constantly vary due to differing trading patterns, seasonality and other factors. The amounts owed at the year end disclosed in note 7 are owed by various subsidiary companies.

14. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk (including currency risk) and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury function on a group-wide basis under policies approved by the board of directors. The central treasury function identifies, evaluates and hedges financial risks in close co-operation with the group's operational managers. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk
Foreign exchange risk
The company operates across Europe and is exposed to foreign exchange risk arising from various currency exposures with respect to the Euro and the UK pound. Foreign exchange risk arises on future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

(b) Liquidity risk
The company is subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plan for growth. The company manages its liquidity requirements with the use of both short and long-term cash flow forecasts. These forecasts are supplemented by a financial headroom position which is used to demonstrate funding adequacy for at least a 12 month period.

The company's main source of liquidity is its property business. Cash generation by this business is dependent upon the reliability of rental income.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the central treasury function aims to maintain flexibility in funding by keeping committed credit lines available.

Capital risk management
The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to its parent, issue new shares or sell assets to reduce debt.