

Registered number: 1016972

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**EURONITE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**EURONITE LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Lumbro Corporate Services Limited Cotillion Trust Company Limited
<b>Registered number</b>	1016972
<b>Registered office</b>	P.O. Box 146, Trident Chambers Wickhams Cay Road Town British Virgin Isles
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT

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**EURONITE LIMITED**

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## EURONITE LIMITED

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### DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2018

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The directors present its report and the financial statements for the year ended 30 June 2018.

#### Directors

The directors who served during the year and subsequently were:

Lumbro Corporate Services Limited  
Cotillion Trust Company Limited

#### Directors' responsibilities statement

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

The directors have elected to prepare financial statements which give a true and fair view of the state of affairs and profit or loss of the company for that period in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). In preparing these financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 it to ensure that the financial statements comply with the British Virgin Islands law. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company can continue in operation for the foreseeable future. Euronite Limited incurred a net loss of £373,009 for the year ended 30 June 2018, resulting in net liabilities of £5,033,437.

The directors have obtained a pledge of continued financial support from the Excluded Sub-Fund of the St. George's Settlement for the foreseeable future. The company's shareholders are nominee for the Excluded Sub-Fund of the St. George's Settlement.

On this basis, the directors consider it appropriate to prepare the company's financial statements on a going concern basis. These financial statements do not include any adjustments that would result, if the company is unable to continue as a going concern.

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EURONITE LIMITED

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

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**Financial risk management**

*Cash flow interest risk*

The company borrows in sterling at 2.75% above one month GBP LIBOR under the terms of the facilities provided by The Excluded Sub-Fund of the St. George's Settlement. Interest bearing assets comprise cash and bank deposits and earn interest at floating rates. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the company.

Subsequent to the year-end, on 31 October 2018, the application for up to £15 million 2.4482% unsecured loan notes due on 30 October 2048 issued by the Company is admitted to the Official List of "The International Stock Exchange (TISE) Authority Limited.

*Liquidity risk*

The company's policy is to ensure availability of operating funds by maintaining an appropriate cash balance in current accounts and to establish an appropriate level of borrowing facilities to provide short-term flexibility. The current economic conditions create uncertainty, particularly over the level of demand for the company's services and the availability of financing in the foreseeable future.

*Credit risk*

The company's principal financial assets are cash at bank and trade debtors, which represent the company's maximum exposure to credit risk in relation to financial assets. The director monitor trade debtor balances on a regular basis to minimise the risk of unpaid balances.

**Qualifying third party indemnity provisions**

The company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

**Disclosure of information to auditor**

The directors confirm that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28th March 2019 and signed on its behalf.

  
**Lumbro Corporate Services Limited**  
Director  
*Authorised Signatories*



## INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF EURONITE LIMITED

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### Opinion

#### **Our opinion on the financial statements is unmodified**

We have audited the non-statutory financial statements of Euronite Limited (the 'company') for the year ended 30 June 2018, which comprise the Statement of comprehensive income, the Statement of financial position, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the company's financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We did not identify any Key Audit Matters relating to the audit of the financial statements of the company



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## **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF EURONITE LIMITED (CONTINUED)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statement and our Auditor's report thereon. Our opinion on the financial statement 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 statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement 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 statement 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

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 1, 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 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 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, 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 Company's internal control.



## INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF EURONITE LIMITED (CONTINUED)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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.

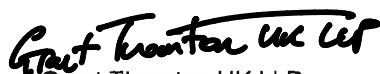
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Use of our report

This report is made solely to the company's directors, as a body, in accordance with our letter of engagement dated 11 March 2019. Our audit work has been undertaken so that we might state to the company's directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
Date: 28 March 2019



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EURONITE LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018

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	Note	2018 £	2017 £
Turnover	4	317,438	400,717
Cost of sales		(229,471)	(302,165)
<b>Gross profit</b>		<b>87,967</b>	<b>98,552</b>
Administrative expenses		(214,706)	(209,040)
<b>Operating loss</b>	5	<b>(126,739)</b>	<b>(110,488)</b>
Interest payable and similar expenses	8	(246,270)	(216,054)
<b>Loss before tax</b>		<b>(373,009)</b>	<b>(326,542)</b>
Tax on loss		-	-
<b>Loss for the financial year</b>		<b>(373,009)</b>	<b>(326,542)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(373,009)</b>	<b>(326,542)</b>

All amounts relate to continuing operations.

The notes on pages 8 to 16 form part of these financial statements.

**EURONITE LIMITED**  
**REGISTERED NUMBER: 1016972**

**STATEMENT OF FINANCIAL POSITION**  
**Registration Number: 1016972**  
**AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	9	3,027,074	3,072,857
<b>Current assets</b>			
Stocks	10	7,265	7,265
Debtors: amounts falling due within one year	11	28,825	17,427
Cash at bank and in hand	12	25,828	25,204
		<u>61,918</u>	<u>49,896</u>
Creditors: amounts falling due within one year	13	(45,641)	(42,664)
<b>Net current assets</b>		<u>16,277</u>	<u>7,232</u>
<b>Total assets less current liabilities</b>		<u>3,043,351</u>	<u>3,080,089</u>
Creditors: amounts falling due after more than one year	14	(8,076,788)	(7,740,517)
<b>Net liabilities</b>		<u>(5,033,437)</u>	<u>(4,660,428)</u>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Profit and loss account	16	(5,033,438)	(4,660,429)
<b>Shareholders' deficit</b>		<u>(5,033,437)</u>	<u>(4,660,428)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28th March 2019

**Lumbro Corporate Services Limited**  
Director

*Authorised Signatories*

The notes on pages 8 to 16 form part of these financial statements.

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## EURONITE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 1. General information

Euronite Limited is a private company limited by shares and registered in British Virgin Isles. Registered number 1016972. Its registered head office is located at P. O. Box 146, Trident Chambers, Wickhams Cay, Road Town, British Virgin Isles.

The principal activity of the company is the operation of a retirement hotel and development of the Nowton village site.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Going concern

In determining the appropriate basis of preparation of the financial statements, the director is required to consider whether the company can continue in operation for the foreseeable future. Euronite Limited incurred a net loss of £373,009 for the year ended 30 June 2018, resulting in net liabilities of £5,033,437.

The director has obtained a pledge of continued financial support from the Excluded Sub-Fund of the St. George's Settlement for the foreseeable future. The company's shareholders are nominee for the Excluded Sub-Fund of the St. George's Settlement.

On this basis, the director considers it appropriate to prepare the company's financial statements on a going concern basis such that the director believes the company can continue to pay its debts as they fall due for a period of not less than twelve months from the date of approval of these financial statements. These financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

##### 2.3 Cash flow

The company has taken advantage of the exemption in Section 1A of Financial Reporting Standard 102 from the requirement to produce a cash flow statement on the grounds that it is a small company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Retirement home rental income**

Revenue is recognised per hotel occupant based on the standard fees from the date they first occupy a bed in the hotel, as the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the service has been rendered and the consideration for it can be measured reliably; and
- the costs incurred in the provision of the service can be measured reliably.

**Property sales**

Revenue recognised from the sale of a property on finance lease terms is recognised on completion where the contract is unconditional and the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Under the terms of the finance lease arrangement, when the leasee reassigns the lease to a third party a commission is payable to the company set at 10% of the consideration. This commission is recognised at the point the lease is reassigned.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% on a straight line basis
Plant and machinery	- 25% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis
Fixtures and fittings	- 25% on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.6 Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.12 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

No significant accounting estimates and judgments are applicable to the Company.

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EURONITE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Retirement home rental income	314,759	371,744
Sale of goods	2,679	1,973
Property sales and commissions	-	27,000
	<u>317,438</u>	<u>400,717</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	<u>45,782</u>	<u>45,119</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>8,000</u>	<u>9,250</u>
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
Taxation compliance services	2,700	2,625
All other services	<u>500</u>	<u>750</u>

7. Employees

The average monthly number of employees, including directors, during the year was 14 (2017: 19).

During the year, no director received any remuneration (2017: £Nil) for their services to this company.

No key management personnel are remunerated within the company.

**EURONITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**8. Interest payable and similar charges**

	2018 £	2017 £
Other loan interest payable	<u>246,270</u>	<u>216,054</u>

**9. Tangible fixed assets**

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under construction £	Total £
<b>Cost</b>						
At 1 July 2017	3,523,322	45,802	1,000	7,081	127,098	3,704,303
Disposals	-	(7,134)	-	(1,521)	-	(8,655)
At 30 June 2018	<u>3,523,322</u>	<u>38,668</u>	<u>1,000</u>	<u>5,560</u>	<u>127,098</u>	<u>3,695,648</u>
<b>Depreciation</b>						
At 1 July 2017	591,210	32,251	904	7,081	-	631,446
Charge for the year	40,157	5,529	96	-	-	45,782
Disposals	-	(7,133)	-	(1,521)	-	(8,654)
At 30 June 2018	<u>631,367</u>	<u>30,647</u>	<u>1,000</u>	<u>5,560</u>	<u>-</u>	<u>668,574</u>
<b>Net book value</b>						
At 30 June 2018	<u>2,891,955</u>	<u>8,021</u>	<u>-</u>	<u>-</u>	<u>127,098</u>	<u>3,027,074</u>
At 30 June 2017	<u>2,932,112</u>	<u>13,551</u>	<u>96</u>	<u>-</u>	<u>127,098</u>	<u>3,072,857</u>



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EURONITE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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10. Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>7,265</u>	<u>7,265</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The cost of stocks recognised as an expense in the year amounted to £28,129 (2017: £40,317). This is included within cost of sales.

The amount of write-down of stocks recognised as an expense in the year is £Nil (2017: £Nil).

11. Debtors

	2018 £	2017 £
Trade debtors	21,261	6,866
Other debtors	1,803	5,372
Prepayments and accrued income	5,761	5,189
	<u>28,825</u>	<u>17,427</u>

An impairment charge of £Nil (2017: £Nil) was recognised in the year against trade debtors.

12. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>25,828</u>	<u>25,204</u>

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	15,000	15,000
Trade creditors	18,498	13,843
Other taxation and social security	3,143	2,691
Accruals and deferred income	9,000	11,130
	<u>45,641</u>	<u>42,664</u>

Other loans consist of a non interest bearing, unsecured loan with the Excluded Sub-Fund of the St. George's Settlement which is repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**14. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Other loans	7,830,521	7,524,463
Accruals and deferred income	246,267	216,054
	<u>8,076,788</u>	<u>7,740,517</u>

Creditors include amounts wholly repayable within 2-5 years as follows:

	2018 £	2017 £
Repayable other than by installments	<u>7,830,521</u>	<u>7,524,463</u>

The interest bearing loan bears interest of 2.75% above one month GBP Libor.

Subsequent to year-end, on 31 October 2018, the Company executed a loan note instrument by issuing a £8,076,788, 2.4482% unsecured notes due on 2048. The proceeds from the issuance of this loan note instrument is then used to settle other loans including interest owing as of 30 June 2018.

**15. Share capital**

	2018 £	2017 £
<b>Authorised</b>		
50,000 Ordinary shares of \$1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of \$1 each	<u>1</u>	<u>1</u>

**16. Reserves**

**Profit and loss account**

Profit and loss account includes all current and prior period retained profit and loss.

**17. Contingent liabilities**

As part of the leasehold sale agreement on all properties sold, the company has written options that grant the buyer the opportunity to sell back the property to the company for the lower of 95% of the purchase price and 95% of the current market value, resulting in a constructive obligation on the company to buy back the properties on demand. As at 30 June 2018 there were 18 such options outstanding (2017: 18). These options have no expiry date and can be exercised at any time.

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## EURONITE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### **18. Related party transactions**

During the year, Euronite Limited was charged £15,996 (2017: £15,988) by Heritage Manor Limited, a related party by virtue of control, in respect of services provided. At 30 June 2018, £Nil was outstanding to Heritage Manor Limited (30 June 2017: £Nil).

The company's shareholders are nominee shareholders of the Excluded Sub-Fund of the St George's Settlement. Interest charged on the loan in the year was £246,267 (2017: £216,054) of which £246,267 is accrued at 30 June 2018 (2017: £216,054). The loan balance outstanding at the year end with the Excluded Sub-Fund of the St George's Settlement was £8,076,788 (30 June 2017: £7,539,463).

#### **19. Post balance sheet events**

On 17 July 2018, the Company issued additional 98 shares of \$1 each to Lumbro Corporate Services Limited.

Subsequent to the year-end, on 31 October 2018, the application for up to £15 million 2.4482% unsecured loan notes due on 30 October 2048 issued by the Company is admitted to the Official List of "The International Stock Exchange (TISE) Authority Limited.

#### **20. Controlling party**

The Excluded Sub-Fund of the St George's Settlement is the immediately and ultimate controlling party.