



SABINA ESTATES GROUP HOLDINGS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANY NUMBER 09874234

SABINA ESTATES GROUP HOLDINGS LIMITED

CONTENTS

Company information	3
Report of the directors	4 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flow	12
Notes to the financial statements	13 - 25

SABINA ESTATES GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors:	J Gray G Rabbetts
Company secretary:	Oakwood Corporate Secretary Limited 3rd Floor 1 Ashley Road Altrincham Cheshire WA14 2DT
Registered office:	3rd Floor 1 Ashley Road Altrincham Cheshire WA14 2DT
Independent auditor:	BDO LLP 55 Baker Street London W1U 7EU

SABINA ESTATES GROUP HOLDINGS LIMITED

DIRECTORS REPORT

The Directors present their annual report and the audited financial statements of the Company, which is incorporated under the laws of England and Wales, for the year ended 31 December 2018.

The Company was incorporated on 16 November 2015 and its registration number is 09874234.

The Company is ultimately controlled by Sabina Estates Limited, a Company incorporated in Guernsey.

DIRECTORS' RESPONSIBILITIES

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 period, under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. 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 at the end of the period and of the profit or loss of the Company for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act 2006. 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.

DISCLOSURE TO AUDITOR OF RELEVANT INFORMATION

So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware and each has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment and advisory services to its subsidiary companies in its property development.

RESULTS AND DIVIDENDS

The results for the year are set out in the statement of comprehensive income on page 8. The Directors do not recommend a payment of a dividend.

SABINA ESTATES GROUP HOLDINGS LIMITED

DIRECTORS REPORT (CONTINUED)

DIRECTORS

The Directors of the Company during the year and to date, unless otherwise stated, were:-

J Gray

G Rabbetts

AUDITOR

BDO LLP has indicated their willingness to continue as auditor.

In preparing the Directors' Report advantage has been taken of the small companies' exemption.

Approved by the Board of Directors

J Gray

G Rabbetts

Date: 29 March 2019

SABINA ESTATES GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SABINA ESTATES GROUP HOLDINGS LIMITED

OPINION

We have audited the financial statements of Sabina Estates Group Holdings Limited ("the Company") for the year ended 31 December 2018 which comprise statement of comprehensive income and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

SABINA ESTATES GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SABINA ESTATES GROUP HOLDINGS LIMITED

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF DIRECTORS

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SABINA ESTATES GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SABINA ESTATES GROUP HOLDINGS LIMITED

USE OF OUR REPORT

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.

Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

29 March 2019

SABINA ESTATES GROUP HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND OTHER COMPREHENSIVE INCOME

	Notes	1 January 2018 to 31 December 2018 EUR	1 January 2017 to 31 December 2017 EUR
Revenue		342,000	261,000
Cost of sales	4	(339,012)	(225,649)
Gross profit		2,988	35,351
Administrative expenses		(209,253)	(704,277)
Operating loss		(206,265)	(668,926)
Finance income		6,500,715	3,961,103
Finance expense	5	(5,881,796)	(3,705,869)
		618,919	255,234
Profit / (loss) before taxation		412,654	(413,692)
Taxation	6	(174,381)	-
Profit / (loss) for the year		238,273	(413,692)
Total comprehensive income / (loss)		238,273	(413,692)

All amounts relate to continuing activities. All income is attributable to the equity holders of the parent company. There are no non-controlling interests.

The notes on pages 13 to 25 form an integral part of these financial statements.

SABINA ESTATES GROUP HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Non-current assets			
Property, plant and equipment	7	-	667
Investment in subsidiaries	8	3,000	3,000
Loan to subsidiaries	9	83,613,610	57,526,698
		83,616,610	57,530,365
Current assets			
Trade and other receivables	10	465,584	382,694
Cash and cash equivalents		2,751,877	4,016,856
		3,217,461	4,399,550
Total assets		86,834,071	61,929,915
Current liabilities			
Trade and other payables	11	459,006	239,643
Non-current liabilities			
Loans	12	86,494,520	62,048,000
Total liabilities		86,953,526	62,287,643
Net liabilities		(119,455)	(357,728)
Equity attributable to equity holders of the group/company			
Share capital	13	1	1
Retained earnings		(119,456)	(357,729)
Total equity		(119,455)	(357,728)

The financial statements have been prepared in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

The financial statements on pages 13 - 25 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

J Gray
Director

G Rabbetts
Director

Date: 29 March 2019

The notes on pages 13 - 25 form part of these financial statements.

SABINA ESTATES GROUP HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital EUR	Retained earning EUR	Total EUR
At 1 January 2018		1	(357,729)	(357,728)
Total comprehensive profit for the year		-	238,273	238,273
At 31 December 2018		1	(119,456)	(119,455)

	Notes	Share capital EUR	Retained earning EUR	Total EUR
At 1 January 2017		1	55,963	55,964
Total comprehensive loss for the year		-	(413,692)	(413,692)
At 31 December 2017		1	(357,729)	(357,728)

The notes on pages 13 - 25 form part of these financial statements.

SABINA ESTATES GROUP HOLDINGS LIMITED

STATEMENT OF CASH FLOW

		1 January 2018 to 31 December 2018	1 January 2017 to 31 December 2017
	Notes	EUR	EUR
Cash flows from operating activities			
Profit / (loss) before taxation		412,654	(413,692)
Adjustments for:			
Depreciation	7	667	666
Finance income		(6,500,715)	(3,961,103)
Finance expense		5,881,796	4,390,175
		(205,598)	16,046
Decrease/(increase) in trade and other receivables		(82,890)	64,908
(Decrease)/increase in trade and other payables		4,557	(24,081)
Taxation paid	6	(50,663)	(11,828)
Net cash (used in)/generated from operating activities		(334,594)	45,045
Cash flows from investing activities			
Increase in loans to subsidiaries	9	(26,086,912)	(20,983,000)
Loan interest received		6,500,700	3,961,103
Bank interest received		15	-
Net cash used in investing activities		(19,586,197)	(17,021,897)
Cash flows from financing activities			
Increase in loans	12	24,446,520	20,975,000
Loan interest paid		(5,779,985)	(3,664,302)
Net generated from financing activities		18,666,535	17,310,698
Net (decrease)/increase in cash for the year		(1,254,256)	333,846
Cash at the beginning of the year		4,016,858	3,691,293
Exchange losses on cash and cash equivalents		(10,725)	(8,281)
Cash and cash equivalents at the end of the year		2,751,877	4,016,858

The notes on pages 13 - 25 form part of these financial statements

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated on 16 November 2015 and is incorporated under the laws of England and Wales. The Company's registered office is at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

The audited consolidated financial statements of the Company for the year ended 31 December 2018 were authorised by the Board for issue on 29 March 2019.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the European Union (collectively IFRSs).

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

New standards, interpretations and amendments effective 1 January 2018

IFRS 9 Financial Instruments (IFRS 9) has been adopted in the annual financial statements for the year ended 31 December 2018, and has given rise to changes in the Group's accounting policy however this change has not given rise to any change to the comparative figures presented.

Standards issued but not yet effective

The following are new standards, interpretations and amendments, which are not yet effective and have not been early adopted in these financial statements that will or may have an effect on the Company's future financial information:

- IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019).
- IFRIC 23 Uncertainty over income tax positions (effective 1 January 2019).
- Amendments to IFRS 9 Prepayment features with negative compensation (effective 1 January 2019).
- Amendments to IAS 28 Long term interest in associates and joint ventures (effective 1 January 2019).
- Annual improvements to IFRSs 2015-2017 cycle (IFRS 3 Business combinations and IFRS 11 Joint arrangements, IAS 12 income tax, and IAS 23 Borrowing costs) (effective 1 January 2019).
- IFRS 17 Insurance contracts (effective 1 January 2021).

The Directors do not expect the adoption of new accounting standards issued but not yet effective to have a significant impact on the financial statements

Going Concern

At the date of approval of the consolidated financial statements the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has undrawn loan facilities of €114m available until December 2025 from the parent company. As a consequence the Directors have prepared the financial statements on the going concern basis.

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (CONTINUED)

Functional and presentation currency

The overall objective of the Company is to generate returns in Euros and the Company's performance is evaluated in Euros. Therefore, the Directors consider Euros as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have therefore adopted it as the functional and presentation currency. The figures are presented in round euros.

Consolidation

The consolidated financial statements have not been prepared as consolidated financial statements of the Company's parent, Sabina Estates Limited are publicly available.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Depreciation is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives which is between 3 to 5 years.

Cash and short term deposits

Cash and short term deposits comprise cash at bank and short-term deposits with an original maturity of three months or less.

Trade and other payables

Trade and other payables are initially recognised at fair values and subsequently held at amortised cost.

Revenue recognition

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 consideration received or receivable, excluding discounts rebates, value added tax and other sales taxes.

Revenue is recognised once the value of the transaction can be reliably measured and the significant risks and rewards of ownership have been transferred.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instruments.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

a) Financial assets

The company's financial assets consist of receivables. Financial assets recognised on the statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence that the Company will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

Cash and short term deposits are also classified as loans and receivables. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

b) Impairment of financial assets

Impairment provisions for current and non-current trade receivables are recognized on a simplified approach within IFRS 9 looking at the probability of recoverability. During this process the probability of the ability of the subsidiaries to repay the loans receivable are assessed. This probability is then multiplied by the amount of the expected recoverability arising from default to determine the lifetime or twelve months expected credit loss for the loans receivables. For loans receivables, which are reporting net, such provisions are recorded in separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the loan receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

c) Financial liabilities

Other financial liabilities include trade payable, loans and other short-term monetary liabilities. Trade payables and other short-term monetary liabilities are initially recorded at fair value and subsequently carried at amortised cost using the effective interest rate method.

Loans are initially recorded at fair value net of direct issue costs and subsequently carried at amortised cost using the effective interest rate method. Finance charges, including premiums payable on settlement or redemption and direct issue costs are capitalised to inventory.

Taxation

The Company is liable to UK tax arising on the results of its UK operations.

The tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit or loss as reported in the statement of financial income because it excludes items of income and expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. ACCOUNTING POLICIES (CONTINUED)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Value added tax

Revenue, expenditure, assets and liabilities are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expenditure item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables, as appropriate, in the statement of financial position.

Dividends

Dividends payable are recognised in the period in which they are declared.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

Impairment to loans

The Company provides loans to its subsidiary companies that recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. The assessment of provision for impairment is based on expected credit losses as outlined in note 2.

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. COST OF SALES

	1 January 2018 to 31 December 2018 EUR	1 January 2017 to 31 December 2017 EUR
Salaries and national insurance	158,733	152,250
Travel expenditure	51,335	44,416
Professional fees	36,821	19,983
Computer costs	50,609	-
Aborted deal costs	30,204	-
Bad debt on fee income	11,310	9,000
	339,012	225,649

Audit fees are borne by the parent company. Included within professional fees is an amount of €6,814 (2017:€7,212) for non-audit services provided by the auditor.

5. FINANCE EXPENSE

	1 January 2018 to 31 December 2018 EUR	1 January 2017 to 31 December 2017 EUR
Loan interest payable	5,871,073	3,697,587
Foreign exchange loss	10,723	8,282
	5,881,796	3,705,869

6. TAXATION

	1 January 2018 to 31 December 2018 EUR	1 January 2017 to 31 December 2017 EUR
The tax expense for the year comprises:		
Current taxation	123,718	-
Prior year taxation	50,663	-
Deferred taxation	-	-
	174,381	-

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. TAXATION (CONTINUED)

The charge of the year can be reconciled to the loss per the statement of comprehensive income as follows:

	1 January 2018 to 31 December 2018 EUR	1 January 2017 to 31 December 2017 EUR
Gain / (loss) before tax	412,654	(413,692)
Tax at the UK income tax rate of 19%/20%	78,404	(82,738)
Expenses not deductible	10,801	-
Tax losses carried forward	-	82,738
Tax on non trade loan relationships	34,513	-
	123,718	-

7. PROPERTY, PLANT AND EQUIPMENT

	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Cost		
At 1 January	2,000	2,000
At 31 December	2,000	2,000
Depreciation		
At 1 January	1,333	667
Charge for the year	667	666
At 31 December 2018	2,000	1,333
Net book value	-	667

8. INVESTMENT IN SUBSIDIARY

	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Sabina Estates SL	3,000	3,000
	3,000	3,000

Additional information on subsidiaries is provided in note 18.

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. LOANS TO SUBSIDIARIES

	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Sabina Estates, SL	1,673,264	1,757,664
Sabina Ibiza Investments, SL	2,030,769	1,731,493
Sabina Estates Tarida, SL	76,298,018	50,512,728
Lis Ibiza Investments, SL	1,539,483	1,374,198
Escloves Real Estate, SL	845,218	925,615
Ipomea Real Estate, SL	1,200,000	1,200,000
Misurina Real Estate, SL	26,858	25,000
	83,613,610	57,726,698

Interest is paid quarterly at a rate of 9.7% per annum and the facility is until 10 December 2025.

10. TRADE AND OTHER RECEIVABLES

	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Trade debtors	342,000	252,000
VAT recoverable	11,493	3,183
Credit card deposits	36,685	36,883
Prepayments and other debtors	75,406	90,628
	465,584	382,694

11. TRADE AND OTHER PAYABLES

	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Interest payable	322,281	231,193
Tax and social security payable	6,530	6,287
Corporation tax payable	124,517	2,163
Other creditors and accruals	5,678	-
	459,006	239,643

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12. LOANS

	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Listed loan notes:		
Owned by parent company	86,494,520	62,048,000
	86,494,520	62,048,000

On 11 November 2016 the Company entered into a VFN Purchase Deed with its' parent company, Sabina Estates Limited, to provide a loan facility for up to €200 million until 10 December 2025.

The loan is unsecured and interest is charged at 8.5% and is payable quarterly in arrears.

The loan is listed on The International Stock Exchange.

13. SHARE CAPITAL

	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Issued and fully paid		
Ordinary shares of GBP 1	1	1

	Number of shares	Number of shares
Ordinary shares of GBP 1	1	1

On 16 November 2015 1 ordinary share of £1 was issued at par value.

14. EQUITY

The following describes the nature and purpose of each component within equity:

Component	Description and purpose
Share capital	The amount subscribed for ordinary share capital at nominal value.
Retained earnings	The amount of any profit or loss for the period after payment of dividend.

15. FINANCIAL RISK MANAGEMENT

15.1 Financial risk factors

Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The Company's overall risk management program seeks to maximise the returns derived from the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance.

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.1 Financial risk factors (continued)

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

(i) Foreign currency risk

The Company has minimal exposure to foreign currency risk as it has no significant financial assets and financial liabilities denominated in currencies other than euro.

(ii) Price risk

The Company has no significant exposure to price risk as it does not hold any equity securities or commodities.

(iii) Cash flow and fair value interest rate risk

As the Company's interest-bearing assets consist entirely of loans for which the interest rate has been fixed, changes in market interest rates do not have any significant direct effect on the Company's income.

As the Company's interest bearing liabilities consist entirely of loans for which the interest rate has been fixed, changes in market interest rates do not have any significant direct effect on the Company's income.

The average effective interest rates of financial instruments at the date of the statement of financial position, were as follows:

Cash and cash equivalents – 0%

Loans – 8.5%

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company has no significant concentrations of credit risk. Credit risk arises from cash and short term deposits held at banks and trade receivables.

The Company manages its credit risk by ensuring that cash and short term deposits are only maintained with banks with a suitable credit rating.

The maximum exposure to credit risk is the carrying amount of the financial assets as set out below:

	As at 31 December 2018 EUR	As at 31 December 2017 EUR
Credit card deposits	36,685	36,883
Trade debtors	342,000	252,000
Cash and cash equivalents	2,751,877	4,016,856
	3,130,562	4,305,739

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.1 Financial risk factors (continued)

b) Credit risk (continued)

The fair value of financial assets and financial liabilities at 31 December 2018 approximates their carrying value.

The maximum exposure to credit risk before any credit enhancements at 31 December 2018 is the carrying amount of the financial assets as set out in the statement of financial position.

c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Board of Directors its advisers seek to have appropriate credit facilities in place on a project by project basis, either from available cash resources, undrawn loan facilities or from bank facilities.

The Company's liquidity position is monitored on a weekly basis and is reviewed monthly by management along with cash flow forecasts.

At 31 December 2018

Financial assets	On demand EUR	< 1 year EUR	2-5 years EUR	5-10 years EUR	Total EUR
Cash and cash equivalents	2,751,877	-	-	-	2,751,877
Trade and other receivables	342,000	36,685	-	-	378,685
	3,093,877	36,685	-	-	3,130,562

Financial liabilities	On demand EUR	< 1 year EUR	2-5 years EUR	5-10 years EUR	Total EUR
Loans	-	-	-	86,494,520	86,494,520
Interest payable	-	322,281	-	-	322,281
Other creditors	-	5,678	-	-	5,678
	-	327,959	-	86,494,520	86,822,479

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.1 Financial risk factors (continued)

c) Liquidity risk (continued)

At 31 December 2017

Financial assets	On demand EUR	< 1 year EUR	2-5 years EUR	5-10 years EUR	Total EUR
Cash and cash equivalents	4,016,856	-	-	-	4,016,856
Trade and other receivables	252,000	36,883	-	-	288,883
	4,268,856	36,883	-	-	4,305,739

Financial liabilities	On demand EUR	< 1 year EUR	2-5 years EUR	5-10 years EUR	Total EUR
Loans	-	-	-	62,048,000	62,048,000
Interest payable	-	231,193	-	-	231,193
	-	231,193	-	62,048,000	62,279,193

15.2 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. The Company uses the loan facility described in note 12, cash and equity to achieve this.

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

15.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

16. FINANCIAL INSTRUMENTS

	2018 Fair value	2018 Carrying value	2017 Fair value	2017 Carrying value
Financial assets	EUR	EUR	EUR	EUR
Trade and other receivables	288,883	288,883	288,883	288,883
Cash and cash equivalents	2,751,877	2,751,877	4,016,856	4,016,856
	3,040,760	3,040,760	4,305,739	4,305,739

	2018 Fair value	2018 Carrying value	2017 Fair value	2017 Carrying value
Financial liabilities	EUR	EUR	EUR	EUR
Loans	86,494,520	86,494,520	62,048,000	62,048,000
Interest payable	322,281	322,281	231,193	231,193
	86,816,801	86,816,801	62,279,193	62,279,193

17. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Mr Rabbetts received remuneration of £93,450 (€106,113) (2017:£93,450 (€106,756)) and Mr Gray received remuneration of £12,750 (€13,619) (2017:£6,000 (€6,854)) during the year, none of which was outstanding at the year end.

Belasko Administration Limited, the administrator of the Company, is considered to be a related party as two Directors of the Parent Company, Mr Bilton and Mr Hirsch, are shareholders of Belasko Group Limited the parent company of Belasko Administration Limited. No administration fees were charged for the year (2017:€nil) of which none was outstanding at the yearend (2017:€nil).

Belasko Corporate Finance Limited, the Corporate Sponsor for the listing of loan note on The International Stock Exchange, is considered to be a related party as it is a wholly owned subsidiary of Belasko Administration Limited. Fees of €nil (2017:€1,500) were charged for the year of which none was outstanding at the yearend (2017: €nil).

SABINA ESTATES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The company wholly owns the following subsidiary undertakings:

	County of incorporation	Nature of business	% of ownership
Sabina Estates UK Ltd*	UK	Dormant	100%
Sabina Estates, SL	Spain	Holding Company	100%
Sabina Ibiza Investments, SL*	Spain	Property owner/developer	100%
Sabina Estates Tarida, SL*	Spain	Property owner/developer	100%
Lis Ibiza Investments, SL*	Spain	Property owner/developer	100%
Escloves Real Estate, SL*	Spain	Property owner/developer	100%
Ipomea Real Estate SL*	Spain	Property owner/developer	100%
Socrota Real Estate SL*	Spain	Property owner/developer	100%
Misurina Real Estate SL*	Spain	Property owner/developer	100%

** Indirectly held*

The registered office of Sabina Estates UK limited is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

The registered office of all the Spanish subsidiaries is Can Mariano Riereta, Ctra. San Miguel Santa Gertrudis km. 3,200, Santa Gertrudis de Fruitera (07814), Illes Balears.

19. CONTROLLING PARTY

The Company is 100% owned by Sabina Estates Limited.

20. SUNSEQUENT EVENTS

There have been no subsequent events.