M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED

CONTENTS

COMPANY INFORMATION

Directors	Claire Ann Cabot Richard Croft Sharland Harvey Austin-Vautier Spencer Alexander Wells (resigned 3 May 2018)
Registration number	120227
Registered office	3rd Floor, 37 Esplanade St. Helier Jersey JE1 1AD
Company secretary	Alter Domus Secretarial Services Limited 3rd Floor, 37 Esplanade St. Helier Jersey JE1 1AD
Administrator	Alter Domus (Jersey) Limited 3rd Floor, 37 Esplanade St Helier Jersey JE1 1AD
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their report and the audited financial statements for M7 Real Estate Investment Partners V Holdco Limited (the "Company") for the year ended 31 March 2019.

Principal Activity

The Company was incorporated in Jersey on 11 December 2015 with registration number 120227.

The principal activity of the Company is to act as a holding company.

Results

Results for the year are set out on page 6.

Going concern

The capital of the Company is managed to ensure that the Company will be able to continue as a going concern in the future. The Company meets its capital requirements through receipt of loan interest income although these do not cover administrative expenditure. For this reason, the Company has a net liability position of £104,727 (2018: £78,182). The Company has net current liabilities due to the intercompany loan with M7 Real Estate Investment Partners V LP (the "Parent"). The Company has received assurances from the Parent that it will not demand full repayment of the loans until the Company has capital to do so. The Directors therefore believe that the Company will continue as a going concern for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Directors and Officers

The Directors and Company secretary of the Company are as set out in page 1.

Subsequent events

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue and there are no material events requiring disclosure or adjustment in the financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and generally accepted accounting practice.

The Directors are required to prepare financial statements for each financial period under the Companies (Jersey) Law 1991 (the "Applicable Legislation"). As permitted by the Applicable Legislation, the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 ("FRS 102"), and applicable law. The financial statements are required to give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that year.

DIRECTORS' REPORT - (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Statement of Directors' responsibilities - (continued)

In preparing the 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 United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited 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 them to ensure that the financial statements of the Company comply with the requirements of the Applicable Legislation. 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.

The Directors who held office at the date of the approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors confirm that it has complied with the above requirements throughout the year and subsequently.

Independent auditors

Haysmacintyre LLP have indicated their willingness to continue in office.

This report was approved by the Board of Directors on 18 December 2019 and signed on its behalf by:

By order of the Board

Authorised Signatory
Date: 18 December 2019

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED

Opinion

We have audited the financial statements of M7 Real Estate Investment Partners V Holdco Ltd (the 'Company') for the year ended 31 March 2019, which comprise the statement of comprehensive income, the statment of financial position, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 assets, liabilities and financial position of the Company's affairs as at 31 March 2019 and of its loss for the year then ended;
- the financial statements have been prepared in accordance with the Companies (Jersey) Law 1991; and
- the information given in the Directors' Report is consistent with the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the Financial Reporting Council. Our responsibilities under those standards are further described in the Auditors' 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, including the Financial Reporting Council'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 require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements
- 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper 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
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED - (CONTINUED)

Responsibilities of directors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and accounting standards are set out in the Directors' Responsibilities Statement on page 2 to 3.

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with the Article 113A of the Companies (Jersey) Law 1991. 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 Auditors' 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.

David R Riley

David Riley (Senior Statutory Auditor)

for and on behalf of
HaysmacIntyre LLP

Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 20/12/19

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Administrative expenses	4	(26,423)	(1,417)
Operating loss		**(26,423)**	**(1,417)**
Interest receivable and similar income	5	4,590,252	4,590,252
Interest payable and expenses	6	(4,590,374)	(4,590,388)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(26,545)**	**(1,553)**

The notes on pages 9 to 18 form part of these audited financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	31 March 2019 £	31 March 2018 £
Fixed assets			
Investment in subsidiary	7	2	2
Non-current assets			
Receivables: amounts falling due after more than one year	8	38,252,100	38,252,100
Current assets			
Receivables: amounts falling due within one year	8	22,928,653	22,906,484
Cash and cash equivalents	9	15	2,585
		22,928,668	22,909,069
Current liabilities			
Payables: amounts falling due within one year	10	(23,033,397)	(22,987,253)
Net current liabilities		(104,729)	(78,184)
Total assets less current liabilities		38,147,373	38,173,918
Non-current liabilities			
Payables: amounts falling due after more than one year	10	(38,252,100)	(38,252,100)
Net liabilities		**(104,727)**	**(78,182)**
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	(104,729)	(78,184)
		(104,727)	**(78,182)**

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 18 December 2019.

Director

The notes on pages 9 to 18 form part of these audited financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Profit and loss account £	Total Equity £
Balance as at 1 April 2017	2	(76,631)	(76,629)
Total comprehensive loss for the year	-	(1,553)	(1,553)
Balance as at 31 March 2018	**2**	**(78,184)**	**(78,182)**
Balance as at 1 April 2018	2	(78,184)	78,182
Total comprehensive loss for the year	-	(26,545)	(26,545)
Balance as at 31 March 2019	**2**	**(104,729)**	**(104,727)**

The notes on pages 9 to 18 form part of these audited financial statements.

NOTES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ORGANISATION AND BUSINESS PURPOSE

M7 Real Estate Investment Partners V Holdco Limited (the "Company") is a private company limited by shares incorporated in Jersey on 11 December 2015 with registration number 120227. The registered office and place of business is 3rd Floor, 37 Esplanade, St Helier, Jersey, JE1 1AD.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with United Kingdom Accounting Standards comprising Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the requirements of the Companies (Jersey) Law 1991.

The financial statements are prepared under the historical cost convention and are stated in Pound Sterling ("£") which is the functional currency of the Company.

The preparation of the financial statements in conformity with FRS 102 requires the use of accounting estimates and the exercise of judgement by management while applying the Company's accounting policies. These estimates are based on management's best knowledge of the events which existed at the reporting date, however, the actual results may differ from these estimates. The area involving a higher degree of judgement or complexity and which involves significant assumptions is discussed in detail in note 3.

Going concern

The capital of the Company is managed to ensure that the Company will be able to continue as a going concern in the future. The Company meets its capital requirements through receipt of loan interest income although these do not cover administrative expenditure. For this reason, the Company has a net liability position of £104,727 (2018: £78,182). The Company has net current liabilities due to the intercompany loan with M7 Real Estate Investment Partners V LP (the "Parent"). The Company has received assurances from the Parent that it will not demand full repayment of the loans until the Company has capital to do so. The Directors therefore believe that the Company will continue as a going concern for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following FRS 102 disclosure exemptions available to qualifying entities:

- A reconciliation of the number of shares outstanding at the beginning and end of the period. [4.12(a)(iv)].
- The requirement to prepare a Statement of Cash Flows. [Section 7 of FRS 102 and para 3.17(d)].
- Certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated. [11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A].
- Key management personnel compensation in total. [33.7].

2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Exemptions for qualifying entities under FRS 102 - (continued)

This information is included in the consolidated financial statements of M7 Real Estate Investment Partners V LP as at 31 March 2019 and these financial statements may be obtained from 3rd Floor, 37 Esplanade, St Helier, Jersey, JE1 1AD.

Consolidated financial statements

The Company is a wholly owned subsidiary of M7 Real Estate Investment Partners V LP. It is included in the consolidated financial statements of M7 Real Estate Investment Partners V LP which may be obtained from its registered office. The company is therefore exempt from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is M7 Real Estate Investment Partners V LP, a limited partnership established in Jersey. The ultimate parent's registered office is 3rd Floor, 37 Esplanade, St Helier, Jersey, JE1 1AD.

Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

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.

Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Investment in subsidiary

Investments in subsidiary is measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the year. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Receivables

Short term receivables 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.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. 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. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Payables

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

Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit and loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial instruments - (continued)

(ii) Financial liabilities - (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

Share Capital

The Company is authorised to issue an unlimited number of shares with no par value of one class, designated as Ordinary Shares. The liability of a member of the Company is limited to the amount unpaid (if any) on such member's share or shares. Share capital is classified as equity in the Statement of Financial Position.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable. During this reporting year no dividends has been paid (2018: nil).

Taxation

Taxation expense for the period comprises of current tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Taxation - (continued)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the authorities. There is no tax applicable in 2019 (2018: nil).

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of receivables

The Company makes an estimation of the recoverable value of loans to subsidiary undertaking. The Company does not intend to recall these loans in the next 12 months and the borrower has sufficient assets that could be sold to finance the repayment of the loan amounts should they be recalled. As such the Directors have concluded that no impairment is required on these loans as at year end.

4. ADMINISTRATIVE EXPENSES

	2019 £	2018 £
Administration fees	19,973	23,617
Legal & Professional Fees	4,150	1,100
Auditor Fees	2,300	3,700
Overaccrual of prior period accounting fees	-	(5,000)
Reversal of prior period accrued transaction costs	-	(22,000)
	26,423	1,417

Transaction costs amounting to £22,000 were reversed during the prior year as the amount was determined to be an expense of the Company's subsidiary.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Interest receivable on loan owed by subsidiary undertaking	4,590,252	4,590,252

6. INTEREST PAYABLE AND EXPENSES

	2019 £	2018 £
Interest payable on loan from parent undertaking	4,590,252	4,590,252
Bank charges	122	136
	4,590,374	4,590,388

7. INVESTMENT IN SUBSIDIARY

	2019 £	2018 £
M7 Real estate Investment Partners V Propco Limited	2	2

As at 31 March 2019 and 2018, the cost and net book value of the investment in subsidiary is £2.

The Company is the sole investor in M7 Real Estate Investment Partners V Propco Limited.

8. RECEIVABLES

	2019 £	2018 £
Due after more than one year		
Loan owed by subsidiary undertaking	38,252,100	38,252,100

The loan due from subsidiary undertaking is unsecured and interest is payable at 12% per annum. The loan is repayable on the earlier of March 2021 and on demand. The Company does not intend to recall the loans within the next 12 months and so they are classified as non-current.

	2019 £	2018 £
Due within one year		
Loan owed by subsidiary undertaking	22,147,901	22,147,901
Interest receivable on loan owed by subsidiary undertaking	741,985	741,986
Amounts owed by parent undertaking	38,767	16,597
	22,928,653	22,906,484

The loan due from subsidiary undertaking is unsecured, non-interest bearing and repayable on demand.

9. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	15	2,585

10. PAYABLES

	2019 £	2018 £
Due after more than one year		
Fixed Rate Loan Notes	38,252,100	38,252,100

Interest of 12% is payable quarterly on the fixed rate loan notes. The loan notes are unsecured and are repayable on 31 March 2021.

	2019 £	2018 £
Due within one year		
Loan owed to parent undertaking	22,197,901	22,197,901
Interest payable on fixed rate loan notes	741,986	741,986
Amounts owed to subsidiary undertaking	82,135	39,766
Accruals and deferred income	11,375	7,600
	23,033,397	22,987,253

The loan owed to parent undertaking is an interest free loan from M7 Real Estate Investment Partners V LP, the parent entity. The loan is repayable on demand.

11. FINANCIAL INSTRUMENTS

Categorisation of financial assets and financial liabilities

	2019 £	2018 £
Financial assets		
Financial assets measured at amortised cost	61,180,768	61,161,169
Financial liabilities		
Financial liabilities measured at amortised cost	61,285,497	61,239,353

Financial assets measured at amortised cost comprise of cash and cash equivalents and amounts due from subsidiary and parent undertakings.

Financial liabilities measured at amortised cost comprise of loans and amounts owed to parent and subsidiary undertaking and fixed rate loan notes.

Financial risk management

The Company is exposed to a number of risks arising from various financial instruments it holds. The main risks to which the Company is exposed are: credit risk; liquidity risk; and market risk (which includes foreign currency risk, interest rate risk and price risk). The risk management policies employed by the Company to manage these risks are discussed below:

11. FINANCIAL INSTRUMENTS - (CONTINUED)

Financial risk management - (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Company.

Credit risk is managed on a group basis. The group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to a quarterly or more frequent review. The group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the group does not monitor the credit quality of receivables on an ongoing basis.

The Company assesses all counterparties for credit risk before contracting with them. It does not include any collateral nor any other credit risk enhancement, which reduces the Company's exposure.

Credit risk on cash and cash equivalents is mitigated by holding cash and cash equivalents with reputable financial institution. Cash at bank are held with The Royal Bank of Scotland International which has a Fitch rating of F1 (2018: F2).

The maximum exposure to credit risk as at 31 March 2019 and 2018 is the carrying amount of the financial assets set out below:

	2019 £	2018 £
Cash and cash equivalents	15	2,585
Receivables: amounts falling due within one year	22,928,653	22,906,484
Receivables: amounts falling due after more than one year	38,252,100	38,252,100
	61,180,768	61,161,169

Liquidity risk

The Liquidity risk is the risk that the Company will not meet its financial obligations when they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Company's position.

At 31 March 2019, financial assets held by the Company were not listed and therefore they were not readily realisable. The maturity analysis of these financial assets is as follows:

	2019 £	2018 £
Demand and less than 1 month	22,928,668	22,909,069
Between 1 to 12 months	-	-
Between 1 to 2 years	38,252,100	38,252,100
	61,180,768	61,161,169

11. FINANCIAL INSTRUMENTS - (CONTINUED)

Financial risk management - (continued)

Liquidity risk - (continued)

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	2019 £	2018 £
Amounts falling due within one year		
Demand and less than 1 month	22,197,901	22,197,901
Between 1 to 12 months	835,496	789,352
Between 1 to 2 years	38,252,100	38,252,100
	61,285,497	61,239,353

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risk arises from open positions in interest and non interest bearing assets and liabilities, to the extent that those are exposed to general and specific market movements.

FRS 102 requires disclosure of sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date showing how profit or loss and equity would be affected by changing the relevant risk variables that were reasonably possible at that date.

(i) Interest rate risk

Interest rate risk is the risk that the fair value for future cash flows arising from financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company's exposure is limited to the cash and cash equivalents in which floating interest rate apply. Interest bearing borrowings has fixed interest rates hence the Company is not exposed to interest rate risk in respect of this.

Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates.

Due to the insignificant cash balance, a movement of 100 basis points in the interest rate for the cash at bank, with other variables held consistent, would result in an insignificant movement in the net asset value of the Company.

(ii) Foreign currency risk

The Company's exposure to foreign currency risk is insignificant as all of its assets and liabilities are held in GBP which is the functional and reporting currency.

12. CALLED UP SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
Ordinary share capital	2	2

13. PROFIT AND LOSS ACCOUNT

The profit and loss account represents accumulated total comprehensive losses incurred by the Company since incorporation.

14. TAXATION

Profits generated from activities of the Company are subject to Jersey Income Tax, which is currently charged at a rate of 0% (2018: 0%).

15. RELATED PARTY TRANSACTIONS

During the year, fees of £19,973 (2018: £23,617) were charged by Alter Domus (Jersey) Limited, a company under common control due to common directors. As at 31 March 2019 £4,813 (2018: nil) was included in trade creditors for amounts owed to Alter Domus (Jersey) Limited.

The fixed rate loan notes (as disclosed per note 10) are held by majority owners of the Parent and have a value of £38,252,100 at 31 March 2019 (2018: £38,252,100). At 31 March 2019 there was £741,986 of accrued interest payable on the loan notes (2018: £741,986). During the year total of £4,590,252 was charged in interest (2018: £4,590,252) on these loan notes.

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue and there are no material events requiring disclosure or adjustment in the financial statements.