City Living PCC Limited

Formerly known as City Life PCC Limited

Annual Report and Consolidated Audited Financial Statements

For the year ended 31 December 2019

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Officers and Professional Advisers

Directors
Mr Paul Duquemin
Dr Katrina Tarizzo

Investment Committee
Mr Paul Duquemin
Dr Katrina Tarizzo
Mr Mike White

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Fund Manager
Skarbiec TFI S.A.
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Legal Adviser as to Guernsey Law
Mourant Ozannes
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Sponsor (The International Stock Exchange listing)
Mourant Securities Limited
Royal Chambers
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Advisers on Polish Law
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Custodian (Local Polish Fund)
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Company Summary

The Company	City Living PCC Limited was established as a protected cell company on 13 June 2005 and is governed by the provisions of the Companies (Guernsey) Law, 2008, and subsequent amendments. City Living PCC Limited (the "Company" or the "Fund") changed its name from City Life PCC Limited with effect from 4 November 2019. The Poland Geared Growth Cell ("the Cell") has been authorised by the Guernsey Financial Services Commission ("GFSC") as a Class B Scheme under The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.
Objective	The Cell provides a listed, debt-geared, diversified exposure to the Polish residential and commercial property markets through the acquisition of property in Poland's cities with the investment objective of generating rental income and long-term capital growth.
Management	The roles and duties of management are carried out by the Board, its advisers and/or the Designated Administrator (as appropriate).
Capital Structure	On incorporation the authorised capital of the Cell was £50,100 divided into 100 Management Shares of £0.0001 each and 500,999,900 Unclassified Shares of £0.0001 each. Unclassified Shares may be issued as Redeemable Ordinary Shares of any Cell of the Company or as Nominal Shares. All issued Shares are in Registered form. The 2 Management Shares in issue were issued at par and are registered in the name of Dr Katrina Tarizzo.
TISE Listing	The Cell was initially admitted to the official list of the Channel Islands Stock Exchange ("CISX") on 2 June 2006. An initial application was made for the listing of up to 25 million Shares of the Poland Geared Growth cell by way of an offer for subscription. On the 20 July 2007 an application was made, and accepted, for the listing of an additional 25 million shares on CISX. On 20 December 2013, the listing transferred over to the Channel Islands Securities Exchange ("CISE"). On 6 March 2017, the CISE was re-branded as The International Stock Exchange ("TISE").

Directors' Statement

Dear Shareholders

The key strategic objectives for the Directors during the year were to continue to improve the liquidity position of the Fund, whilst managing the assets and ensuring the core portfolio remained stable, such that it was able to take advantage of solid underlying performance in the Polish Residential Real Estate market.

Highlights include:

- continued sales into the secondary market of the 'delayed' residential development projects whose completion was facilitated by the raising of the PLN40m Skarbiec 5 Bond in 2016, thus preserving shareholder value as far as possible whilst repaying the majority of the associated debt;
- commencing the build out of the last but one delayed development at Rejtana, Poznan;
- repayment and significant restructuring of debt so as to materially reduce debt and financing costs by c. PLN 1.5m per annum and improve the debt profile of the Fund;
- core rental assets (excluding Jesionowa and the development book) returning a combined net yield and investment gains of between 8-10%.

Following the year end, shareholders were able to redeem a further 3.8m shares via a third off-market transaction with 3.2m of those shares being purchased and cancelled by the Fund as a result of liquidity generated over the year. An additional 0.6m shares were acquired by existing shareholders wishing to top up their investment at a discount. The Directors will consider further off-market transactions should liquidity permit and provided it is in the best interests of all shareholders at the time.

The Directors have made significant progress in providing a short-term liquidity mechanism for Shareholders in the redemption queue in a manner that does not adversely affect remaining shareholders nor the underlying business operations of the Fund. Providing such a short-term liquidity solution has been one of the main priorities of the Directors for some time. Accordingly, the Directors wish to ensure that the redemption queue is substantially reduced as far as possible, and until this is achieved, will be continuing with their policy of not accepting new subscriptions for shares, as was formally agreed with the GFSC on 4th October 2018, nor marketing the Fund to new investors at this time.

Additionally, the Directors are analysing a permanent liquidity solution via a dual listing of the Fund on a stock exchange that has active secondary market trading and is recognised as a market for accessing investment opportunities such as those offered by the Fund. Austria's Wiener Boerse, 'Direct Market Plus' has given an initial approval for the Fund to proceed towards a listing and the Directors are now in discussions with potential authorised investment banks/market makers in order to progress this project to the next phase.

With most of the legacy delayed developments now largely completed and sold; the bank debt mostly restructured and interest costs reduced; continued downward pressure on operating and structural costs at all levels of the Fund; and increased impact from the good underlying performance of the core assets, this is an opportune time to explore this listing, whilst acknowledging that there are several more objectives that need to be met in order to make a success of the listing project.

The immediate focus on the portfolio will be to finish the development at Rejtana where half of the units have already been pre-sold at the preliminary agreement stage; restructure the Fund's holding at Jesionowa, Katowice in order to increase its yield and overall profitability so as to reduce the negative effect it has historically exerted on portfolio performance; look to progress planning permission at Spiska, Warsaw targeted to provide 35 student accommodation units to further increase the Fund's income and get as close as possible to operating cost breakeven.

In the meantime, the impact of Covid-19 has to date had little material impact on the performance of the Fund. Significantly there has been no delay in construction at our site in Rejtana, Poznan; the Fund has continued to make sales of completed houses at Sasanki and there have been few indications of rental payments not being collected on time from tenants at individually let apartments. The Fund has suffered from the effects of the temporary closure of the apart-hotel market, although this is anticipated to return to more normal levels now that restrictions have been mostly lifted. Further bank refinancing negotiations have been put on hold due to the current banking conditions arising from the Covid-19 crisis.

Overall, the Fund's core strategy of providing rental property to the residential market and the diversified exposure across many units has positioned the Fund well to weather this crisis with its somewhat defensive asset class.

Various experts have praised Poland for their management of the Covid-19 crisis with Bloomberg reporting in June 'The Polish economy is perceived as the most resilient to the pandemic crisis in the EU.'

Finally, the Directors would like to thank all shareholders for their continued support and patience and they wish to assure shareholders that their best interests remain, as always, at the forefront of the Board's strategy.

Dr Katrina Tarizzo	Mr Paul Duquemin
Director	Director
29 July 2020	29 July 2020

Board of Directors

Mr Paul Duquemin (Chairman)
Mr Duquemin is currently Branch Manager for the Guernsey office of BNP Paribas Securities Services. He has 30 years experience in financial services, mostly in fund development and administration with Rothschild Asset Management, BISYS Fund Services, JTC Group and BNP Paribas, where he has held leadership positions throughout. He is a Chartered Director and a Fellow of the Institute of Directors. He also currently holds a number of directorships of offshore funds and companies. Mr Duquemin is a Guernsey resident.

Dr Katrina Tarizzo
Dr Katrina Tarizzo PhD currently acts as a Chair, Non-Executive and Executive Director and shareholder for several companies involved in financial services and real estate sectors. She has developed several overseas equity and listed real estate funds, a specialty chemicals business with its production site in Poland as well as an internet based container shipping business. She is a Doctoral graduate of the London Business School and has a wealth of international business experience. She was a founding Director of The Share Centre, a FCA regulated retail stockbroker now listed on AIM; a founding Director and shareholder of Johnson Fry Privatisations (now part of Legg Mason) involved in IPOs for the UK and French Government privatisations and a Director of Connaught St. Michaels Registrars Limited which subsequently became part of Capital IRG. Dr Tarizzo is a UK resident.

Directors' Report

The Directors present the Annual Report and Audited Consolidated Financial Statements of City Living PCC Limited (the "Company" or the "Fund"), Poland Geared Growth Cell (the "Cell") together with its subsidiaries (the "Group") for the year ended 31 December 2019.

Incorporation
The Company was incorporated in Guernsey, with a company registration number of 43271, on 13 June 2005 and commenced operations on 27 March 2006.

Principal activity
The Cell provides a listed, debt-geared, diversified exposure to the Polish residential and commercial property markets through the acquisition of property in Poland's cities with the investment objective of generating rental income and long-term capital growth. The investment strategy reflects the many economic and demographic changes occurring in Poland that should, in the Investment Adviser's view, drive up property prices and underpin rental yields. The Cell was listed on the Channel Islands Stock Exchange ("CISX") on 2 June 2006. On 20 December 2013, the listing transferred over to the Channel Islands Securities Exchange ("CISE"). On 6 March 2017, the CISE was re-branded as The International Stock Exchange ("TISE").

Results and dividends
The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 12.

A review of the activities, performance and outlook for the Group is included in the Directors' Statement on page 3.

The Directors have not declared a dividend in the current year (2018: Nil).

Listing requirements
Throughout the accounting period, the Cell complied with the conditions set out in TISE Rules for Companies.

Going concern
The Directors consider that the going concern basis is appropriate for the Company and as such these Financial Statements have been prepared on this basis.

The Directors have prepared a cash flow forecast for the Company and its subsidiaries for a period of 12 months from signing these Financial Statements.

The Company's principal source of revenue is rental income from residential property units in the major cities of Poland (over 50% in Warsaw) and sales revenues from the sales of development assets. The Company's principal outgoings are operating costs of the residential property units, development costs of new units, servicing of bank debt and costs incurred in running the Company and its subsidiaries. If revenue is insufficient to cover all outgoings then individual units are sold to cover any shortfall. As a capital growth fund, the Company aims to make a return through growth in the value of the underlying property assets rather than through excess revenue over outgoings and asset sales of individual units form part of the normal course of business.

The COVID-19 pandemic increases the risk of sales not being completed in a timely fashion, but as sales tend to be of individual residential units to end users, rather than large scale sales to institutional investors, the market is relatively stable and other than some delays from mortgage applications there is little evidence of a material risk of sales not being completed and indeed sales of the 4 remaining Sasanki units have continued throughout the crisis period. Pre-sales of the Rejtana development units have also continued and ongoing sales need to be maintained in order to continue to drawdown construction finance in phases to the end of the build period, scheduled for the end of the year. As part of our going concern assessment we have modelled downside scenarios including anticipated asset sales not being completed, bank finance not being renegotiated and a failure of tenants to pay their rental income on time. The mitigations available to the Company allow it to meet all obligations and expenses as they fall due over the course of the next 12 months in any of the downside scenarios modelled.

The Directors therefore believe that there are currently no material uncertainties in relation to the Group's ability to continue for a period of at least 12 months from the date of signing of these Financial Statements. The Directors are, therefore, of the opinion that the going concern basis adopted in the preparation of these Financial Statements remains appropriate.

Directors
The Directors during the year and to date were as stated on page 1.

No person shall be or become incapable of being appointed as a Director by reason of having attained the age of 70 or any other age and no Director will be required to vacate his office at any time by reason of the fact that he has attained the age of 70 or any other age.

Directors' fees
During the year the Directors received remuneration in the form of fees as stated in note 10.

There are no direct service contracts in existence between the Company and any of the Directors. There is, however, a service contract in place with Tarizzo Limited. Dr Katrina Tarizzo is a Director and the main shareholder of Tarizzo Limited. Dr Tarizzo consequently provides services to the Company on behalf of Tarizzo Limited. The fees payable to Tarizzo Limited in terms of the service contract are detailed in note 32.

Directors' interests
Dr Katrina Tarizzo indirectly owns 119,742 (2018: 119,742) Redeemable Ordinary Shares of the Poland Geared Growth Cell. Mr Duquemin holds no direct or indirect ownership interests in the Poland Geared Growth Cell.

Corporate Governance
It is the Company's policy to follow best practice on good corporate governance applicable to the Company in line with the Code of Corporate Governance, issued by the GFSC.

Directors' Report (continued)

Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standards ("CRS")

The States of Guernsey has effected legislation enforcing various Intergovernmental Agreements to exchange tax account information with other jurisdictions. The Foreign Account Tax Compliance Act ("FATCA") and a similar style agreement between the United Kingdom and its Crown Dependencies and Overseas Territories (so called 'UK FATCA' or 'CDOT') became effective on 1 July 2014 in Guernsey. UK FATCA was replaced by CRS on 1 January 2016. The legislation is aimed at determining the ownership of assets of financial accounts by foreign tax residents and improving tax compliance with respect to those assets. The Board has determined that the Company is a Non-Financial Foreign Entity ("NFFE") under these regulations. As such, whilst the Company has no obligation to report upon its accounts, it is from time to time required to provide certifications on its status under FATCA and CRS to other Financial Institutions in order that they might attend to their own reporting obligations. The Board understands that they will be obliged to continually review and monitor the entity in accordance with the regimes, and ensure that their classification remains appropriate.

Alternative Investment Fund Managers Directive ("AIFMD")

The AIFMD, which was implemented across the EU on 22 July 2013 with a transition period ended 22 July 2014, aims to harmonise the regulation of Alternative Investment Fund Managers ("AIFMs") and imposes obligations on managers who manage or distribute Alternative Investment Funds ("AIFs") in the EU or who market shares in such funds to EU investors.

The Company is classified as a Non-EU Alternative Investment Fund ("Non-EU AIF") under AIFMD. The Company is self-managing and therefore also acts as its own AIFM. However, by virtue of its size, the Company is deemed sub-threshold and is therefore exempt from the provisions of the AIFMD.

Post balance sheet events

Three units, which form part of the non-current assets classified as held for sale, per note 20, which have been disposed post year-end generated gross sales proceeds of GBP 503,023. In addition a further 10 parking spaces at Grodzisk were sold generating gross sales proceeds of GBP 38,540.

As of the date of approval of these consolidated financial statements, City Living Polska FIZAN repaid a further PLN 16 million on the Skarbiec for 5 loan facility in February 2020 and a further PLN 2.8 million in May 2020.

In February 2020, an off-market service was offered to shareholders in the redemption queue who were able to put their shares up for sale at prices based on various discounts to NAV. 3.83 million shares were sold being acquired by the Fund as well as other fund shareholders.

Four instalments of the construction loan for Rejtana with BOS Bank have been drawn down in line with the progress in construction as follows: PLN 899,756, PLN 2,915,933, PLN 687,278 and PLN 1,299,738 on 18 March 2020, 31 March 2020, 30 April 2020 and 30 June 2020, respectively.

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of countries with a recorded death toll of over half a million worldwide. COVID-19, and the uncertainty it has created, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global securities markets.

To date the impact of COVID-19 on the Company has been limited mainly due to its asset class comprising mostly residential real estate in Poland's main cities which have not been particularly impacted in the short term. However, the Company's ability to complete asset sales of individual residential units may be delayed longer than is normal and sales of development assets might also take longer. The banks have certainly been more active in terms of seeking extra documentation and assurances and new loans have been delayed until there is more clarity on the situation.

Given the inherent uncertainties associated with COVID-19, it is not practicable at this time to determine the longer term consequence of COVID-19 on the Company or to provide a quantitative estimate of this impact.

As of now, the Directors consider that the impact of COVID-19 would not affect the ability of the Company to generate value in the longer-term and that any potential impairment of investment properties owned by the Company's subsidiaries cannot be quantified at this stage even though the latest valuations received in June 2020 resulted in an increase in the overall portfolio value, such increases may not continue into the future.

However, as a result of COVID-19 in preparing our going concern assessment we have considered scenarios as detailed in note 2.2.

Auditors

Grant Thornton Limited were reappointed as independent auditors for the year ended 31 December 2019. A resolution to re-appoint Grant Thornton Limited will be put to the members at the next Annual General Meeting.

By order of the Board

29 July 2020

Dr Katrina Tarizzo
Director

Mr Paul Duquemin
Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Consolidated Financial Statements in accordance with applicable Guernsey Law and generally accepted accounting principles.

Guernsey company law requires the Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing those Consolidated 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 IFRS as adopted by the EU have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements; and
- prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the Consolidated Financial Statements have been properly prepared in accordance with the Companies (Guernsey) Law, 2008 and The Authorised Collective Investment Schemes (Class B) Rules, 2013. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have elected to prepare the Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law.

Statement of disclosure to auditor

The Directors confirm that they have complied with the above requirements in preparing the Consolidated Financial Statements and that to the best of our knowledge and belief:

(a) the Directors' Statement and the Directors' Report include a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that the Group faces;

(b) in the opinion of the Board, the Annual Report and Consolidated Financial Statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Group performance, business model and strategy; and

(c) The Consolidated Financial Statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and results of the Group.

The Directors confirm that so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware and each Director has taken all of the steps that they ought to have taken, to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Custodian's Report

For the year ended 31 December 2019

In our capacity as Custodian to the Cell we confirm that, in our opinion, the Board, its advisers and/or the Designated Administrator (as appropriate) having taken on the roles and duties of the Principal Manager themselves, have managed the Cell during the year ended 31 December 2019 in accordance with the provisions of the principal documents of the Cell and with The Authorised Collective Investment Scheme (Class B) Rules, 2013 and no material breaches have occurred.

Butterfield Bank (Guernsey) Limited
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29 July 2020

Independent Auditor's Report

Opinion

Our opinion on the Group financial statements is unmodified

We have audited the consolidated financial statements of City Living PCC Limited (formerly, City Life PCC Limited) and its subsidiaries (the "Group") for the year ended 31 December 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Change in Net Assets Attributable to Holders of Redeemable Ordinary Shares, the Consolidated Statement of Cash Flows and Notes to the Consolidated 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 "EU".

In our opinion the Group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- are in accordance with IFRSs as adopted by the European Union; and
- comply with The Companies (Guernsey) Law, 2008.

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 consolidated financial statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Guernsey, including the FRC's Ethical Standard as applied to listed entities, 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.

Who we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. 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.

Conclusions relating to going concern

We have nothing to report in respect of the following information in the annual report, 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 group financial statements is not appropriate; or
- the directors have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the Group'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 group financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter Group	How the matter was addressed in the audit - Group
Risk 1 Valuation of investment property (2019: £21.53 million; 2018: £23.02 million) and non-current assets held for sale (2019: £1.81 million; 2018: £3.85 million) 77% (2018: 97%) of the carrying value of the Group's total assets, consist out of investment property (including those classified as held for sale) which are valued using different valuation techniques, as described in Note 18 to the consolidated financial statements. The valuation is subjective, with a high level of judgement and estimation linked to the determination of the values. As a result, there is a risk of an inappropriate valuation model being applied, together with the risk of inappropriate inputs to the model/calculation being selected including the possible impact on the management fees. The valuation of the investment properties (including those classified as held for sale) is the key driver of the Group's net asset value and total return. Incorrect valuation could have a significant impact on the net asset value of the Group and therefore the return generated for shareholders. Refer to the Directors Report (pages 3 to 8); Accounting policies in Note 3.1, and Notes 18 and 20 to the consolidated financial statements.	Our audit procedures consisted of: • We updated our understanding of the Group's processes, policies and methodologies, including the use of industry specific measures, and policies for valuing investment properties (including those classified as held for sale) held by the Group and performed walkthrough tests to confirm our understanding; • We obtained and inspected the independent appraisals regarding the investment properties, and supporting data to assess whether the data used is appropriate and relevant, and discussed these with management to evaluate whether the fair value of the investment properties is reasonably stated, challenging the assumptions made by management; • We agreed valuation inputs that do not require specialist knowledge to independent sources and tested the arithmetical accuracy of the Group's calculations; • We compared post balance sheet disposals to the fair value of the relevant properties as at year end;

Independent Auditor's Report

Key Audit Matter Group	How the matter was addressed in the audit - Group
	Our audit procedures consisted of (continued): • On a sample basis. we engaged our own internal real estate valuation specialists to: - Use their knowledge of the market to assess and corroborate management's market related judgements and valuation inputs (i.e. discount rates, recent relevant transaction and comparable data, rental PSF, selling price PSF and buildable square foot) by referencing to comparable transactions, and independently compiled databases/indices; - Assist us to determine whether the methodologies used to value investment properties were consistent with methods usually used by market participants for similar types of properties; and - Assist us in determining whether the Group's specialists were appropriately qualified and independent. • Report to the directors on the calibration of property valuations against our external audit expert's ranges; • We determined if investments properties classified as held for sale met the measurement requirements of IFRS 5 Non-current assets held for sale, which are lower of carrying value and net realisable value. **Key observations** We confirmed that there were no significant matters arising from our audit work on either the valuation of the overall investment property portfolio or key valuation assumptions that we wished to bring to the attention of the shareholders. We confirmed that valuation methodologies adopted were appropriate and that the valuation of the investment property was not materially misstated and was in line with IFRS.
Risk 2 Improper revenue recognition - Rental income (2019: £1.08 million; 2018: £1.10 million) The Group's revenues primarily arise from its activities as a lessor. The completed investment properties, both residential and commercial, are rented out and generate rental income. Rental income is based on tenancy agreements where there is a standard process in place for revenue. This should be recognised on a straight line basis as set out in the accounting policies of the Group. Under International Standard on Auditing (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue due to fraud.	Our audit procedures consisted of: • We updated our understanding of the Group's processes, policies and methodologies for recognising revenue and performed walkthrough tests to confirm our understanding; • Analytically reviewing rental income on a monthly and annual basis, identifying unusual movement based on trend analysis and obtaining supporting documentation to corroborate revenue reported (i.e. rental agreements and invoicing); • On a sample basis, obtained supporting documents, such as rental agreements, to corroborate revenue reported and to test year end cut-off has been appropriately performed. **Key observations** We did not note any material issues from the procedures performed in this area.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality was determined as follows:

Materiality measure	Company
Group financial statements as a whole	£309,274 which is 2% of Net Assets. This benchmark is considered the most appropriate because the Group's primary performance measures for internal and external reporting are based on net assets as we consider it is the measure most relevant to the stakeholders of the Group. Materiality for the current year is lower than the level that we determined for the year ended 31 December 2018 to reflect the decrease in the net assets. The basis was reduced from 5% to 2% as a result of risk factors associated with the components and specifically with regards to the valuation of investment properties.
Performance materiality used to drive the extent of our testing	70% of group financial statement materiality.
Communication of misstatements to the Board of Directors	£15,464 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Independent Auditor's Report

An overview of the scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Group. This enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

In assessing the risk of material misstatement to the financial statements of the components of the Group, and to ensure we had adequate quantitative coverage of significant accounts in the consolidated financial statements, City Living Polska FIZAN together with its subsidiaries, was selected as a significant component for which a full scope audit was performed by Grant Thornton Frąckowiak (the component auditor). The Group audit team was responsible for the scope of direction of this audit and conducted a comprehensive and detailed review of the work performed by the component auditor

The Group audit team also engaged with internal real estate valuation specialists to assess the valuation of investment properties for the same component.

Communications between the Group audit team and the component auditor was continuous via emails and conference calls through the planning, substantive and completion stages of the Group audit.

Procedures performed over remaining Group components included analytical procedures and enquiry of management.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 1 to 8 and page 40 other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 of the consolidated 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company; or
- the parent company financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors for the Group financial statements

As explained more fully in the directors' responsibilities statement set out on page 7 the directors are responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Group financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey GY1 3TF, Channel Islands

29 July 2020

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Income			
Interest income		**330**	823
Rental income	11	**1,081,112**	1,099,541
Other income	12	**151,736**	174,216
Unrealised (loss)/gain on investment properties			
- property under development	18a	**539,503**	198,020
- completed	18b	**291,611**	(88,549)
Gain on derivative financial liability	28	**16,676**	-
Total income		**2,080,968**	1,384,051
Expenditure			
Administration fees	5	**(176,988)**	(191,138)
Management fees	6	**(239,055)**	(217,143)
Trail fees	7	**-**	82,766
Custodian fees	9	**(22,500)**	(22,500)
Professional fees		**(290,687)**	(180,038)
Directors' fees and expenses	10	**(50,000)**	(50,000)
Property administration costs	13	**(647,079)**	(418,107)
Other expenses	14	**(650,013)**	(784,581)
Realised loss on disposal of completed investment property	18b	**(319,384)**	(348,512)
Loss on derivative financial liability	28	**-**	(6,575)
Unrealised (loss)/gain on other foreign currency transactions		**(76,309)**	56,112
Total expenditure		**(2,472,015)**	(2,079,716)
Finance costs	15	**(461,987)**	(495,297)
Loss for the year before tax from continuing operations		**(853,034)**	(1,190,962)
Tax expense	17	**(5,020)**	(21,614)
Loss for the year after tax from continuing operations		**(858,054)**	(1,212,576)
Other comprehensive income (OCI)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(749,570)**	(626,777)
Total other comprehensive income		**(749,570)**	(626,777)
Total comprehensive loss for the year attributable to holders of Redeemable Ordinary Shares		**(1,607,624)**	(1,839,353)
- basic and diluted loss per share (in pence)			
Poland Geared Growth Cell	16	**(2.06)**	(2.86)

Results for the year arise entirely from continuing operations.

The accompanying notes 1 to 39 form an integral part of these Consolidated Financial Statements

Consolidated Statement of Financial Position
As at 31 December 2019

	Notes	As at 31 December 2019 GBP	As at 31 December 2018 GBP
Assets			
Non-current assets			
Investment property - under development	18a	**1,922,769**	764,199
Completed investment property	18b	**19,611,184**	22,257,613
		21,533,953	23,021,812
Current assets			
Advances related to investment property	19	**305**	320
Trade and other receivables	22	**2,027,473**	200,733
Cash and cash equivalents	23	**4,770,153**	754,182
		6,797,931	955,235
Non-current assets classified as held for sale	20	**1,810,457**	3,846,786
Total current assets		**8,608,388**	4,802,021
Total assets		**30,142,341**	27,823,833
Liabilities			
Current liabilities			
Trade and other payables	24	**(1,827,141)**	(521,755)
Bank loans	28	**(6,203,333)**	-
		(8,030,474)	(521,755)
Non-current liabilities			
Deferred tax	17	**(340,854)**	(358,306)
Trade and other payables	24	**(263,966)**	(311,647)
Bank loans	28	**(6,027,687)**	(9,527,314)
Derivative financial liability	28	**(15,329)**	(33,156)
		(6,647,836)	(10,230,423)
Total liabilities excluding net assets attributable to holders of Redeemable Ordinary Shares		**(14,678,310)**	(10,752,178)
Net assets attributable to holders of Redeemable Ordinary Shares		**(15,463,717)**	(17,071,341)
Total liabilities		**(30,142,027)**	(27,823,519)
Equity			
Nominal Shares	25	**(314)**	(314)
Total equity and liabilities		**(30,142,341)**	(27,823,833)
Net Asset Value per Redeemable Ordinary Share (pence per share)	26	**37.06**	40.92

The Consolidated Financial Statements on pages 12 to 39 were approved by the Board of Directors on 29 July 2020 and signed on behalf of the Board by:

Dr Katrina Tarizzo	Mr Paul Duquemin
Director	Director

The accompanying notes 1 to 38 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Change in Net Assets Attributable to Holders of Redeemable Ordinary Shares
For the year ended 31 December 2019

	Note	**Year ended 31 December 2019 GBP**	Year ended 31 December 2018 GBP
Net assets attributable to the holders of Redeemable Ordinary Shares at the beginning of the year		**17,071,341**	19,160,694
Loss for the year		**(858,054)**	(1,212,576)
Other comprehensive income - exchange differences arising on translation of foreign operations		**(749,570)**	(626,777)
Total comprehensive loss for the year attributable to holders of Redeemable Ordinary Shares		**(1,607,624)**	(1,839,353)
Proceeds from Redeemable Ordinary Shares issued	25	**-**	-
Redemption of Redeemable Ordinary Shares issued	25	**-**	(250,000)
Net decrease from share transactions		**-**	(250,000)
Net assets attributable to the holders of Redeemable Ordinary Shares at the end of the year		**15,463,717**	17,071,341

The accompanying notes 1 to 39 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Loss for the year after tax from continuing operations		**(858,054)**	(1,212,576)
Adjustments for:			
Unrealised gain on investment property		**(831,114)**	(109,471)
Realised loss on the disposal of investment property		**319,384**	348,512
(Gain)/loss on derivative financial liability		**(16,676)**	6,575
Finance cost		**461,987**	495,297
Movement in deferred tax	17	**(17,452)**	6,049
Tax expense	17	**5,020**	21,614
Loss/(gain) on other foreign currency transactions		**76,309**	(56,112)
Operating cash flows before movements in working capital		**(860,596)**	(500,112)
Operating activities			
Movement in trade and other receivables		**(1,826,740)**	432,667
Movement in trade and other payables		**1,257,705**	(2,077,268)
Net cash generated used in operating activities		**(1,429,631)**	(2,144,713)
Investment activities			
Property under development - additions	18a	**(682,830)**	(242,271)
Completed investment property - additions	18b	**(184,351)**	(912,225)
Proceeds from sales of investment properties (completed and held for sale)	18b	**3,659,993**	3,808,696
Net cash generated from investment activities		**2,792,812**	2,654,200
Financing activities			
Payments on redemption of Redeemable Ordinary Shares	25	**-**	(250,000)
Proceeds from issue of Nominal Shares	25	**-**	133
Bank interest paid		**-**	(533)
Loan interest paid	29	**(41,887)**	(456,094)
New loans obtained	29	**3,395,121**	-
Bank loans repaid	29	**(497,868)**	(1,903,991)
Net cash generated from/(used in) financing activities		**2,855,366**	(2,610,485)
Net increase/(decrease) in cash and cash equivalents		**4,218,547**	(2,100,998)
Cash and cash equivalents at the beginning of the year		**754,182**	3,129,241
Effects of foreign exchange rate changes		**(202,576)**	(274,061)
Cash and cash equivalents at the end of the year		**4,770,153**	754,182

The accompanying notes 1 to 39 form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019

1 CORPORATE INFORMATION

City Living PCC Limited is a Protected Cell Company in accordance with the provisions of the Companies (Guernsey) Law, 2008 as amended (the "Companies Law") incorporated in Guernsey. City Living PCC Limited (the ''Company'' or the ''Fund'') changed its name from City Life PCC Limited with effect from 4 November 2019. The address of the registered office is shown on page 1.

The assets of the Company can be either cellular assets or non-cellular assets. The assets attributable to a cell comprise assets represented by the proceeds of cell share capital, reserves and any other assets attributable to that cell. The non-cellular assets comprise the assets of the Company which are not cellular assets. Where a liability arises from a transaction in respect of a particular cell, and there are insufficient assets within this cell, there will be no recourse to the assets of any other cell, or the non-cellular assets.

The Company has one Cell, The Poland Geared Growth Cell (the "Cell"). The Cell provides a listed, debt-geared, diversified exposure to the Polish residential and commercial property markets through the acquisition of property in Poland's cities with the investment objective of generating rental income and long-term capital growth.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements (the "Financial Statements") have been prepared for the Company, the Cell, together with its subsidiaries (the "Group") and have been prepared on the historical cost basis, except for investment property, non-current assets classified as held for sale and derivative financial instrument which are carried at fair value.

2.1 Basis of preparation

The Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") which comprise standards and interpretations issued by the International Accounting Standards Board ("IASB"), and International Accounting Standards and Standing Interpretations approved by the IFRS Interpretations Committee that remain in effect and to the extent they have been adopted by the European Union ("EU").

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Group's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements made by management in the application of IFRS that have a significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are disclosed in note 3.

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision only affects that year, or in the year of the revision and future years if the revision affects both current and future years.

2.2 Going concern

The Directors consider that the going concern basis is appropriate for the Company and as such these Financial Statements have been prepared on this basis.

The Directors have prepared a cash flow forecast for the Company and its subsidiaries for a period of 12 months from signing these Financial Statements.

The Company's principal source of revenue is rental income from residential property units in the major cities of Poland (over 50% in Warsaw) and sales revenues from the sales of development assets. The Company's principal outgoings are operating costs of the residential property units, development costs of new units, servicing of bank debt and costs incurred in running the Company and its subsidiaries. If revenue is insufficient to cover all outgoings then individual units are sold to cover any shortfall. As a capital growth fund, the Company aims to make a return through growth in the value of the underlying property assets rather than through excess revenue over outgoings and asset sales of individual units form part of the normal course of business.

The COVID-19 pandemic increases the risk of sales not being completed in a timely fashion, but as sales tend to be of individual residential units to end users, rather than large scale sales to institutional investors, the market is relatively stable and other than some delays from mortgage applications there is little evidence of a material risk of sales not being completed and indeed sales of the 4 remaining Sasanki units have continued throughout the crisis period. Pre-sales of the Rejtana development units have also continued and ongoing sales need to be maintained in order to continue to drawdown construction finance in phases to the end of the build period, scheduled for the end of the year. As part of our going concern assessment we have modelled downside scenarios including anticipated asset sales not being completed, bank finance not being renegotiated and a failure of tenants to pay their rental income on time. The mitigations available to the Company allow it to meet all obligations and expenses as they fall due over the course of the next 12 months in any of the downside scenarios modelled.

The Directors therefore believe that there are currently no material uncertainties in relation to the Group's ability to continue for a period of at least 12 months from the date of signing of these Financial Statements. The Directors are, therefore, of the opinion that the going concern basis adopted in the preparation of these Financial Statements remains appropriate.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures

Application of new and revised IFRSs

The following standards and amendments have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2019. The adoption has not had any impact on the amounts reported in these Financial Statements and is not expected to have any impact on future financial periods:

- IFRS 16, 'Leases'. Effective for accounting periods commencing on or after 1 January 2019 and is endorsed by the EU. The Group intends to adopt the standard once it becomes mandatory. Although rental income is recognised in accordance with the new standard, it does not materially impact the consolidated Financial Statements as lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. Accordingly, the Group is not required to make any adjustments on transition to IFRS 16 and accounts for its leases in accordance with IFRS 16 from the date of initial application.
- Annual Improvements to IFRSs 2015 – 2017 Cycle, IAS 12 'Income Taxes'. Effective for accounting periods commencing on or after 1 January 2019 and is endorsed by the EU. The adoption of this standard does not materially impact the consolidated Financial Statements as there was no income tax consequences of payments on financial instruments classified as equity.
- IAS 19 'Employee Benefits'. Effective for accounting periods commencing on or after 1 January 2019 and is endorsed by the EU. The adoption of this standard does not materially impact the consolidated Financial Statements as no amendments, curtailment or settlement of plan assets is applicable to the Group.
- Annual Improvements to IFRSs 2015 – 2017 Cycle, IAS 23 'Borrowing Costs'. Effective for accounting periods commencing on or after 1 January 2019 and is endorsed by the EU. The adoption of this standard does not materially impact the consolidated Financial Statements as the eligibility for capitalization of borrowing costs has been considered by the group.
- IFRS 9 'Financial Instruments'. Effective for accounting periods commencing on or after 1 January 2019 and is endorsed by the EU. The adoption of this standard does not materially impact the consolidated Financial Statements as no prepayment features were accounted for with negative compensation.
- Annual Improvements to IFRSs 2015 – 2017 Cycle, IFRS 11 and IFRS 3 'Previously held interest in a joint operation' and IAS 28 ' Long-term interest in joint ventures'. Effective for accounting periods commencing on or after 1 January 2019 and is endorsed by the EU. The adoption of this standard does not materially impact the consolidated Financial Statements as the Group has no joint operations or joint ventures.

New and revised IFRSs in issue but not yet effective

At the date of approval of these consolidated Financial Statements, the following standards and interpretations, which have not been applied, were in issue but not yet effective:

- Amendments to IAS 1 and IAS 8 on the definition of material. These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs:
  - i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
  - ii) clarify the explanation of the definition of material; and
  - iii) incorporate some of the guidance in IAS 1 about immaterial information.

  The amendment is effective for accounting periods commencing on or after 1 January 2020 and is not yet endorsed by the EU. The amendment will be adopted when it becomes effective.

Other Standards and amendments that are not yet effective in 2019 and have not been adopted early by the Group include:

- IFRS 17 Insurance Contracts
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Conceptual Framework for Financial Reporting

The Directors are currently assessing the impact of these standards and interpretations on the Consolidated Financial Statements and anticipate that the adoption of the majority of these standards and interpretations in future periods will not have a material impact on the Consolidated Financial Statements or results of the Group.

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company, the Cell and entities controlled by the Cell (its subsidiaries) prepared to 31 December 2019. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date.

All of the Group companies have 31 December as their year end. Consolidated Financial Statements are prepared using uniform accounting policies for similar transactions.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Where necessary, accounting policies of subsidiaries are changed to ensure consistency of accounting policies across the Group.

Details of the subsidiary undertakings which the Company held as at 31 December 2019 are as follows:

Name	Direct or holding	Country of or domicile	Principal activity	Proportion of shares and voting rights held
City Living Luxembourg Sàrl	Direct	Luxembourg	Investment holding	100%
City Living Polska FIZAN	Indirect	Poland	Investment fund	100%
City Living Polska Sp. z.o.o	Direct	Poland	Management Company	100%
City Living Development Polska Sp. z.o.o	Direct	Poland	Management Company	100%
OLH II Sp z.o.o	Direct	Poland	Management Company	100%
City Living Polska 2 sp. z.o.o	Indirect	Poland	Management Company	100%
City Living Polska Sp. z.o.o SKA	Indirect	Poland	Property investment	100%
City Living Polska Sp. z.o.o SKA 2	Indirect	Poland	Property investment	100%
OLH II sp z.o.o 3 SKA	Indirect	Poland	Property investment	100%
OLH II sp z.o.o 4 SKA	Indirect	Poland	Property investment	100%
City Living Polska Sp. z.o.o SKA 5	Indirect	Poland	Property investment	100%
City Living Polska Sp. z.o.o SKA 6	Indirect	Poland	Property investment	100%
City Living Polska Development Sp. z.o.o SKA	Indirect	Poland	Property investment	100%
City Living Polska Development 2 Sp. z.o.o SKA	Indirect	Poland	Property investment	100%
City Living Polska Development 3 Sp. z.o.o SKA	Indirect	Poland	Property investment	100%
City Living Polska Development Sp. z.o.o 4 SKA	Indirect	Poland	Property investment	100%
City Living Polska 2 sp. z o.o 1 SKA	Indirect	Poland	Property investment	100%

2.5 Segment reporting

The Directors of the Group consider there to be a single reportable segment with material assets held by the Group, liabilities due by the Group, revenues and expenditure deriving from business activities located in Poland. The operating results reviewed regularly by the entity's chief operating decision maker (being the Board of Directors), in making decisions about allocation of resources and assessing performance relate to the portfolio of Polish properties and associated bank loans.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group entities are measured in the currency of the primary economic environment in which the entity operates (the "functional currency"). The Consolidated Financial Statements are presented in Sterling ("GBP") which is also the Company's functional currency. The functional currency of all the subsidiaries is Polish Zloty ("PLN").

(b) Foreign exchange

Monetary assets and liabilities are translated into Sterling at the rate of exchange ruling on the last day of the Group's financial period. Foreign currency transactions are translated at the rate of exchange ruling on the date of the transaction. Profits and losses arising on currency translation are included in the Consolidated Statement of Comprehensive Income. Hedge accounting is not used.

Other exchange gains and losses on translation of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income under the heading of Other Comprehensive Income as 'Exchange differences arising on translation of foreign operations'. The gains and losses on consolidation have no effect on the value of the underlying assets allocated to the individual Cells.

Transactions during the period are translated at the average rate of exchange ruling during the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Income

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Interest income is recognised on a time apportioned basis using the effective interest method.

Rental income and lease incentives from investment property leased out are recognised in Profit or Loss on a straight-line basis over the term of the lease.

2.8 Expenses

Expenses are recognised in the profit or loss on an accruals basis.

2.9 Taxation

The Cell has applied for and gained tax exempt status in Guernsey. Current tax arising in jurisdictions other than Guernsey is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantially enacted. The Cell has subsidiary undertakings in Luxembourg and Poland.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other periods or that are never taxable or deductible.

Deferred tax is the tax arising on differences on the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the 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 year end 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.

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. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income.

2.10 Cash advances on investment properties

Properties in the course of construction for future rent, over which the Group does not yet hold title to, are accounted for as Advances Related to Investment Property, until the date that title passes to the Group, at which point they will become Investment Property and will be carried on the same basis as other Investment Property assets.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Cash advances on investment properties (continued)

Cash advances on investment properties are carried at amortised cost, less any recognised impairment loss. Cost comprises all cash advances provided to the developers of each property project.

The Group has appointed WBP Doradztwo Nieruchomości, Acons, SGA Consulting and Home Consulting, as property valuers, to prepare valuations on a quarterly basis for the properties and developments held and these are used to ensure that any impairment is accounted for in advances on investment property.

An impairment review is undertaken on the advances on investment property by the Directors on a quarterly basis.

2.11 Investment property

Investment property comprises completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both.

(i) Completed Investment Properties - Properties which are fully developed, for which title is held and which are currently, or are ready to, earn rental income. These properties are valued on a market value basis.

(ii) Investment Property Under Development - Investment properties in the early stages of development are valued based on completed properties' market prices adjusted for future development costs reflecting the stage of completion. The advances for property where only land has been acquired are valued based on the market price for the land plots.

Investment property is initially measured at cost and subsequently at fair value, based on professional valuations, with any change therein recognised in profit or loss.

Costs include expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss in the period in which they arise (see note 18 for further details).

2.12 Non-current assets held for sale

Non-current assets held for sale - Completed investment properties are transferred to and classified as non-current assets held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use and the Directors have announced to the market they intend to sell the property and in line with the requirements of IFRS 5, 'Non-current assets held for sale and discontinued operations' as set out below:

- The asset is available for immediate sale;
- The terms of asset sale must be usual and customary for sales of such assets;
- The sale must be highly probable;
- Management is committed to a plan to sell the asset;
- The asset must be actively marketed for a sale at a reasonable price in relation to its current fair value;
- The sale is expected to be completed within one year from classification date; and
- Sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance in accordance with IAS 16, 'Property, Plant and Equipment';

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately as current items in the Consolidated Statement of Financial Position. On re-classification, investment property that is measured at fair value continues to be so measured in accordance with IAS 40 'Investment Property'.

2.13 Financial Instruments

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognised if the Group's obligations, specified in the contract, expire or are discharged or cancelled. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire, are extinguished, or if the Group transfers the financial assets to a third party and transfers all the risks and rewards of ownership of the asset, or if the Group does not retain control of the asset and transfers substantially all the risk and rewards of ownership of the asset.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); or
- Fair value through profit or loss ("FVTPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Group only has financial assets that are classified as amortised cost.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial Instruments (continued)
i) Financial assets held at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The effective interest method calculates the amortised cost of financial instruments and allocates the interest over the life of the instrument using the effective interest rate.

The Group's financial assets held at amortised cost include trade and other receivables and cash and cash equivalents.

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets held at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ii) Financial liabilities held at amortised cost
Financial liabilities consist of payables and borrowings. The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All financial liabilities are initially measured at fair value, net of transaction costs. All financial liabilities are recorded on the date on which the Group becomes party to the contractual requirements of the financial liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of the financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

iii) Redeemable Ordinary Shares
In accordance with the revised IAS 32, Redeemable Ordinary Shares are required to be shown as liabilities rather than as part of Shareholders' funds, owing to the fact that holders of Redeemable Ordinary Shares are entitled to request a redemption of their holdings and that they are not the most subordinated share class, this being the Management Shares.

The liabilities arising from the Redeemable Ordinary Shares are carried at the redemption amount, being the Net Asset Value ("NAV") calculated in accordance with the prospectus, however redeemers may receive an amount that is below the Cell's NAV.

For the purpose of calculating the net assets attributable to Redeemable Ordinary Shareholders in accordance with the Cell redemption requirement, the Cell assets and liabilities are valued at a single price.

The Cell issues shares at the net asset value of the existing Redeemable Ordinary Shares. The holders of Redeemable Ordinary Shares can redeem them, in accordance with redemption requirements as set out in the Information Memorandum, for cash equal to the Cell's net asset value, except where assets are disposed of specifically to meet a redemption. In such a case, specific costs attributable to the necessary disposal may be deducted from the redemption proceeds payable and therefore redeemers may receive an amount less than the Cell's net asset value.

The Cell's NAV per Redeemable Ordinary Share is calculated by dividing the net assets attributable to Redeemable Ordinary Shareholders (calculated in accordance with redemption requirements as set out in the Information Memorandum) by the number of shares in issue.

2.14 Cash and cash equivalents
Cash and cash equivalents are defined as cash in hand and short-term deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.15 Management Shares
The two Management Shares are non-redeemable and classified as equity.

2.16 Nominal Shares
The Nominal Shares are non-redeemable and classified as equity.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision only affects that year, or in the year of the revision and future years if the revision affects both current and future years. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Completed investment property and investment property under development
The Cell and/or Designated Administrator (as appropriate) engages the services of WBP Doradztwo Nieruchomości, Acons, SGA Consulting and Home Consulting for the Cell to assist in their assessment of the fair values of investment properties. All properties and developments are revalued on a quarterly basis by appropriately qualified, independent valuers. Valuations are prepared in accordance with the approved Appraisal and Valuation Standards. The valuation bases used are the open market comparison approach and the income approach. Any assumptions made by the valuer are reviewed by Skarbiec as the Investment Adviser for their reasonableness. See note 21 for further details of factors which the valuer takes into consideration during the valuation process.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.1 Advances on investment property

The Group's main activity is the purchase of "off-plan" apartments and their subsequent rental as well as the developing out of Fund owned land plots. The Group continually reviews the net realisable value of its advances on investment properties against the cumulative costs that are held on its Consolidated Statement of Financial Position. WBP Doradztwo Nieruchomości, Acons, SGA consulting and Home Consulting have been appointed as the valuation agents to assess the fair value of the properties on a quarterly basis.

3.2 VAT recoverability

Regulations regarding VAT are subject to frequent changes. These changes can result in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. As outlined in note 17 the above circumstances mean that tax exposure is significantly greater in countries that have a less established taxation system. Tax settlements may become subject to inspection by tax authorities within a period of five years. Accordingly, the amounts shown in the Consolidated Financial Statements may change at a later date as a result of the final decision of the tax authorities.

3.3 Income and deferred tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Where the final outcome of these provisions is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made. See note 17 for further details.

3.4 Estimation of net realisable value for inventory property and non current assets held for sale

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment. NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

4 CO-DISTRIBUTOR'S FEE AND PROMOTER'S FEE

The Co-distributor's fee is calculated as 0.5% of the subscription proceeds of the Cell, only where a Co-distributor has been appointed. During the year under review, no Co-distributor had been appointed.

For new subscriptions, a Promoter's fee of 0.5% is payable to Tarizzo Limited. If a co-promoter is appointed, the fee may increase by up to 0.85% of new subscriptions, the up to 0.85% being due to the co-promoter. The Promoter's fee is payable by the Cell in the month following the relevant dealing date. A promoter's fee of 1.3% is also payable on all gearing loans committed as part of property purchase transactions (but not necessarily drawn down) and all funding from any other source. Such fees are shared between Tarizzo Limited (0.3%) and the other party introducing such funding (1%), if any. For the year ended 31 December 2019, Tarizzo Limited was entitled to fees totaling GBP 18,678 (2018: GBP nil).

5 ADMINISTRATION FEES

Under an Administration Agreement, the Administrator of the Cell is entitled to receive an annual administration fee from the Cell at a rate as may be agreed in writing from time to time between the Company and the Administrator. The fee is 0.2% per annum (2018: 0.2% per annum) of the NAV of the Fund up to GBP 50 million decreasing to 0.15% per annum (2018: 0.15% per annum) of the NAV of the Fund above GBP 50 million, subject to a minimum fee during the year of GBP 120,033 (2018: GBP 120,033) per annum plus disbursements. The above ongoing fees are subject to annual review and a minimum increase by the latest published Retail Price Index ("RPI") in Guernsey upon the anniversary date of the Administration Agreement. During the year JTC Fund Solutions (Guernsey) Limited received fees of GBP 125,405 (2018: GBP 140,655) of which GBP 31,299 is outstanding as at 31 December 2019 (2018: GBP 30,670).

The Administrator in Luxembourg is JTC Signes S.a.r.l who is entitled to receive GBP 27,600 (Euro 30,750) per annum, payable quarterly in advance, excluding VAT and out of pocket expenses, but including Directors fees. During the year JTC Signes S.a.r.l received fees of GBP 29,297 (2018: GBP 27,549) of which GBP nil was outstanding as at 31 December 2019 (2018: GBP nil).

The Administrator in Poland, Skarbiec Holding S.A ("Skarbiec"), is entitled to a fixed quarterly charge of approximately GBP 5,101 (PLN 25,000) plus part of the Management and Performance Fees as described herein. During the year Skarbiec received fees of GBP 22,286 (2018: GBP 22,934) of which GBP 101 is outstanding as at 31 December 2019 (2018: GBP 10).

For the year ended 31 December 2019, the total administration fees amounted to GBP 176,988 (2018: GBP 191,138). As at 31 December 2019, a total amount of GBP 30,114 is outstanding (2018: GBP 30,680).

The administrators are paid quarterly in arrears, except for JTC Signes S.a.r.l, as described above.

6 MANAGEMENT FEES

Tarizzo Limited, Skarbiec TFI S.A., who is the Fund Manager (Poland), and Skarbiec Holding S.A, the Polish Administrator, are entitled to receive payment of a management fee at a percentage of the Gross Asset Value ("GAV") of the Cell per quarter, calculated as at each dealing date. The management fee is split as follows:

	If GAV is greater than GBP 30 Million	**If GAV is less than GBP 30 Million**
Tarizzo Limited	0.21% of the GAV	0.19% of the GAV
Administrator / Fund Manager (Poland)	0.45% of the GAV	0.55% of the GAV

The management fee is subject to a minimum of GBP 150,000 per annum. For the year ended 31 December 2019, the total management fees amounted to GBP 239,055 (2018: GBP 217,143) of which GBP 69,346 is outstanding as at 31 December 2019 (2018: GBP 67,509).

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

7 TRAIL FEES

In previous years, the Designated Administrator calculated and processed a trail fee of 0.5% per annum of the price paid on subscription. The trail fee was adjusted for the change in NAV per share calculated on the last business day in March each year. The fee accrued from the subscription dealing date until redemption dealing date, or liquidation of the Cell, which ever was earlier. All fees were paid out to those advisers who introduced the original subscriptions to the Cell or reinvested by the Designated Administrator for the shareholders. With effect from 1 January 2018, The Directors have decided that it is no longer appropriate or economically viable for the Fund to continue to pay cash trail commission to those few remaining advisers who are still able to advise their clients in relation to unregulated collective investment schemes and are the original introducing advisers. The resulting cash savings to the Fund will contribute towards the next liquidity event offered to redeemers. In addition, trail fees will no longer be reinvested for shareholders, instead the trail provision of 0.5% of NAV accrued for the 12 months to March 2017 were written back to the Fund in year ended 31st December 2018. Accordingly, for the year ended 31 December 2019, no trail fees were recognised (2018: a write-back of GBP 82,766).

8 PERFORMANCE FEES

The Investment Adviser is incentivised to maximise the returns to investors through the potential for the payment by the Cell of a performance fee calculated as 7% of the annual increase (if any) in the published NAV per share of the Cell in excess of the previous High Water Mark Net Asset Value ("HWM NAV") per share of the Cell. The performance fee will be adjusted for all relevant subscriptions and redemptions of ordinary shares, and calculated as at 30 September each year, accrued and payable annually one month after the calculation date. Any accrued performance fee will also be calculated and deducted from any proceeds of the redemption of shares.

The 7% performance fee is shared as follows: 2% to Tarizzo Limited and 5% to the Investment Adviser. There was no performance fee due for the year ended 31 December 2019 and 2018.

9 CUSTODIAN FEES

Butterfield Bank (Guernsey) Limited ("the Custodian"), was appointed as the Custodian on 1 May 2013 and receives a fee at a rate of 0.075% of the NAV of the portfolio per annum, subject to a minimum fee of GBP 22,500 per annum. For the year ended 31 December 2019, custodian fees amounted to GBP 22,500 (2018: GBP 22,500) of which GBP nil is outstanding as at 31 December 2019 (2018: GBP nil).

10 DIRECTORS' FEES AND EXPENSES

The Directors are remunerated at a rate of GBP 25,000 per director, per annum (2018: GBP 25,000 per director, per annum). As at 31 December 2019, GBP nil (2018: GBP nil) directors' fees are outstanding. Directors' remuneration for the year is as follows:

	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Directors fees paid from the Cell:		
P Duquemin	**25,000**	25,000
K Tarizzo	**25,000**	25,000
	50,000	50,000

11 RENTAL INCOME

	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Total rental income	**1,081,112**	1,099,541

At the reporting date the Cell had contracted with tenants for the following future lease payments:

	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Within 1 year	**1,055,370**	1,106,676
Between 1 and 5 years	**4,221,478**	4,426,702
Total	**5,276,848**	5,533,378

Lease terms typically range from a few months to 8 years.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

12 OTHER INCOME

	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Recoveries	**31,977**	32,079
Release of VAT over provision	**102,431**	135,174
Insurance refund	**2,979**	-
Release of local tax over provision	**7,246**	-
Compensation for damages	**1,020**	-
Other income	**6,083**	6,963
	151,736	174,216

13 PROPERTY ADMINISTRATION COSTS

	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Repairs and maintenance	**192,430**	286,010
Refurbishment expenses	**269,888**	-
Cleaning and gardening	**6,672**	6,165
Commission for rental and management	**123,651**	65,422
Parking fees	**15,371**	29,924
Energy consumption	**22,487**	14,396
Office rental	**5,476**	3,543
Heat energy consumption and water	**10,421**	12,634
Other	**683**	13
	647,079	418,107

14 OTHER EXPENSES

	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Audit	**22,154**	43,236
Accountancy fees	**97,583**	94,524
Advertising and printing	**16,913**	98,828
Insurance costs	**41,035**	39,035
Travel and entertainment	**1,610**	1,387
Statutory fees	**12,979**	11,357
Bank charges	**28,979**	26,086
Irrecoverable VAT and other taxes	**131,336**	84,330
IC/IFA liaison fees	**104,200**	112,000
Consulting fees	**50,000**	50,000
Poland structure costs	**37,255**	35,529
Sundry expenses	**105,969**	188,269
	650,013	784,581

15 FINANCE COSTS

	Year ended 31 December 2019 GBP	Year ended 31 December 2018 GBP
Bank interest	-	533
SWAP interest	18,532	18,978
Loan interest – Bank Zachodni WBK S.A.	146,449	148,325
Loan interest – Skarbiec for 5	297,006	327,461
	461,987	495,297

16 BASIC AND DILUTED LOSS PER SHARE (IN PENCE)

As there are no dilutive instruments outstanding, basic and dilutive loss per share are identical. The basic and diluted losses per Redeemable Ordinary Share for the Cell are based on the loss for the year of GBP 858,054 (2018: GBP 1,212,576) and on 41,723,282 Redeemable Ordinary Shares (2018: 42,361,859), being the weighted average number of Redeemable Ordinary Shares in issue during the year

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

17 TAXATION

The Company is an open ended investment scheme and is therefore eligible to claim exemption from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance (Amendment), 1989. As such, the Company was only liable to pay a fixed annual fee, currently GBP 1,200.

Tax arises in Luxembourg in respect of the intermediate holding companies. This is limited to net wealth tax as losses were recognised for the period in those subsidiaries.

The Cell's subsidiary, City Living Luxembourg S.à.r.l, a Group company domiciled in Luxembourg, will be liable for taxation in Luxembourg on any profits in relation to its investment in City Living Polska FIZAN to the extent that such profits are remitted to City Living PCC Limited. A 15% proportion of such profits are subject to Luxembourg withholding tax, currently at a rate of 15%. For the year ended 31 December 2019 this taxation amounted to GBP nil (2018: GBP nil).

The components of the income tax expense for the years ended 31 December 2019 and 31 December 2018 are:

Consolidated Statement of Comprehensive Income	**2019**	2018
	GBP	GBP
Current tax:		
Current income tax charge	**-**	-
Deferred tax:		
Temporary differences on recognition of future disposals of properties at fair value	**(5,020)**	(21,614)
Income tax expense reported in the Statement of Comprehensive Income	**(5,020)**	(21,614)

Reconciliation of tax expense and the loss for the year multiplied by Guernsey's domestic tax rate for 2019 and 2018:

	2019	2018
	GBP	GBP
Loss for the year before tax from continuing operations	**(853,034)**	(1,190,962)
At Guernsey's statutory income tax rate of 0% (2018: 0%)	**-**	-
Tax effect of temporary differences on recognition of future disposals of properties at fair value:	**(5,020)**	(21,614)
Income tax recognised in profit or loss	**(5,020)**	(21,614)

Deferred taxation

On 1 January 2014, a corporate income tax on limited joint stock partnerships of 19% was introduced in Poland. The Directors have therefore recognised a deferred tax liability on the tax which would be payable on future disposals of properties held at their fair values as at the reporting date. Deferred tax assets have been raised on temporary differences on the interest rate swap and the promissory notes.

	Consolidated Statement of Financial Position		**Consolidated Statement of Comprehensive Income**	
.			**Year ended**	Year ended
	2019	2018	**31 December 2019**	31 December 2018
	GBP	GBP	**GBP**	GBP
Deferred tax asset				
Fair value of interest rate SWAP	**2,913**	6,230	**-**	-
Interest on promissory notes	**157,015**	261,856	**-**	-
Deferred tax liability				
Revaluation of investment property to fair value	**(500,782)**	(626,462)	**(5,020)**	(21,614)
Net Deferred tax liability	**(340,854)**	(358,306)	**(5,020)**	(21,614)

A deferred tax asset has not been recognised in respect of the losses of the underlying SKAs as the Board has considered and determined that there are no future taxable profits within the SKAs against which to offset the losses.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

18 INVESTMENT PROPERTY

(a) Investment property - under development	2019 GBP	2018 GBP
Opening cost	**1,740,869**	5,886,389
Transfers to completed investment property (note 18b)	**-**	(4,257,804)
Additions	**682,830**	242,271
Revaluation at year end foreign exchange rate	**(96,536)**	(129,987)
Closing cost	**2,327,163**	1,740,869
Opening unrealised loss	**(976,670)**	(1,197,038)
Movement in unrealised loss	**539,503**	198,020
Revaluation at year end foreign exchange rate	**32,773**	22,348
Closing unrealised loss	**(404,394)**	(976,670)
Fair value	**1,922,769**	764,199

Property name	City	2019 GBP	2018 GBP
Rejtana	Poznan	**1,639,743**	467,414
Spiska	Warsaw	**283,026**	296,785
Investment property - under development		**1,922,769**	764,199

(b) Completed investment property	2019 GBP	2018 GBP
Opening cost	**30,810,604**	30,324,107
Transfers from investment property under development (note 18a)	**-**	4,257,804
Additions	**184,351**	912,225
Disposals proceeds	**(3,659,993)**	(3,808,696)
Realised losses	**(319,384)**	(348,512)
Other adjustments	**(51,534)**	-
Revaluation at year end foreign exchange rate	**(1,339,231)**	(526,324)
Closing cost	**25,624,813**	30,810,604
Opening unrealised loss	**(4,706,205)**	(4,699,678)
Movement in unrealised loss	**291,611**	(88,549)
Revaluation at year end foreign exchange rate	**211,422**	82,022
Closing unrealised loss	**(4,203,172)**	(4,706,205)
Less:		
Non-current assets held for sale (see note 20)	**(1,810,457)**	(3,846,786)
Fair value	**19,611,184**	22,257,613

Direct expenses incurred in relation to the investment properties that generated rental income during the year was GBP 647,079 (2018: GBP 418,107).

The fair value of investment property, amounting to GBP 21,533,953 (2018: GBP 23,021,812), has been categorised as Level 3 fair value, based on the inputs to the valuation techniques used (see note 21).

As at 31 December 2019 and 31 December 2018, part of the Group's immovable property is held as security for bank loans (see note 28).

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

19 ADVANCES RELATED TO INVESTMENT PROPERTY

	2019	2018
	GBP	GBP
Opening cost	**320**	326
Revaluation at year end foreign exchange rate	**(15)**	(6)
Closing cost	**305**	320

The total fair value of all the above properties in notes 18 to 19, except completed investment property in note 18b, at 31 December 2019 is GBP 1,923,074 (2018: GBP 764,519).

Some of the above mentioned properties are apartment blocks, consequently the anticipated purchase dates move as separate units are completed within that specific project.

Advances related to inventory property is measured at amortised cost but fair value approximates the carrying amount stated above.

20 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended 31 December 2019 the Group had announced the intended sale of the following properties and is actively marketing them for sale:

		2019		2018	
		Headline Price	**Assets**	Headline Price	Assets
Property name	City	**GBP**	**GBP**	GBP	GBP
ul. Płaskowickiej	Warsaw	**14,949**	**14,949**	15,675	15,675
Śląska / Bratnia	Warsaw	**9,966**	**9,966**	10,450	10,450
Cyprysowa	Warsaw	**194,663**	**194,663**	571,600	571,600
Sasanki	Warsaw	**971,835**	**971,835**	1,824,576	1,824,576
Szulborska	Warsaw	**-**	**-**	199,778	199,778
Grodzisk Maz.	Warsaw	**619,044**	**619,044**	1,224,707	1,224,707
		1,810,457	**1,810,457**	3,846,786	3,846,786

As at 31 December 2019 GBP 9,259 and GBP 83,333 was held in deposit for Cyprysowa and Sasanki, respectively.

As at 31 December 2019 there are liabilities of GBP 813,858 directly associated with the assets classified as held for resale (2018: GBP 511,297).

Assets sold during 2019 incurred a realised loss of GBP 370,917 (2018: GBP 82,332). Assets held for sale as at 31 December 2019 are expected to be sold during the course of 2020.

21 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value hierarchy

IFRS 13 "Fair Value Measurement" requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows investment properties recognised at fair value, categorised between those whose fair value is based on:

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
(b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
(c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Group. The Group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

21 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Fair value hierarchy(continued)
The following table shows how financial assets and non-financial assets measured at fair value are classified as per the fair value hierarchy as at 31 December 2019:

As at 31 December 2019	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Investment property - under development	-	-	1,922,769	1,922,769
Completed investment property	-	-	19,611,184	19,611,184
Assets classified as held for sale	-	-	1,810,457	1,810,457
Derivative financial liability	-	(15,329)	-	(15,329)
	-	(15,329)	23,344,410	23,329,081

As at 31 December 2018	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Investment property - under development	-	-	764,199	764,199
Completed investment property	-	-	22,257,613	22,257,613
Assets classified as held for sale	-	-	3,846,786	3,846,786
Derivative financial liability	-	(33,156)	-	(33,156)
	-	(33,156)	26,868,598	26,835,442

Valuation techniques

Investment property - under development
The fair value of investment property is determined by WBP Doradztwo Nieruchomości, Acons, SGA Consulting and Home Consulting using recognised valuation techniques. Investment property under development is valued using market comparable data (price per square metre) adjusted for future development costs reflecting stage of completion. The valuation technique used has not changed from the prior year. The fair value of investment property under development is included within Level 3.

Completed investment property
The fair value of completed investment property is determined by WBP Doradztwo Nieruchomości, Acons, SGA Consulting and Home Consulting using recognised valuation techniques. Completed investment property is valued using market comparable data (price per square metre). The valuation technique used has not changed from the prior year. The fair value of completed investment property under development is included within Level 3.

Assets classified as held for sale
The fair value of assets classified as held for sale is determined by WBP Doradztwo Nieruchomości, Acons, SGA Consulting and Home Consulting using recognised valuation techniques. Assets classified as held for sale is valued using market comparable data (price per square metre). The valuation technique used has not changed from the prior year. The fair value of assets classified as held for sale is included within Level 3.

Interest rate swap
The interest rate swap has been valued by reference to third party quotes and is therefore included within level 2.

Valuation process for Level 3 valuations
Valuations are the responsibility of the Board of Directors.

The Investment Adviser engages the services of WBP Doradztwo Nieruchomości, Acons, SGA Consulting and Home Consulting for the Cell to assist in their assessment of the fair values of investment properties. All properties and developments are revalued on a quarterly basis by appropriately qualified, independent valuers. Valuations are prepared in accordance with the approved Appraisal and Valuation Standards. The valuation bases used are the open market comparison and the market income approaches. Any assumptions made by the valuer are reviewed by the Cell and/or the Designated Administrator (as appropriate) for their reasonableness.

Quantitative information of significant unobservable inputs - Level 3
The following table details the valuation techniques and unobservable inputs made in determining the Level 3 valuations:

As at 31 December 2019	2019 GBP	Valuation technique	Unobservable inputs	Range
Investment property - under development	1,922,769	market comparable data	price per square metre	4599-12800 zł/m2
Completed investment property	19,611,184	market comparable data	price per square metre	4601-24452 zł/m2
Assets classified as held for sale	1,810,457	market comparable data	price per square metre	5224-6486 zł/m2

Under the market comparable method, a property's fair value is estimated based on comparable transactions.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

21 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Sensitivity analysis to significant changes in unobservable inputs within Level hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2019 are as shown below:

Description	Input	Sensitivity Used	Effect on Fair value GBP
Investment property - under development	**price per sqm**	**10%**	**192,277**
Completed investment property	**price per sqm**	**10%**	**1,961,118**
Assets classified as held for sale	**price per sqm**	**10%**	**181,046**

* The sensitivity analysis refers to a percentage amount added or deducted from the input and the effect this has on the fair value.

Level 3 reconciliation

The Directors have re-assessed the investment properties valued at fair value for the year ended 31 December 2019 and have determined that the level classification during the year is an accurate representation of the investment properties and consequently, no transfers between levels of the fair value hierarchy are deemed to have occurred from the beginning to the end of the reporting period. The following table shows a reconciliation of all movements in the fair value of investment properties categorised within Level 3 between the beginning and the end of the reporting period:

2019	**Property under development GBP**	**Completed investment property GBP**	**Assets classified as held for sale GBP**	**Total GBP**
Balance at 1 January 2019	**764,199**	**22,257,613**	**3,846,786**	**26,868,598**
Total gains and (losses):				
-realised	**-**	**-**	**(319,384)**	**(319,384)**
-unrealised from fair value adjustments	**539,503**	**625,617**	**(334,007)**	**831,113**
-currency translation difference in OCI	**(63,763)**	**(993,560)**	**(134,250)**	**(1,191,573)**
Purchases at cost	**682,830**	**184,351**	**-**	**867,181**
Sales – proceeds	**-**	**-**	**(3,659,994)**	**(3,659,994)**
Other adjustments	**-**	**-**	**(51,531)**	**(51,531)**
Transfers (to)/from assets held for sale	**-**	**(2,462,837)**	**2,462,837**	**-**
Balance at 31 December 2019	**1,922,769**	**19,611,184**	**1,810,457**	**23,344,410**

2018	Property under development GBP	Completed investment property GBP	Assets classified as held for sale GBP	Total GBP
Balance at 1 January 2018	4,689,351	22,944,836	2,679,593	30,313,780
Total gains and (losses):				
-realised	-	-	(348,512)	(348,512)
-unrealised from fair value adjustments	198,020	(65,066)	(23,483)	109,471
-currency translation difference in OCI	(107,639)	(405,168)	(39,134)	(551,941)
Purchases at cost	242,271	912,225	-	1,154,496
Sales – proceeds	-	-	(3,808,696)	(3,808,696)
Other adjustments	-	4,671	(4,671)	-
Transfers (to)/from assets held for sale	(4,257,804)	(1,133,885)	5,391,689	-
Balance at 31 December 2018	764,199	22,257,613	3,846,786	26,868,598

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

22 TRADE AND OTHER RECEIVABLES

	2019 GBP	2018 GBP
Tax recoverable	**2,148**	62
Commission receivable	**1,592**	10,108
VAT receivable	**362,060**	-
Renovation advances	**1,238,007**	-
Insurance receivable	**9,461**	-
Lease receivables	**111,813**	-
Prepayments	**260,449**	17,376
Management fee receivable	**27,448**	-
Sundry debtors	**14,495**	173,187
Total due in less than one year	**2,027,473**	200,733

It was assessed that all of the receivables are expected to be recovered. There are no differences between the carrying values and their fair values.

23 CASH AND CASH EQUIVALENTS

	2019 GBP	2018 GBP
Cash at bank	**4,770,153**	754,182
	4,770,153	754,182

The Group's cash and cash equivalents comprise cash in bank. The listing above reconciles the cash and cash equivalents as shown in the consolidated statement of financial position and the consolidated statement of cash flows.

24 TRADE AND OTHER PAYABLES

	2019 GBP	2018 GBP
Vat provision - due in less than one year*	**98,103**	26,137
Legal cost	**16,737**	2,612
Administration fee payable	**31,299**	30,680
Property administration costs payable	**199,127**	28,631
Accrued development and fit-out costs	**857,453**	-
Management fee payable	**69,346**	67,509
Advances payable	**96,234**	-
Accrued liabilities	**229,452**	-
Income tax	**2,102**	373
Audit fee payable	**39,132**	73,342
Sundry creditors	**188,156**	292,471
Total due in less than one year	**1,827,141**	521,755
Vat provision - due in greater than one year*	**136,374**	165,201
Sundry creditors - due in greater than one year	**127,592**	146,446
Total due in greater than one year	**263,966**	311,647
	2,091,107	833,402

* During the year the Group sold apartments to companies that may be liable for VAT, as such there is the possibility that Polish output VAT may be due. A provision of GBP 234,477 (2018: GBP 191,338) has been made as a result.

It was assessed that all of the remaining payables are expected to be paid. There are no differences between the carrying values and their fair values.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

25 SHARE CAPITAL AND PREMIUM

City Living PCC Limited	**Company 2019 Shares**	Company 2018 Shares	**Company 2019 GBP**	Company 2018 GBP
Authorised share capital				
Management Shares of £0.0001 par value	**100**	100	**-**	-
Redeemable Ordinary Shares of £0.0001 par value	**500,999,900**	500,999,900	**50,100**	50,100
	501,000,000	501,000,000	**50,100**	50,100
Non cellular Shares				
Management Shares issues and fully paid				
2 shares of £0.0001 par value	**2**	2	**-**	-

Issued and fully paid **Redeemable Ordinary Shares**	**Cell 2019 Shares**	Cell 2018 Shares	**Cell 2019 GBP**	Cell 2018 GBP
Opening Balance	**41,723,282.24**	43,047,603.28	**4,173**	4,306
Issued during the year	**-**	-	**-**	-
Redeemed during the year	**-**	(1,324,321.04)	**-**	(133)
Closing Balance	**41,723,282.24**	41,723,282.24	**4,173**	4,173

Share premium	**Cell 2019 GBP**	Cell 2018 GBP
Opening Balance	**50,521,389**	50,771,256
Issued during the year	**-**	-
Redeemed during the year	**-**	(249,867)
Closing Balance	**50,521,389**	50,521,389

Nominal Shares

	Cell 2019 Shares	Cell 2018 Shares	**Cell 2019 GBP**	Cell 2018 GBP
Opening Balance	**3,141,768.88**	1,817,447.84	**314**	181
Issued during the year	**-**	1,324,321.04	**-**	133
Redeemed during the year	**-**	-	**-**	-
Net Position	**3,141,768.88**	3,141,768.88	**314**	314

Management Shares

The Management Shares have been created so that Redeemable Ordinary Shares may be issued. The Management Shares are not redeemable, carry one vote each and do not carry any right to dividends. Assets not attributable to the Cell, will constitute the non-cellular assets of the Cell for the purposes of the Company. In any winding-up the surplus of non-cellular assets shall be distributed among the holders of Management Shares pro rata to their respective holdings. As a result of the above the Management Shares have been classified as equity.

Redeemable Ordinary Shares

The Redeemable Ordinary Shares carry the right to dividends as determined by the Cell in a general meeting. Each holder of Redeemable Ordinary Shares is entitled on a poll to one vote for each Redeemable Ordinary Share held. Assets attributable to any cell will constitute the cellular assets of such cell for the purposes of the Companies Law. In any winding-up, the cellular assets available for distribution shall be applied in repayment of the nominal amount paid up firstly on Redeemable Ordinary Shares and secondly on Nominal Shares issued in respect of the cell in question. Any surplus of cellular assets then remaining shall be distributed among the holders of Redeemable Ordinary Shares of each Cell in question pro rata to their respective holdings in such Cell. A fraction of a Redeemable Ordinary Share in a cell will rank pari passu and proportionately with a whole Redeemable Ordinary Share. Redeemable Ordinary Shares may be offered in respect of one or more cells.

Nominal Shares

The Nominal Shares can only be issued at par to the Designated Administrator. Each holder of Nominal Shares is entitled to one vote only, irrespective of the number of Nominal Shares held. The Nominal Shares carry no right to dividends. In any winding-up, a holder of Nominal Shares has the right to repayment only of paid-up capital after repayment of the paid-up capital on the Redeemable Ordinary Shares.

The Designated Administrator intends to subscribe for Nominal Shares for cash at par when Redeemable Ordinary Shares are redeemed to ensure that funds are available to redeem the nominal amount paid-up on each Redeemable Ordinary Share, unless the Directors of the Company decide that the nominal amount of such Redeemable Ordinary Shares is to be redeemed out of Company profits. Nominal Shares issued for the purpose of redemption of Redeemable Ordinary Shares of a particular cell shall constitute shares in such cell and the proceeds of issue shall constitute cellular assets of such cell. Nominal Shares in respect of a particular cell may be converted into Redeemable Ordinary Shares of that cell by the Designated Administrator for sale to investors. Such conversion may take place on any dealing date. There will be no right to such conversion if the determination of the NAV for the relevant cell has been suspended in respect of that dealing date.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

26 NET ASSET VALUE PER REDEEMABLE ORDINARY SHARE

The NAV per Redeemable Ordinary Share for the Cell is based on the NAV as at the reporting date of GBP 15,463,717 (31 December 2018: GBP 17,071,341) and on 41,723,282.24 (31 December 2018: 41,723,282.24) Redeemable Ordinary Shares being the number of Ordinary Shares in issue at the end of the year.

27 FINANCIAL INSTRUMENTS AND RISK PROFILE

The Group holds cash and liquid resources as well as having receivables and payables that arise directly from its operations. The Group's investment activities expose it to various types of risk associated with the property market. The main risks arising from the Group's financial instruments are liquidity risk, credit risk, currency exchange risk interest rate risk and price risk. Investing in Eastern Europe also brings political and economic risk. The Directors regularly review and agree policies for managing each of these risks and these are summarised below.

Liquidity risk

For information on the Fund's investment property sales and development as well as how the Directors have been managing the liquidity of the Fund during the year and post year end. The Directors have given careful consideration to the current cash flow position and financial viability of the Group. Taking all matters into consideration, they have concluded that the cash requirements of the Group as a whole will be met over the foreseeable future, therefore enabling the Group to continue as a going concern.

Undiscounted Contractual Maturity Analysis (including estimated interest payments)

Consolidated - as at 31 December 2019	**Carrying Amount GBP**	**Contractual Total GBP**	**Less than 6 months GBP**	**6 to 12 months GBP**	**Greater than 12 months GBP**
Financial Assets					
Trade and other receivables (excluding prepayments and tax recoverable)	**1,767,024**	**1,767,024**	**1,767,024**	**-**	**-**
Cash and cash equivalents	**4,770,153**	**4,770,153**	**4,770,153**	**-**	**-**
Net assets attributable to holders of Redeemable Ordinary Shares	**15,463,717**	**15,463,717**	**-**	**-**	**15,463,717**
	22,000,894	**22,000,894**	**6,784,384**	**-**	**15,463,717**
Financial Liabilities					
Trade and other payables	**(2,091,107)**	**(2,091,107)**	**(1,500,028)**	**(327,113)**	**(263,966)**
Loans payable	**(12,231,020)**	**(11,721,339)**	**(5,619,701)**	**(73,951)**	**(6,027,687)**
Derivative financial liability	**(15,329)**	**(15,329)**	**-**	**-**	**(15,329)**
	(14,337,456)	**(13,827,775)**	**(7,119,729)**	**(401,064)**	**(6,306,982)**
Net Position	**7,663,438**	**8,173,119**	**(335,345)**	**(401,064)**	**9,156,735**

Consolidated - as at 31 December 2018	Carrying Amount GBP	Contractual Total GBP	Less than 6 months GBP	6 to 12 months GBP	Greater than 12 months GBP
Financial Assets					
Trade and other receivables (excluding prepayments)	183,295	183,295	183,295	-	-
Cash and cash equivalents	754,182	754,182	754,182	-	-
Net assets attributable to holders of Redeemable Ordinary Shares	17,071,341	17,071,341	-	-	17,071,341
	18,008,818	18,008,818	937,477	-	17,071,341
Financial Liabilities					
Trade and other payables	(833,402)	(833,402)	(357,429)	(164,326)	(311,647)
Loans payable	(9,527,314)	(10,366,333)	(294,429)	(294,429)	(9,777,475)
Derivative financial liability	(33,156)	(33,156)	-	-	(33,156)
	(10,393,872)	(11,232,891)	(651,858)	(458,755)	(10,122,278)
Net Position	7,614,946	6,775,927	285,619	(458,755)	6,946,063

Market risk

Market risk is defined as "the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in variables such as equity price, interest rate and foreign currency rate".

The Company's investment properties are subject to normal market fluctuations and there can be no assurance that no depreciation in the value of those investments will occur. There can be no guarantee that any realisation of an investment property will be on a basis which necessarily reflects the Group's valuation of that investment property for the purposes of calculating the NAV of the Group.

Changes in industry conditions, competition, political and diplomatic events, tax, environmental and other laws and other factors, whether affecting Poland alone or other countries and regions more widely, can substantially and either adversely or favourably affect the value of the properties in which the Group invests and, therefore, the Group's performance and prospects.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

27 FINANCIAL INSTRUMENTS AND RISK PROFILE (CONTINUED)

Market risk (continued)
The Group's market price risk is managed through holding a spread of real estate across different cities in Poland with a range of different tenants renting the various properties on varying lease terms. The directors also diversity bank loan risk such that bank loans are secured on separate real estate assets with no cross collateralisation across the group. The Investment Manager considers each investment property purchase to ensure that an acquisition will enable the Group to continue to have an appropriate spread of market risk and that an appropriate risk/reward profile is maintained.

Credit risk
Credit risk is the risk that an issuer or counter party will be unable or unwilling to meet a commitment that it has entered into with the Group. In the event of default by a developer such that it was unable to complete the development within the contracted purchase cost or timeframe, then the Cell may lose some or all of their deposits and instalments payments paid to the developers which could materially damage the value of the NAV per Share. In an attempt to mitigate concentration risk, all developments have been brought under the control of the Group with 3rd party developers no longer being involved.

A significant percentage of the investment portfolio is now rented out to tenants, there is a risk that the Cell will suffer a rental income shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting properties. In order to mitigate this risk the properties are let out to rental companies which possess a suitable market presence, experience and reputation. As such there is no one tenant or rental company responsible for paying a significant percentage of the rental income, although the Investment Adviser will continue to monitor the situation with the assistance of the rental companies.

In respect of credit risk arising from other financial assets and liabilities, which mainly comprise of cash and cash equivalents, exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks cash is maintained with major international financial institutions. During the year and at the reporting date the Group maintained relationships with the following financial institutions:

	Moody's Rating	2019 GBP	2018 GBP
Royal Bank of Scotland	**P-1**	**72,055**	13,876
Bank Pekao	**P-1**	**4,109,492**	200,161
Bank DnB Nord Bank Polska S.A.	**P-1**	**-**	13,670
mBank (formerly BRE Bank SA)	**P-1**	**4,577**	6,236
Getin Noble Bank S.A.	**Not Prime**	**2,177**	-
BOŚ Bank	**Not Rated**	**77,407**	-
BGL BNP Paribas	**P-1**	**5,634**	23,541
Santander Bank Polska S.A.	**P-1**	**498,812**	496,698
		4,770,154	754,182

Credit risk is managed on a local and group basis and structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty. Such risks are subject to at least an annual review. The Group has policies in place to ensure that where possible rental contracts are made with customers with an appropriate credit history. Cash transactions are limited to high-credit-quality financial institutions. BOŚ Bank has not been rated by Moody's, however it has a BB rating as per Finch's grading scale. The table above shows the balance of the major counterparties.

Trade and other receivables comprise part of the financial assets and the Board has determined the maximum credit risk exposure is the carrying amount in the Consolidated Statement of Financial Position.

The above amounts are deemed to be of a sufficient credit quality, are neither past due nor impaired and are deemed to be fully recoverable.

Currency risk
Currency risk is the risk that cash flows and fair values can be affected by currency translation movements. The table below summarises the Group's exposure to particular foreign currencies.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

27 FINANCIAL INSTRUMENTS AND RISK PROFILE (CONTINUED)

Currency risk (continued)

As at 31 December 2019

	Euro GBP	**Polish Zloty GBP**	**Total GBP**
Financial Assets			
Trade and other receivables	**10,193**	**1,782,193**	**1,792,386**
Cash and cash equivalents	**422**	**4,697,675**	**4,698,097**
Financial Liabilities			
Trade and other payables	**-**	**(2,097,762)**	**(2,097,762)**
Derivative financial liability	**-**	**(15,329)**	**(15,329)**
Loans payable	**(3,395,121)**	**(8,835,900)**	**(12,231,021)**
	(3,384,506)	**(4,469,123)**	**(7,853,629)**

As at 31 December 2018

	Euro GBP	Polish Zloty GBP	Total GBP
Financial Assets			
Trade and other receivables	14,223	183,043	197,266
Cash and cash equivalents	180	740,126	740,306
Financial Liabilities			
Trade and other payables	(1)	(1,044,121)	(1,044,122)
Derivative financial liability	-	(33,156)	(33,156)
Loans payable	-	(9,527,314)	(9,527,314)
	14,402	(9,681,422)	(9,667,020)

The Directors consider the risk of foreign exchange exposure in the underlying subsidiaries to be minimal as the underlying transaction costs and revenues are based in the functional currency of that subsidiary. The Cell NAV is exposed to foreign exchange on the re-translation of property values from Polish Zloty to Sterling. It should be noted that fluctuations in the Polish Zloty to Sterling rate can lead to increases in volatility in the net asset value of the Cell.

Due to the restricted liquidity available to the Cell, the Board deems that the currency risk is one which the Cell is currently unable to adequately mitigate, as to do so, would negatively impact on performance from a liquidity perspective.

The sensitivity analysis below is based on a change in one variable while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated – for example, changes in interest rates and changes in foreign currency rates. The sensitivity analysis prepared by management for foreign currency risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

If the Sterling weakened/strengthened by 10% against the currencies below, with all other variables held constant, net assets attributable to Holders of Redeemable Ordinary Shares at the year end would have increased/decreased respectively by the amounts disclosed below:

	10% Decrease		**10% Increase**	
	Group 2019 GBP	Group 2018 GBP	**Group 2019 GBP**	Group 2018 GBP
Euro	**338,451**	(1,440)	**(338,451)**	1,440
Polish Zloty	**446,912**	968,142	**(446,912)**	(968,142)
	785,363	966,702	**(785,363)**	(966,702)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. As explained in note 28, the Group has entered into an interest rate swap with Bank Zachodni WBK S.A. to exchange an element of the variable rate of its loan with a fixed rate.

The amount charged to profit or loss for loan and bank interest paid for the year ended 31 December 2019 is GBP 461,987 (2018: GBP 495,297).

An increase of 1 percent in interest yields would result in a decrease in the net assets attributable to holders of Redeemable Ordinary Shares at the year end of GBP 88,359 (2018: GBP 95,273). A decrease of 1 percent in interest yields would result in an increase in net assets attributable to holders of Redeemable Ordinary Shares for the year of GBP 88,359 (2018: GBP 95,273).

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

27 FINANCIAL INSTRUMENTS AND RISK PROFILE (CONTINUED)

Interest rate risk (continued)
The interest rates of the Group's financial liabilities are as follows:

As at 31 December 2019

	Floating rate	GBP amount	Effective Interest rate
Bank Loans			
Bank Zachodni WBK S.A.	**3 month WIBOR + 2.8%**	**921,012**	**4.52%**
Bank Zachodni WBK S.A.	**2.55% fixed* + 2.8%**	**2,144,304**	**5.35%**
Skarbiec for 5	**6.75% fixed**	**5,770,583**	**6.75%**
Raiffeisen Bank International AG	**1 month EURIBOR rate + 3%**	**3,395,121**	**3.00%**

*As explained in note 28, the 2.55% fixed rate element of this loan is resulting from the interest rate swap held by the Group.

As at 31 December 2018

	Floating rate	GBP amount	Effective Interest rate
Bank Loans			
Bank Zachodni WBK S.A.	3 month WIBOR + 2.8%	965,786	4.52%
Bank Zachodni WBK S.A.	2.55% fixed* + 2.8%	2,246,072	5.35%
Skarbiec for 5	6.75% fixed	6,315,456	6.75%

Price risk
Price Risk is the risk that the fair value or cash flow of a financial instrument will fluctuate due to changes in market prices. As at 31 December 2019 and 2018, the Group was not exposed to price risk as substantially all of its investments are in property.

28 BANK LOANS

	2019	2018
	GBP	GBP
Due in less than one year:		
Bank Zachodni WBK S.A.	**432,750**	-
Skarbiec for 5	**5,770,583**	-
	6,203,333	-
Due in more than one year:		
Bank Zachodni WBK S.A.	**2,632,566**	3,211,858
Raiffeisen Bank International AG	**3,395,121**	-
Skarbiec for 5	**-**	6,315,456
	6,027,687	9,527,314
	12,231,020	9,527,314

Bank Zachodni WBK S.A.
City Living Polska Sp Z.o.o SKA 6 has a loan payable for a maximum of GBP 3,070,039 (PLN 15,403,000) less a bank provision of GBP 4,723 (PLN 23,697) (2018: maximum of GBP 3,219,287 (PLN 15,403,000) less a bank provision of GBP 7,429 (PLN 47,394)).

This amount was drawn down in one tranche of the full amount, and it shall be repaid in full by 3 January 2022.

Security for this loan is by way of the following:
- Mortgage over the borrower's real estate to the amount of GBP 4,605,059 (PLN 23,104,500);
- Mortgage over the hedging interests to the amount of GBP 448,458 (PLN 2,250,000);
- Financial and registered pledges over the borrower's shares;
- A civil and registered pledge over City Living Polska Sp Z o.o.'s general partner's rights;
- A pledge of the borrower's bank accounts in favour of the bank; and
- The borrower's submission for execution in favour of the bank.
- Bank Zachodni WBK S.A. hold GBP 478,354 (PLN 2.4 million) of the Groups cash in blocked bank accounts.

As at 31 December 2019, the fair value of collateral for this loan is GBP 8,174,061 (PLN 41,010,900) (2018: GBP 8,571,438 (PLN 41,010,900)).

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

28 BANK LOANS (CONTINUED)

Skarbiec for 5

During 2016, Skarbiec for 5 granted a total loan facility of up to PLN 40,000,000 to the Development SKA's. The facility was granted as follows: City Living Polska Development Sp. Z.o.o SKA ("CLPD") (PLN 22,800,000), City Living Polska Development Sp. Z.o.o SKA 2 ("CLPD2") (PLN 7,200,000) and City Living Polska Sp. Z.o.o Commercial SKA ("CLPD3") (PLN 10,000,000) (together known as the "Development SKA's").

The total loan facility was available in two tranches consisting of a first tranche of GBP 6,537,511 (PLN 32,800,000) (2018: GBP 6,855,328 (PLN 32,800,000)) and a second tranche of up to GBP 1,435,063 (PLN 7,200,000) (2018: GBP 1,504,828 (PLN 7,200,000)). The first tranche was drawn down in full and the second tranche was drawn down to the amount of GBP 1,289,564 (PLN 6,470,000) (2018: GBP 1,352,255 (PLN 6,470,000)). The term of the loan is four years and repayable in full by January 2020 after the original term of three years was extended during 2018 at the issuer's sole discretion. The Skarbiec5 fund was placed into liquidation in January 2020 as final monies are accrued to make the final balancing liquidation payment to bondholders. Skarbiec have agreed with the Skarbiec5 bondholders and notified their regulator that the final single payment will be made before 31 August 2020.

Security for this loan is by way of the following:
- Guarantee Agreements between the Guarantors and Skarbiec for 5 Fizan (to service interest and repay the principal/capital) and
- Mortgages on Development SKA's land property assets established in favour of the particular Guarantor:
  a) the mortgage to be established by CLPD3 SKA in favour of CLP5 SKA will be the first ranging mortgage up to the maximum secured amount of GBP 2,396,755 (PLN 12,025,000) (2018: GBP 2,513,272 (PLN 12,025,000));
  b) the mortgage to be established by CLPD SKA in favour of CLP4 SKA will rank behind prior registered mortgages in favour of CLP4 and CLP5 SKA up to the maximum secured amount of GBP 5,464,602 (PLN 27,417,000) (2018: GBP 5,730,260 (PLN 27,417,000)).

During 2019, a total amount of GBP 2,130,670 (PLN 10,690,000) was advanced on the loan, GBP 2,616,998 (PLN 13,130,000) (2018: GBP 1,903,991 (PLN 9,170,000)) was repaid on the loan after which GBP 5,770,583 (PLN 28,952,169) remained payable as at the year end (2018: GBP 6,315,456 (PLN 30,216,931).

As at 31 December 2019, the fair value of collateral for this loan is GBP 7,861,357 (PLN 39,442,000) (2018: GBP 8,243,531 (PLN 39,442,000)).

Raiffeisen Bank International AG

During the current year, Raiffeisen Bank International AG granted a revolving loan facility of up to EUR 4,000,000 to City Living Polska FIZAN. This amount was fully drawn down in one tranche on 31 December 2019, and it shall be repaid in full by 14 October 2021. Security for this loan is by way of the following:
- A civil and registered pledge over participation interest in OLH II sp z.o.o 3 SKA and City Living Polska;
- A financial pledge over shares in OLH II sp z.o.o 3 SKA, OLH II sp z.o.o 4 SKA and OLH II Sp z.o.o.;
- A registered pledge over shares in OLH II sp z.o.o 3 SKA and City Living Polska FIZAN.

Getin Noble Bank S.A.

Getin Noble Bank S.A. hold GBP 9,261 (PLN 46,464) of the Groups cash in blocked bank accounts.

Interest rate swap

At 31 December 2019, the Group had an interest rate swap agreement in place with Bank Zachodni WBK S.A. with a notional amount of PLN 10,782,100 (GBP: 2,149,027) (2018: PLN 10,782,100 (GBP 2,253,501)) whereby the Group pays a fixed rate of interest of 2.55% (2018: 2.55%) and receives interest at a variable rate equal to 3 month PLN WIBOR on the notional amount.

The fair values of the loans are not materially different from the carrying values, which are the amortised costs.

At the year end date the fair value of the interest rate swap was as follows:

	2019	2018
	GBP	GBP
Non-current interest rate swap derivative liabilities	**(15,329)**	(33,156)

As a result of movements in market interest rates during the year, unrealised losses have arisen on the movement in fair value of the interest rate swap as follows:

	2019	2018
	GBP	GBP
Non-current interest rate swap derivative liabilities	**16,676**	(6,575)

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

29 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table discloses the effects of the amendments to IAS 7 Statement of Cash Flows which requires additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

	Group 2019 GBP Bank loans	Group 2018 GBP Bank loans
Opening Balance	**9,527,314**	11,625,933
Cash flows paid - capital	**(497,868)**	(1,903,991)
New loans obtained	**3,395,121**	-
Cash flows paid - interest	**(41,887)**	(456,094)
Non-cash flows		
- Interest accrued	**281,687**	475,787
- Effects of foreign exchange	**(435,765)**	(216,781)
- Movement in bank provision	**2,418**	2,460
Closing Balance	**12,231,020**	9,527,314

30 OTHER RISKS

Political and economic risk

The value of Redeemable Ordinary Shares may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation or interest rates, currency repatriation and other political and economic developments in law or regulations and, in particular, the risk of expropriation, nationalisation, and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Governmental authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, environmental protection, safety and other matters. The introduction and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Group's assets.

31 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

Poland Geared Growth Cell

The Cell monitors capital using the gearing ratio to enhance the Cell's returns. The gearing ratio is defined as being the loan to value ("LTV") per the Information Memorandum. The Cell's policy is to keep the LTV for residential property to below a maximum of 60% and for commercial property to below a maximum of 80%. At the reporting date, the Cell had drawn down GBP 8,835,899 (PLN 45,584,386) (2018: GBP 9,527,314 (PLN 45,584,386)) against its initial loan facility of GBP 11,042,613 (PLN 55,403,000) (2018: GBP 11,579,442 (PLN 55,403,000)). The LTV as at 31 December 2019 and 31 December 2018 is as follows:

	2019 GBP	2018 GBP
Total loans	**8,835,899**	9,527,314
Property portfolio	**23,344,410**	26,868,598
LTV	**37,85%**	35.46%

32 RELATED PARTY DISCLOSURES

Mr Paul Duquemin is a Director of the Company. During the year ended 31 December 2019, Mr Paul Duquemin earned director's remuneration of GBP 25,000 (2018: GBP 25,000) and was reimbursed for travel expenses to the sum of GBP 1,184 (2018: GBP 1,963). Mr Paul Duquemin is entitled to receive investment committee fees of GBP 30,000 per annum (2018: GBP 38,000). During the year ended 31 December 2019 Mr Paul Duquemin was paid GBP 30,200 of investment committee fees (2018: GBP 38,000).

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019 (continued)

32 RELATED PARTY DISCLOSURES (CONTINUED)

Dr Katrina Tarizzo is a Director and the main shareholder of Tarizzo Limited, which also holds 119,742.07 (2018: 119,742.07) shares in the Cell. During the year ended 31 December 2019, Dr Katrina Tarizzo earned director's remuneration of GBP 25,000 (2018: GBP 25,000), director's remuneration in relation to the four Polish boards totaling GBP 24,755 (2018: GBP 26,559) and was reimbursed for travel expenses to the sum of GBP 6,261 (2018: GBP 11,557). Tarizzo Limited is entitled to certain fees payable as follows:

Management fee	If GAV is above GBP 30million, a fee of 0.21% is payable. If GAV is below GBP 30million, a fee of 0.19% is payable. During the year ended 31 December 2019 management fees amounted to GBP 63,145 (2018: GBP 63,831), of this amount GBP 16,645 was outstanding (2018: GBP 15,500).
Investment committee fee	Dr Katrina Tarizzo is entitled to receive investment committee fees of GBP 38,000 per annum (2018: GBP 38,000). During the year ended 31 December 209, Dr Katrina Tarizzo was paid GBP 38,000 of investment committee fees (2018: GBP 38,000).
Promoter's fee	For new subscriptions 0.5% is payable. For the year ended 31 December 2019, the Promoter's fee was GBP nil (2018: GBP nil).
Promoter's fee	A Promoter's fee on debt or other funds raised of 0.3%, was due. For the year ended 31 December 2019, the Promoter's fee was GBP 18,678 (2018: GBP nil).
Performance fee	A 2% share of the 7% fee charged above the High Water Mark, is payable. For the year ended 31 December 2019, the Performance fee was GBP nil (2018: GBP nil).
Liaison fees	Tarizzo Limited acts as liaison with the independent financial advisors and will be paid a fixed fee of GBP 12,000 per annum. For the year ended 31 December 2019, the liaison fee was GBP 12,000 (2018: GBP: 12,000).
Ad-hoc fees	During the year ended 31 December 2019 Katrina Tarizzo was paid GBP 5,000 (2018: GBP 15,000) for other ad-hoc services performed.

As the Directors are members of the key management personnel, they are related to the Group's subsidiaries in note 2.4.

33 CONTROLLING PARTY

In the opinion of the Directors, there is no controlling party as no one party has the ability to direct the financial and operating policies of the Group with a view to gaining economic benefits from its direction.

34 RECONCILIATION OF THE FINANCIAL STATEMENTS NAV TO THE PUBLISHED NAV

	2019	2018
	GBP	GBP
NAV per Financial Statements	**15,463,717**	17,071,341
Add back:		
Movement in assets	**2,667,228**	2,835,904
Movement in payables	**(22,294)**	56,311
Deferred tax adjustment	**331,001**	346,944
Published NAV	**18,439,652**	20,310,500

The NAV per the Financial Statements above corresponds to a NAV per Redeemable Ordinary Share of 37.06 pence (2018: 40.92 pence) based on 41,723,282 Redeemable Ordinary Shares issued at the year end (2018: 41,723,282). The Published Net Asset Value above corresponds to an NAV per Redeemable Ordinary Share of 44.2 pence (2018: 48.68 pence), based on 41,723,282 (2018: 41,723,282) Redeemable Ordinary Shares in issue.

The movement in assets relates to the Shareholders' NAV incorporating the investment in and advances on properties made by the Cell at their market values, compared to the NAV in these Financial Statements which uses a combination of cost and market values of property depending on the circumstance of each individual project. The movement in payables relate to estimates made at the dealing date.

35 POST BALANCE SHEET EVENTS

Three units, which form part of the non-current assets classified as held for sale, per note 20, and a further 10 parking spaces at Grodzisk which have been disposed post year-end are as follows:

Property	Date of disposal	Sales price	Profit/(loss) on sale after VAT charge
		GBP	GBP
Cyprysowa 35/1	10 January 2020	180,888	(21,103)
Sasanki 4B/1	25 March 2020	162,916	(47,213)
Sasanki 4B/2	31 March 2020	159,219	(15,955)
Grodzisk Mazowiecki 10 parking places	20 April 2020	38,540	(8,690)
		541,563	(92,961)

As of the date of approval of these consolidated financial statements, City Living Polska FIZAN repaid a further PLN 16 million on the Skarbiec for 5 loan facility in February 2020 and a further PLN 2.8 million in May 2020.

In February 2020, an off-market service was offered to shareholders in the redemption queue who were able to put their shares up for sale at prices based on various discounts to NAV. 3.83 million shares were sold being acquired by the Fund as well as other fund shareholders.

Four installments of the construction loan for Rejtana with BOS Bank have been drawn down in line with the progress in construction as follows: PLN 899,756, PLN 2,915,933, PLN 687,278 and PLN 1,299,738 on 18 March 2020, 31 March 2020, 30 April 2020 and 30 June 2020, respectively.

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of countries with a recorded death toll of over half a million worldwide. COVID-19, and the uncertainty it has created, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global securities markets.

To date the impact of COVID-19 on the Company has been limited mainly due to its asset class comprising mostly residential real estate in Poland's main cities which have not been particularly impacted in the short term. However, the Company's ability to complete asset sales of individual residential units may be delayed longer than is normal and sales of development assets might also take longer. The banks have certainly been more active in terms of seeking extra documentation and assurances and new loans have been delayed until there is more clarity on the situation.

Given the inherent uncertainties associated with COVID-19, it is not practicable at this time to determine the longer term consequence of COVID-19 on the Company or to provide a quantitative estimate of this impact.

As of now, the Directors consider that the impact of COVID-19 would not affect the ability of the Company to generate value in the longer-term and that any potential impairment of investment properties owned by the Company's subsidiaries cannot be quantified at this stage even though the latest valuations received in June 2020 resulted in an increase in the overall portfolio value, such increases may not continue into the future.

However, as a result of COVID-19 in preparing our going concern assessment we have considered scenarios as detailed in note 2.2.

36 CAPITAL COMMITMENTS

As at 31 December 2019, the Group had no commitments in respect of investment properties (2018: GBP nil).

Portfolio statement as at 31 December 2019 (unaudited)

Property	Location	2019 GBP	2019 % of portfolio	2018 % of portfolio
Arkada Park, Żupy	Bydgoszcz	**1,651,825**	**7.08%**	6.22%
Cyprysowa	Józefosław	**194,663**	**0.84%**	2.13%
Grodzisk Maz.	Grodzisk	**619,044**	**2.65%**	4.56%
Jesionowa	Katowice	**4,672,702**	**20.02%**	19.40%
Rejtana	Poznan	**1,639,743**	**7.03%**	1.74%
Wilanowski	Warsaw	**-**	**0.00%**	4.49%
Sławińska	Warsaw	**1,176,951**	**5.04%**	3.52%
Bagno "Atelier Residence"	Warsaw	**1,672,537**	**7.16%**	6.04%
Olbrachta	Warsaw	**544,367**	**2.33%**	6.77%
Platinum Towers	Warsaw	**8,757,827**	**37.52%**	32.31%
Spiska	Warsaw	**283,026**	**1.21%**	1.10%
Szulborska	Warsaw	**-**	**0.00%**	0.74%
ul. Płaskowickiej	Warsaw	**14,949**	**0.06%**	0.06%
Włochy Bratnia	Warsaw	**9,966**	**0.04%**	0.04%
Zawiszy	Warsaw	**1,134,975**	**4.86%**	4.08%
Sasanki	Warsaw	**971,835**	**4.16%**	6.79%
		23,344,410	**100.00%**	100.00%