Dooba Holdings Limited

Consolidated Report and Financial Statements

Year Ended

31 December 2019

OC 378

Dooba Holdings Limited

Annual report and financial statements
for the year ended 31 December 2019

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Directors

John Borg
Edward Camilleri
Edward Carbone (resigned 18 May 2020)
Karl Staffan Persson
Alexia Versteegh (resigned 16 September 2020)
Maureen Ehlinger (appointed 13 July 2020)

Secretary

Confucius Services Limited, Spyrou Kyprianou, 20 CHAPO CENTRAL, 3rd Floor, P.C. 1075, Nicosia, Cyprus

Registered office

59-61 Acropolis Avenue, 3rd Floor, Office 301, Strovolos, Nicosia 2012, Cyprus

Company number

HE 209343 (OC 387)

Auditors

BDO Malta, Triq it-Torri, Msida, Malta, MSD 1824

Dooba Holdings Limited

Report of the directors
for the year ended 31 December 2019

The directors present their report together with the audited financial statements of Dooba Holdings Limited (the "company") and all of its subsidiary undertakings (together the "Group") for the year ended 31 December 2019.

Results and dividends

The consolidated statement of comprehensive income is set out on page 6 and shows the result for the year.

The directors do not propose the payment of a dividend (2018: £nil).

Principal activity

The company acts as an investment holding company with a controlling interest in its subsidiary GMV Holdings Limited. The company also holds an interest in a number of other investments (as detailed in note 14), through its wholly owned subsidiary, Dooba Properties Limited.

Review of business

During the year, net rental and other property income was £6.9 million (2018: £6.9 million). Profit on the sale of trading properties was £8.6 million (2018: £5.5 million). Overall consolidated gross profit in 2019 was higher at £15.4 million (2018: £12.4 million).

The operating profit for the year amounted to £49.3 million (2018: £31.0 million). The increase in operating profit resulted from the higher gross profit position and higher unrealised gains on the fair value of investment properties of £43.2 million (2018: £18.9 million). This was partially offset by higher administration costs of £9.9 million (2018: £4.7 million).

Profit before tax was higher at £62.0m million (2018: £47.6 million) mainly due to an increased operating profit as referred to above, offset be a reduced share of profit in associates of £10.1m million (2018: £19.0 million). The results were also positively impacted by finance expenses reducing to £12.1m million (2018: £13.5 million).

Total Group assets at the year end were £681.1 million (2018: £624.5 million). The Group's portfolio of investment properties were valued at year end at £336.7 million (2018: £307.0 million). The Group has disposed of a further six (2018: three) properties during the year, in line with its strategy of opportunistically selling low yielding properties. The Group's trading properties are carried at the lower of cost and net realisable value which is primarily determined using a discounted cash flow method. The carrying values of these assets increased by £1.5 million to £85.2 million (2018: £83.8million). The Group invested a further £5.4 million (2018: £4.8 million) in equity accounted associates through 2019. The year end balance of £75.0 million (2018: £60.7 million) also included a profit on share of associates of £8.4 million (2018: £19.0 million).

With the passing of legislation to confirm the United Kingdom's (UK) withdrawal from the European Union (EU) we are operating in a period of increased economic and political uncertainty. This uncertainty is likely to remain until the precise nature of the future relationship of the UK with the EU is agreed. As a largely domestically focused business operating in sterling, the Group is more exposed to the economic impact of leaving the EU than more diverse businesses. Uncertainty over the form and substance of the UK's future trading agreement with the EU increases the risk of a detrimental effect on the domestic economy. We continue to believe that our more regionally focused strategy is well suited to such an environment and whilst Brexit-related headwinds may impact our markets, clarity of the full extent will not be known for some years. We will continue to monitor and evaluate possible impacts on the Company being aware that the uncertainty is likely to generate opportunities for the business as well as challenges.

Going Concern Commentary

The directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements. For further details see note 1.1 to the financial statements.

Post balance sheet events and future developments

Advanced discussions are underway with Lloyds to refinance the current facility which is due to expire in December 2020. The directors are confident that a new facility will be in place prior to the expiry date.

In response to COVID-19 and limited recourse for landlords to demand rent from tenants, the company agreed with its principal financiers Royal Bank of Scotland and Lloyds 6-month principal repayment holidays and waivers on the debt to service cover covenants.

The Group sold two trading properties for total proceeds of £2.9m.

Directors

The directors of the company during the year and to the date of this report were:

John Borg
Edward Camilleri
Edward Carbone (resigned 18 May 2020)
Karl Staffan Persson
Alexia Versteegh (resigned 16 September 2020)
Maureen Ehlinger (appointed 13 July 2020)

The company's Articles of Association do not require any directors to retire.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Limited have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

John Borg
Director
25/09/2020

Edward Camilleri
Director

Maureen Ehlinger
Director

Dooba Holdings Limited

Statement of directors' responsibilities

The directors are required by the Maltese Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company and the Group as at the end of each financial period and of the profit or loss for that period.

In preparing the financial statements, the directors are required to:

- ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- select and apply appropriate accounting policies;
- make accounting estimates that are reasonable in the circumstances; and
- ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company and the Group will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act, 1995. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF Dooba Holdings Limited

Report on the Audit of the Financial Statements

We have audited the accompanying consolidated and separate financial statements (the financial statements) of Dooba Holdings Limited (the company) together with its subsidiaries and associates (the Group), set out on pages 7 to 54, which comprise the consolidated and company statement of financial position as at 31 December 2019, the consolidated and company statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Dooba Holdings Limited
(continued)

Other Information (continued)

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Directors

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Dooba Holdings Limited
(continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- The information given in the directors' report is not consistent with the financial statements.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

This report has been signed
for and on behalf of
BDO MALTA
by Sam Spiridonov (Partner)

BDO Malta
Certified Public Accountants
Registered Audit firm

It-Torri Street
Msida MSD 1824
Malta

25 September 2020

Dooba Holdings Limited

Consolidated statement of comprehensive income
for the year ended 31 December 2019

	Note	2019 £	2018 £
Gross rental income		**12,732,258**	12,290,071
Property development services		**536,714**	54,446
Proceeds from sale of trading properties		**30,706,000**	404,504
Revenue		**43,974,972**	12,749,021
Property outgoings		**(5,866,242)**	(5,362,905)
Cost of sales of trading properties		**(20,982,747)**	865,582
Provision against trading properties		**(1,689,578)**	4,191,189
Operating expenses		**(28,538,567)**	(306,134)
Net rental and other property income		**6,866,016**	6,927,166
Profit on sale of trading properties		**8,570,389**	5,515,721
Gross profit		**15,436,405**	12,442,887
Administrative expenses	5	**(9,874,484)**	(4,659,781)
Other operating income	4	**1,940,125**	2,857,218
(Loss)/profit on disposal of investment property		**(1,426,026)**	1,452,180
Changes in fair value of investment properties	11	**43,211,553**	18,947,907
Operating profit		**49,287,573**	31,040,411
Share of post-tax results of equity accounted associates	15	**10,112,613**	19,008,032
Revaluation of other investments	16	**9,930,223**	(651,706)
Finance income	6	**7,290,837**	9,347,909
Finance costs	7	**(12,059,870)**	(13,490,906)
Change in fair value of derivative financial instruments	20	**(3,278,167)**	1,445,936
Income from investments		**690,282**	939,753
Profit before tax		**61,973,491**	47,639,429
Taxation	8	**(1,529,267)**	46,381
Profit for the year and total comprehensive income		**60,444,224**	47,685,810
Profit for the year and total comprehensive income attributable to:			
Owners of parent		**47,723,393**	39,886,678
Non-controlling interest		**12,720,831**	7,799,132
Profit for the year and total comprehensive income		**60,444,224**	47,685,810

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Company statement of comprehensive income
for the year ended 31 December 2019

	Note	2019 £	2018 £
Administrative expenses	5	**(159,098)**	(141,336)
Movement in impairment provisions against investments in subsidiaries	14	**8,188,892**	18,311,260
Revenue		**8,029,794**	18,169,924
Operating profit		**8,029,794**	18,169,924
Finance income	6	**2,370,058**	2,263,181
Finance costs	7	**(388,330)**	(315,472)
Profit before tax		**10,011,522**	20,117,633
Taxation	8	**-**	-
Profit after tax and total comprehensive income for the financial year		**10,011,522**	20,117,633

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Consolidated statement of changes in equity
for the year ended 31 December 2019

Year ended 31 December 2019

Group	Share capital £	Share premium £	Other reserves £	Retained earnings £	Equity attributable to owners of the parent £	Non-controlling interest £	Total £
Balance at 1 January 2019	**5,453**	**243,512,277**	**(224,854,773)**	**236,710,269**	**255,373,226**	**74,045,881**	**329,419,107**
Comprehensive income for the financial year	-	-	-	**47,723,393**	**47,723,393**	**12,720,831**	**60,444,224**
Capital contribution – waiver of shareholder loan	-	-	**12,471,199**	-	**12,471,199**	-	**12,471,199**
Balance at 31 December 2019	**5,453**	**243,512,277**	**(212,383,574)**	**284,433,662**	**315,567,818**	**86,766,712**	**402,334,530**

Year ended 31 December 2018

Group	Share capital £	Share premium £	Other reserves £	Retained earnings £	Equity attributable to owners of the parent £	Non-controlling interest £	Total £
Balance at 1 January 2018	5,453	243,512,277	(224,854,773)	196,823,591	215,486,548	66,246,749	281,733,297
Comprehensive income for the financial year	-	-	-	39,886,678	39,886,678	7,799,132	47,685,810
Balance at 31 December 2018	5,453	243,512,277	(224,854,773)	236,710,269	255,373,226	74,045,881	329,419,107

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Company statement of changes in equity
for the year ended 31 December 2019

Year ended 31 December 2019

Company	**Share capital £**	**Share premium £**	**Retained earnings £**	**Total £**
Balance at 1 January 2019	**5,453**	**243,512,277**	**(17,718,046)**	**225,799,684**
Comprehensive income for the financial year	**-**	**-**	**10,011,522**	**10,011,522**
Balance at 31 December 2019	**5,453**	**243,512,277**	**(7,706,524)**	**235,811,206**

Year ended 31 December 2018

Company	**Share capital £**	**Share premium £**	**Retained earnings £**	**Total £**
Balance at 1 January 2018	5,453	243,512,277	(37,835,679)	205,682,051
Comprehensive income for the financial year	-	-	20,117,633	20,117,633
Balance at 31 December 2018	5,453	243,512,277	(17,718,046)	225,799,684

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Consolidated statement of financial position
at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
ASSETS					
Non-current assets					
Intangible assets	10		**1,323,773**		2,263,015
Investment properties	11		**336,723,076**		307,000,000
Fixtures and fittings	12		**52,934**		77,878
Investments in equity accounted associates	15		**74,519,380**		60,693,785
Other investments	16		**38,012,741**		27,348,073
Trade and other receivables	17		**7,574,652**		5,476,524
			458,206,556		402,859,275
Current assets					
Trading properties	13	**85,229,148**		83,803,714	
Trade and other receivables	17	**123,896,779**		126,879,503	
Cash and cash equivalents	27	**13,731,712**		10,587,479	
Derivative financial asset	20	-		323,874	
			222,857,639		221,594,570
Total assets			**681,064,195**		624,453,845
EQUITY AND LIABILITIES					
Equity					
Issued share capital	22		**5,453**		5,453
Share premium	23		**243,512,277**		243,512,277
Other reserves	23		**(212,383,574)**		(224,854,773)
Retained earnings	23		**284,433,662**		236,710,269
Attributable to equity shareholders			**315,567,818**		255,373,226
Non-controlling interest			**86,766,712**		74,045,881
Total equity			**402,334,530**		329,419,107
Non-current liabilities					
Loans and borrowings	18		**133,738,494**		196,728,465
Deferred tax liability	8		**1,500,000**		-
Lease liability	24		**3,271,076**		-
			138,509,570		196,728,465

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Consolidated statement of financial position
at 31 December 2019 ***(Continued)***

	Note	2019 £	2019 £	2018 £	2018 £
Current liabilities					
Trade and other payables	19		**55,297,340**		81,266,264
Loans and borrowings	18		**78,935,818**		15,214,022
Derivative financial liabilities	20		**3,556,993**		602,700
			137,790,151		97,082,986
Provisions for liabilities and charges					
Other provisions	21		**2,429,944**		1,223,287
			140,220,095		98,306,273
Total liabilities			**278,729,665**		295,034,738
Total equity and liabilities			**664,941,740**		624,453,845

The official opening middle rate of exchange applicable between the GBP and the Euro issued by the European Central Bank as at 31 December 2019 was 0.8508 (2018: 0.89453).

The financial statements were approved and authorised for issue by the Board on 25/09/2020 and were signed on its behalf by:

John Borg
Director

Edward Camilleri
Director

Maureen Ehlinger
Director

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Company statement of financial position
at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
ASSETS					
Non current assets					
Investments in group undertakings	14		**184,897,767**		175,397,806
Current assets					
Trade and other receivables	17	**70,856,336**		80,972,567	
Cash and cash equivalents	26	**24,327**		27,395	
			70,880,663		80,999,962
Total assets			**255,778,430**		256,397,768
EQUITY AND LIABILITIES					
Capital and reserves					
Issued share capital	22		**5,453**		5,453
Share premium	23		**243,512,277**		243,512,277
Retained earnings	23		**(7,706,524)**		(17,718,046)
Total equity			**235,811,206**		225,799,684
Current liabilities					
Trade and other payables	19		**19,967,224**		30,598,084
Total liabilities			**19,967,224**		30,598,084
Total equity and liabilities			**255,778,430**		256,397,768

The official opening middle rate of exchange applicable between the GBP and the Euro issued by the European Central Bank as at 31 December 2019 was 0.8508 (2018: 0.89453).

The financial statements were approved and authorised for issue by the Board on 25/09/2020 and were signed on its behalf by:

John Borg
Director

Edward Camilleri
Director

Maureen Ehlinger
Director

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Consolidated statement of cash flows
for the year ended 31 December 2019

	Note	2019 £	2018 £
Operating activities			
Profit for the year		**60,444,224**	47,685,810
Adjustments for:			
Exchange differences		**1,559,869**	266,485
Changes in fair value of investment properties	11	**(43,211,553)**	(18,947,907)
Depreciation of property, plant and equipment	12	**27,301**	1,894
Movement in rent smoothing adjustment	11	**(1,393,216)**	(1,231,445)
Changes in fair value of derivative instruments	20	**3,278,167**	(1,445,936)
Share of post tax results of equity accounted associates	15	**(10,112,613)**	(19,008,032)
Changes in fair value of other investments	16	**(9,930,223)**	651,706
Loss/(profit) on disposal of investment property		**1,426,026**	(1,452,180)
Amortisation of goodwill	10	**939,242**	-
Finance income	6	**(7,290,837)**	(9,347,909)
Finance costs	7	**12,059,870**	13,490,906
Taxation expense/(credit)	8	**1,529,267**	(46,381)
Changes in working capital:			
Trading properties		**(1,425,434)**	(8,543,637)
Trade and other receivables		**8,241,776**	334,197
Trade and other payables		**(20,493,616)**	(2,731,615)
Provisions		**1,206,657**	1,077,359
Cash flow from operations		**(3,145,093)**	753,315
Tax (paid)/refunded		**(249,456)**	46,381
Net cash (outflow)/inflow from operating activities		**(3,394,549)**	799,696
Investing activities			
Capital expenditure on investment property	11	**(4,815,377)**	(5,677,759)
Capital expenditure of fixtures and fittings	12	**(2,357)**	(79,772)
Proceeds from disposal of investment properties		**21,555,491**	8,970,141
Investment in equity accounted associates	15	**(5,433,314)**	(4,765,872)
Acquisition of other investments	16	**(2,294,314)**	(1,086,432)
Interest received		**153,846**	55,253
Loan to equity accounted associates		**-**	(64,597)
Dividends received from equity accounted associates		**1,720,332**	6,880,617
Loans repaid from equity accounted associates		**7,663,000**	1,774,000
Income from investments			-
Net cash inflow from investing activities		**18,547,307**	6,005,579

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Consolidated statement of cash flows *(continued)*
for the year ended 31 December 2019

	Note	2019 £	2018 £
Financing activities			
Proceeds from borrowings		**20,000,000**	11,274,360
Repayment of loans		**(19,647,878)**	(8,663,067)
Interest paid		**(12,289,647)**	(10,238,550)
Repayment of loan from investor		-	(5,463,647)
Loans from equity accounted associates		**75,000**	342,000
Headlease obligations paid		**(146,000)**	-
Net cash outflow from financing activities		**(12,008,525)**	(12,748,904)
Net movements in cash and cash equivalents		**3,144,233**	(5,943,629)
Cash and cash equivalents at the beginning of the year		**10,587,479**	16,531,108
Cash and cash equivalents at the end of the year	26	**13,731,712**	10,587,479

The notes on pages 17 to 54 form part of these financial statements.

Dooba Holdings Limited

Company statement of cash flows
for the year ended 31 December 2019

	Note	2019 £	2018 £
Operating activities			
Profit for the year		**10,011,522**	20,117,633
Adjustments for:			
Movements in provisions against investments in subsidiaries	14	**(8,188,892)**	(18,311,260)
Finance costs	7	**388,330**	315,472
Finance income	6	**(2,370,058)**	(2,263,181)
Changes in working capital:			
Trade and other receivables		**12,486,289**	(20,020,984)
Trade and other payables		**(11,019,190)**	20,170,386
Net cash inflow from operating activities		**1,308,001**	8,066
Investing activities			
Acquisition of subsidiary undertakings		**(1,311,069)**	(1,002)
Net cash outflow from investing activities		**(1,311,069)**	(1,002)
Net movements in cash and cash equivalents		**(3,068)**	7,064
Cash and cash equivalents at the beginning of the year		**27,395**	20,331
Cash and cash equivalents at the end of the year	26	**24,327**	27,395

The notes on pages 17 to 54 form part of these financial statements.

1 Accounting policies

1.1 Basis of preparation

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

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

The financial statements have been prepared on the historical cost basis except that investment properties, other investments and derivative financial instruments are measured at fair value.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the most appropriate application in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

These financial statements are presented in Sterling (GBP), which is the Group's functional currency and all values are rounded to the nearest pound (£) except where otherwise indicated. The functional currency is the currency of the primary economic environment in which the Group operates. Accordingly, the Group measures its financial results and financial position in Sterling. The reporting currency used for the preparation of the financial statements is Sterling, which is the currency in which the share capital of the company is denominated. This currency differs from the currency of Cyprus which is the country in which the company is domiciled.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

Going Concern

Given the significant impact of COVID-19 on the macro-economic conditions in which the Group is operating, the directors' have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 December 2019. The Group's going concern assessment is dependent on a number of factors, including performance of rental collections, continued access to funding and the ability to continue to operate the Group's secured debt structure within its financial covenants.

The directors have performed stress testing of the Group's forecasts over the next 12 months, adopting a primary assumption that rental collections will be lower than what would normally be expected. The impact in the reduction in the rental collections have been applied across a variety of performance indicators including free cash flow and debt serviceability covenants.

Severe Downside Scenario – Rent Collections [Less than 10%]

The going concern assessment is based on the first 12-months of the 5 year rolling cash flow forecast, which is based on a severe but possible downside scenario resulting from the impact of COVID-19, reflecting the following key assumptions:

- Minimum average rental collection required to meet all contractual obligations over the whole of the going concern assessment period (less than 10%)
- No new or additional financing in the assessment period, but existing facilities are assumed to remain available

1.1 Basis of preparation *(Continued)*

Throughout this downside scenario the Group has sufficient liquid cash reserves to meet all committed contractual obligations over the assessment period being 12 months from the date of approval of these financial statements. The rent collection forecasts under the Severe Downside Scenario if they transpired would result in breaches of the Group's interest service covenants and debt service covenants on the October 2020, January, April and July 2021 testing dates, requiring the use of covenant breach cures available under the facility agreements or the negotiation of waivers. Discussions with the financier surrounding potential breaches have established the expectation that if the Group continue to make interest and capital repayments as and when they are due, then no adverse action is expected to be taken.

Whilst a breach is possible in the severe downside scenario above, the Group's modelling of less severe scenarios indicated that there is no expected breach of third-party banking serviceability covenants following the refinancing of the portfolio.

The Group also has obligations under its facility agreement to maintain the debt secured by its investment and trading properties at a level that is below an agreed percentage. A decrease in value arising from the uncertainty surrounding the COVID-19 pandemic is a possibility, but at this stage cannot be quantified or assessed with certainty. The directors have reviewed the Group's borrowing levels against its investment and trading properties and are satisfied that a drop of 24% and 18% respectively, linked to a severe adverse impact, would be required to cause a breach of the RBS and LBG covenant.

Based on the analysis and stress testing undertaken the directors believe that it remains appropriate to prepare the financial statements on a going concern basis, acknowledging that the circumstances caused by the COVID-19 pandemic represent a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.2 Changes in accounting policies

New standards, interpretations and amendments effective for the current year

The Group adopted IFRS 16 with an initial application date of 1 January 2019.

The Group as a lessee

At the commencement of a lease, the Group recognises a right-of-use asset along with a corresponding lease liability. The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

The right of use asset is classified as an investment property given the leased land is held solely for the purposes of holding the related investment property building. The Group applies the fair value model for its investment property, and as a result applied this model to right of use assets that meet the definition of investment property. Right-of-use assets are presented within Investment Properties on the face of the balance sheet, and lease liabilities are shown separately on the balance sheet in current liabilities and non-current liabilities depending on the length of the lease term.

1.2 Changes in accounting policies *(Continued)*

Standards and interpretations in issue not yet adopted

The IASB and IFRIC have issued or revised IFRS 3, IFRS 7, IFRS 9, IFRS 17, IAS 1, IAS 8 and IAS 39 but these are not expected to have a material effect on the Group's activities.

The Company does not expect any other standards, amendments or interpretations issued by the IASB or IFRIC, but not yet effective, to have a material impact on the Group

1.3 Revenue recognition

Revenue represents rental and property development fee income receivable from external customers at invoiced amounts less value added tax or other taxes on sales and proceeds from the sale of trading properties.

Rental income from operating leases is recognised in income on a straight-line basis over the lease term. When the Group provides incentives to its customers, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Income from property, which is derived from the rental of property held in the UK, is accounted for on an accruals basis.

Fee income from the provision of property development and other ancillary and related advisory services is recognised as the Group becomes entitled to that income, which is typically as development costs are incurred.

Proceeds from the sale of trading properties are recognised when the Group has an unconditional right to receive the income, which is typically on the exchange of a contract.

Finance income and costs are recognised in the statement of comprehensive income for all interest-bearing instruments on an accruals basis, unless collectability is in doubt.

Dividends income from investments is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

1.4 Foreign currency translation

a) *Functional and presentation currency*

The Group's financial results and financial position are measured in the functional currency. Accordingly, items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates.

b) *Transactions and balances*

Transactions denominated in foreign currencies (currencies other than the functional currency) are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

1.5 Borrowing costs

Interest costs are charged against income without restriction. The Group does not incur any other interest costs that qualify for capitalisation under IAS 23 Borrowing Costs

1.6 Investment property

Property held for long-term rental yields which is not occupied by the Group is classified as investment property. Investment property principally comprises land and buildings. Investment property is treated as a long-term investment and is carried at fair value, determined annually.

Fair value is the estimated price that should be received for selling an investment property in an orderly transaction between market participants at the measurement date and is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Under IAS 40 Investment Property, changes in fair values are recorded in the statement of comprehensive income.

Property that is being constructed or developed for future use as investment property is also classified as investment property and stated at fair value in accordance with IAS 40.

When the Group decides to dispose of an investment property without development, it continues to treat the property as an investment property. Similarly, if the Group begins to redevelop or refurbish an existing investment property for continued future use as investment property, it remains as an investment property.

Depreciation is not provided for in respect of investment properties.

Acquisitions and disposals of investment properties are recognised on unconditional exchange of contracts where it is reasonable to assume at the balance sheet date that completion of the acquisition or disposal will occur. Gains on disposal are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous published balance sheet adjusted for any subsequent capital expenditure or capital receipts.

1.7 Fixtures and fittings

All fixtures and fittings are recorded at historical cost.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful life as follows:

Fixtures and fittings - 33.33% per annum

Fixtures and fittings are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Gains and losses on disposal of fixtures and fittings are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.8 Financial assets

The Group classifies its financial assets into categories, depending on the purpose for which the asset was acquired.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as fair value through the profit or loss:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss.

The Group's accounting policy for each category is as follows:

Fair value through profit or loss

The Group's financial derivative instruments that are in-the-money are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes which are not designated as hedging instruments. Other than these derivative financial instruments, the Group does not have any assets held for trading nor has it designated any financial assets as being at fair value through profit or loss.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through rental and service charge income from tenants (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within revenue in the statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows, bank overdrafts. Cash and cash equivalents are carried in the statement of financial position at face value. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

1.8 Financial assets *(Continued)*

Measurement of Expected Credit Losses

The Group recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at fair value through the profit or loss, namely:

- Trade and other receivables

The Group classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Group recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition, but they are not credit-impaired, the Group recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the Group recognises the lifetime ECL.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade and other receivables assets have been grouped based on shared credit risk characteristics and the days past due.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date. Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

1.9 Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

The Group's financial derivative instruments that are out-of-the-money are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

1.9 Financial liabilities *(Continued)*

Other financial liabilities

Other financial liabilities include the following items:

- Bank borrowings and other loan are initially recognised at fair value net of any transaction costs directly attributable to the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs, as well as any interest payable while the liability is outstanding.

- Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1.10 Fair value measurement hierarchy

IFRS 13 Fair Value Measurement requires certain disclosures which require the classification of assets and liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement (see notes 3 and 11). The fair value hierarchy has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Fair value assets and liabilities are classified in their entirety into only one of the three levels.

1.11 Share capital and share premium

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The company's ordinary shares and the associated share premium thereon are classified as equity instruments.

1.12 Investment in group undertakings and other investments

Investments by the company in subsidiary undertakings are accounted for by the cost method of accounting. Provisions are recorded where, in the opinion of the directors, there is long term impairment in value. All such provisions and any subsequent reversals are recognised in the statement of comprehensive income in the period in which they are identified.

The results of subsidiary undertakings are reflected in the financial statements of the holding company only to the extent of distributions receivable.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

Other investments are carried at fair value. Where fair value cannot be readily ascertained, the cost method of accounting is applied.

1.13 Subsidiary undertakings - consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements control.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. All intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

1.14 Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. The Group's share of post-acquisition profits and losses is recognised in the consolidated statement of comprehensive income, except that losses in excess of the Group's investment in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

1.15 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

1.16 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is initially determined in accordance with the policy set out in note 1.15 and subsequently carried at cost less accumulated impairment losses. Impairment is tested in accordance with the policy set out in note 1.19.

1.17 Deferred taxation

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is probable.

1.18 Provisions

Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions and are discounted at a pre-tax rate reflecting current market assessments of the time value of money and the risk specific to the liability.

1.19 Impairment of assets

Assets, including land, that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and value in use. For the purpose of assigning impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

1.20 Trading properties

Properties that are held for future sale are classified as trading properties and are initially recognised at cost. They are subsequently carried at the lower of cost and net realisable value. Cost comprises all costs of purchase, and any costs of subsequent development. Net realisable value is the estimated selling price in the ordinary course of the business less cost to complete and selling expenses.

2 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. 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 discussed below:

Estimates and assumptions

(a) Valuation of investment properties and net realisable values of trading properties

The Group obtains valuations performed by external valuers or its managing agent, Commercial Estates Group Limited (CEG), in order to determine the fair value of its investment properties and the net realisable value of certain of its trading properties. These valuations are based upon assumptions including future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. The valuers also make reference to market evidence of transaction prices for similar properties.

2 Critical accounting estimates and judgements *(Continued)*

Further information in relation to the valuation of investment property is disclosed in note 11.

(b) Valuation of non-equity accounted investments

Valuations are based on the underlying net asset values which may themselves be based on investment property valuations performed in accordance with (a) above.

(c) Valuation of interest-rate swaps

In respect of derivative financial instruments, the directors have relied on the valuation carried out by issuing banks and further information is set out in note 20.

3 Financial instruments - Risk management

3.1 Financial risk factors

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Interest rate risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instruments risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- Trade and other receivables
- Cash at bank
- Trade and other payables
- Bank loans
- Interest rate swaps

3.1 Financial risk factors *(Continued)*

A summary of the financial instruments held by category is provided below:

Financial assets – loans and receivables

	Financial assets at amortised cost		Financial assets at amortised cost	
	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Trade and other receivables – maturity within one year	**123,896,779**	**70,856,336**	126,879,503	80,972,567
Trade and other receivables – maturity greater than one year	**7,574,652**	-	5,476,524	-
Cash and cash equivalents – maturity within one year	**13,731,712**	**24,327**	10,587,479	27,395
	145,203,143	**70,880,663**	142,943,506	80,999,962

Financial assets – at fair value through profit and loss

	2019 £	2018 £
Interest rate swaps	-	323,874

Financial liabilities

Group

	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	
	2019 £	2018 £	2019 £	2018 £
Trade and other payables	-	-	**55,297,340**	81,266,264
Bank loans and overdrafts	-	-	**212,674,312**	211,942,487
Interest rate swaps	**3,556,993**	602,700	-	-
	3,556,993	602,700	**267,971,652**	293,208,751

Company

	Financial liabilities at amortised cost	
	2019 £	2018 £
Trade and other payables	**19,967,224**	30,598,084

3.1 Financial risk factors *(Continued)*

All of the Group's financial liabilities designated at fair value through profit and loss are defined as level 2 in accordance with IFRS 13 as they are derived from inputs other than quoted prices which are observable for the instruments.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Board receives quarterly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risks as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Credit risk

The Group's exposure to credit risk arises from the potential financial loss if a tenant or counterparty to a financial instrument fails to meet its contractual obligations. It relates principally to the Group's receivables from tenants and other third parties.

Trade and other receivables

The Group's activities focus exclusively in the UK and its exposure to credit risk, arising from trade and other receivables, is influenced by the individual characteristics of each tenant. The Group operates a policy whereby the credit worthiness of each tenant is assessed prior to lease or pre-lease terms being agreed. The process includes reviewing financial information in the public domain. In certain cases, the Group will require collateral in order to support these lease obligations. This usually takes the form of a rent deposit, parent company guarantee or a bank guarantee. The Group regularly receives reports on payment performance and intelligence on the continuing financial liability of tenants where rent collections are outsourced to managing agents. Arrears are monitored on a weekly basis and a strategy for dealing with significant potential defaults is presented on a timely basis to the Board. Outstanding tenant balances are reviewed on a quarterly basis for impairment.

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group, of which this company forms part of, aims to maintain flexibility in funding by keeping committed credit lines available.

The Group's liquidity position is monitored on a daily basis. The liquidity position is reviewed quarterly by the Board of Directors.

3.1 Financial risk factors *(Continued)*

The following table details the Group's remaining contractual maturity for its financial liabilities and financial assets held at amortised cost. The table has been drawn up based on the non-discounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2019	Carrying amounts	Contractual cash flows	Due in 2020	Due in 2021	Due in 2022	Due after 2023
	£	£	£	£	£	£
Bank loans (inc swaps)	**216,231,305**	**244,506,468**	**89,684,244**	**12,539,477**	**109,046,826**	**33,235,921**
Trade and other payables	**51,305,187**	**51,305,187**	**51,305,187**	**-**	**-**	**-**
	267,536,492	**295,811,655**	**140,989,431**	**12,539,477**	**109,046,826**	**33,235,921**

31 December 2018	Carrying amounts	Contractual cash flows	Due in 2019	Due in 2020	Due in 2021	Due after 2021
	£	£	£	£	£	£
Bank loans (inc swaps)	212,545,187	247,823,866	24,947,102	94,858,216	11,191,443	116,827,105
Trade and other payables	78,450,215	78,450,215	78,450,215	-	-	-
	290,995,402	326,274,081	103,397,317	94,858,216	11,191,443	116,827,105

(iii) Interest risk

The Group uses interest rate swaps and similar instruments to manage its interest rate exposure on long-term borrowings (note 18). It also utilises short term facilities provided by related parties at either variable or fixed rates of interest, but which carry no early repayment penalties should the Group decide to refinance the facilities (note 25).

3.2 Capital risk management

The directors of the company monitor the overall capital needs of the Group on an ongoing basis and formally on a quarterly basis the equity, debt and overall capital position of the Group as a whole. They monitor the Group's capital specifically by reviewing the bank debt loan to value and interest cover ratios, as well as the value of any uncharged assets within the Group. The Group ensures that the overall loan to value (being total bank debt divided by total assets) of the Group does not exceed that set down in the Group's banking arrangements.

4 Segmental information and other operating income

During the current and preceding year, the Group operated in and was managed as one business segment, being property investment, with all properties located in the UK. The directors of the Group review quarterly reports which are prepared on a basis that aggregates the performance of all properties and focuses on total returns on the Group's capital.

Other income primarily relates to amounts received from the extension of long leaseholds, surrender premiums received from tenants and arrangement and draw down fees earned by on lending bond funds to other group members.

5 Administrative expenses

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Directors' fees (note 9)	**127,314**	**100,420**	119,885	77,977
Professional fees	**837,718**	**26,361**	814,709	53,792
Auditors' remuneration	**304,388**	**28,642**	144,930	6,990
Management fees (note 25)	**2,560,487**	**-**	2,451,240	-
Bad debt	**14,248**	**-**	(77,946)	-
Movement in provisions (note 21)	**-**	**-**	-	-
Other expenses	**3,600,385**	**3,675**	1,206,963	2,577
Annual promote fee (note 21)	**2,429,944**	**-**	-	-
	9,874,484	**159,098**	4,659,781	141,336

The Group had no direct employees during the current or preceding year.

6 Finance income

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Bank interest receivable	**152,489**	**-**	52,255	-
Interest receivable from tenants	**1,358**	**-**	2,998	-
Interest receivable from other sources	**4,603,480**	**1,915,431**	5,964,098	1,839,032
Interest receivable from group undertakings	**2,533,510**	**454,627**	3,328,558	424,149
	7,290,837	**2,370,058**	9,347,909	2,263,181

7 Finance costs

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Bank loans and overdrafts	**11,309,787**	**-**	11,401,421	-
Interest payable to other sources	**750,083**	**-**	518,252	-
Interest payable to group undertakings	**-**	**388,330**	1,571,233	315,472
	12,059,870	**388,330**	13,490,906	315,472

8 Taxation

Analysis of tax charge:

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Current tax				
Current tax on result for the year	**24,753**	-	19,429	-
Adjustments in respect of prior years	**4,514**	-	(65,810)	-
Total current tax	**29,267**	-	(46,381)	-
Deferred tax				
Origination and reversal of temporary difference	**1,500,000**	-	-	-
Tax charge/(credit)	**1,529,267**	-	(46,381)	-

The Group's investment properties are located in the UK and the net rental income from let properties is subject to UK income tax, currently at the rate of 20%.

The tax assessed for the year varies from the applicable rate of income tax in the UK applied to profit before tax. The differences are explained below:

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Profit on ordinary activities before tax	**61,973,491**	**10,011,522**	47,639,429	20,117,633
Tax calculated at 20% on the above (2018: 20%)	**12,394,698**	**2,002,304**	9,527,886	4,023,527
Tax effects of:				
Income and expenditure not deductible for tax purposes	**(13,231,542)**	**(2,002,304)**	(8,817,638)	(4,023,527)
Utilisation of previously unrecognised tax losses	**(1,259,527)**	-	(1,180,720)	-
Capital allowances in excess of depreciation	**(179,311)**	-	(322,720)	-
Losses not utilised nor recognised	**972,526**	-	979,412	-
Non deductible losses from overseas companies	**714,633**	-	156,907	-
Fair value of swaps not recognised	**655,633**	-	(289,187)	-
Adjustment for UK profits taxable at varying rates	**4,514**	-	(34,511)	-
Deferred tax on unrealised gains	**1,500,000**	-	-	-
Adjustment in respect of prior years	**(42,357)**	-	(65,810)	-
Total tax charge/(credit) for the year	**1,529,267**	-	(46,381)	-

8 Taxation *(Continued)*

As at 31 December 2019, the Group had accumulated tax losses carried forward amounting to £78,312,366 (2018: £83,252,871). The related net deferred tax asset has not been recognised in the consolidated financial statements due to the uncertainty of the realisation of the tax benefits.

Deferred Tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different group entities where there is an intention to settle on a net basis.

The Group is required to recognise a deferred tax liability in respect of unrealised gains on investment properties in the accounts for the year ended 31 December 2019 as a result of new tax legislation. The change in the relevant taxation legislation means that capital gains arising on the sale of investment properties will be subject to UK tax from 6 April 2019 based on the valuation of the properties at that date. No formal valuation has been carried out at 6 April 2019 and therefore the estimated amount of deferred tax that has been recognised is based on the most recent director valuations, adjusted for capital expenditure on the properties and a proportion of value gained in the year arising from a combination of other factors.

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19%.

The amount of tax that may be payable in the future on the sale of any of the investment properties will be based on agreeing valuations at 6 April 2019 with HMRC.

Movements in the year:

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Liability at 1 January	-	-	-	-
Charged to the profit and loss	1,500,000	-	-	-
Total deferred tax	**1,500,000**	-	-	-

9 Directors' remuneration

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Directors' fees	**127,314**	**100,420**	119,885	77,977

10 Intangible assets - goodwill

Group	2019 £	2018 £
Carrying value		
At 1 January	**2,263,015**	2,263,015
Impairment following the sale of acquired assets	**(939,242)**	-
At 31 December	**1,323,773**	2,263,015

The historic cost of the goodwill is £7,968,526 (2018 - £7,968,526).

The goodwill arose when the Group acquired 100% of the equity instruments of Commercial Estates Projects Limited. The directors assessed the carrying value of the assets of Commercial Estates Projects Limited at 31 December 2019 and have booked an impairment charge in the current year.

11 Investment properties

Group	Freehold investment properties £	Long leasehold investment properties £	Total £
Cost or valuation			
At 1 January 2019	**234,375,983**	**72,624,017**	**307,000,000**
Additions	**3,553,517**	**1,261,860**	**4,815,377**
Disposals	**(22,806,517)**	**(175,000)**	**(22,981,517)**
Change in fair value	**46,492,813**	**(1,874,673)**	**44,618,140**
Right of use asset recognised on adoption of IFRS 16	**-**	**3,284,447**	**3,284,447**
Fair value movement on right of use asset under IFRS 16	**-**	**(13,371)**	**(13,371)**
Carrying value at 31 December 2019	**261,615,796**	**75,107,280**	**336,723,076**

	Freehold investment properties £	Long leasehold investment properties £	Total £
At 1 January 2018	217,561,834	71,099,017	288,660,851
Additions	4,249,724	1,428,035	5,677,759
Change in fair value	17,416,426	2,762,926	20,179,352
Disposals	(4,852,001)	(2,665,961)	(7,517,962)
Carrying value at 31 December 2018	234,375,983	72,624,017	307,000,000

11 Investment properties *(Continued)*

In the prior year accounts a property was incorrectly disclosed as a leasehold asset instead of freehold asset. The prior year disclosures have been restated.

Included within the carrying value of investment properties at 31 December 2019 is £5,831,245 (2018: £4,108,302) in respect of the smoothing of lease incentives over the contractual lease term. The difference between rents on a straight line basis and rents actually receivable is included within, but does not increase, the carrying value of investment properties. The effect of this adjustment on the revaluation movement is as follows:

	2019	2018
	£	£
Revaluation movement	**44,618,140**	20,179,352
Movement in rent smoothing adjustment	**(1,393,216)**	(1,231,445)
Change in fair value of right of use asset	**(13,371)**	-
Revaluation movement in the income statement	**43,211,553**	18,947,907

Under the Group's accounting policy, in line with International Financial Reporting Standards, the carrying value of leasehold property is grossed up by the present value of minimum headlease payments. The corresponding liability to the head leaseholder is included in the balance sheet as a lease liability. The reconciliation between the carrying value of the investment properties and their Investment Director valuation is as follows:

	2019	2018
	£	£
Carrying value	**336,723,076**	307,000,000
Gross-up of headlease liabilities	**(3,271,076)**	-
Investment Director valuation	**333,452,000**	307,000,000

Investment properties held at 31 December 2019 have either been valued at fair value by the Investment Director of Commercial Estates Group Limited or externally by Allsops. At 31 December 2019, the total fair value of the properties was estimated to amount to £333,452,000 (2018: £307,000,000).

As at 31 December 2019, the Group's investment properties were pledged as collateral for borrowings. The banking facilities stipulate defined amortisation payments from the proceeds of sale of an investment property.

11 Investment properties *(Continued)*

	Fair Value at 31/12/19	**Valuation techniques**	**Unobservable inputs**	**Range (Weighted Average)**
Offices	**195,993,796**	Yield methodology	ERV per sqft (£) Capitalisation rate	**11.0 – 69.0 (29.0)** **5.02%-15.79% (8.22%)**
Industrial	**59,575,000**	Yield methodology	ERV per sqft (£) Capitalisation rate	**2.67 – 88.33 (59.72)** **6.89% - 8.49% (7.31%)**
Investment property in the course of or intended for redevelopment	**77,883,204**	Capitalised net revenues less cost to complete		
Total	**333,452,000**			

	Fair Value at 31/12/18	Valuation techniques	Unobservable inputs	Range (Weighted Average)
Offices	177,550,000	Yield methodology	ERV per sqft (£) Capitalisation rate	13.0 – 69.0 (24.65) 3.30%-22.08% (10.29%)
Industrial	60,800,000	Yield methodology	ERV per sqft (£) Capitalisation rate	2.53 – 80.0 (19.55) 6.08% - 8.47% (7.07%)
Investment property in the course of or intended for redevelopment	68,650,000	Capitalised net revenues less cost to complete		
Total	307,000,000			

The investment properties have been valued using a yield methodology approach using unobservable inputs (level 3). The investment properties which are in the course of or intended for redevelopment are valued at capitalised net revenue less cost to complete. The significant unobservable inputs used in the valuation at 31 December 2019 are the estimated rental value (ERV) of the property and the market capitalisation rate (yield).

The ERV has been determined by reference to rents currently achieved on existing leases and the rents being asked by landlords advertising properties of a similar specification in that geographical region. The market capitalisation rate has been determined by reference to actual market transactions for properties in that region, with adjustment made to reflect the particular characteristics of the property. The resulting valuations are then cross checked against the initial yields and the fair market values per square foot derived from these actual market transactions. A decrease in the ERV or an increase in the market capitalisation rate will decrease the fair value of the investment property.

12 Fixtures and fittings

	2019 £	2018 £
Group		
Cost		
At 1 January	**79,772**	-
Additions	**2,357**	79,772
At 31 December	**82,129**	79,772
Depreciation		
At 1 January	**1,894**	-
Charge for the year	**27,301**	1,894
At 31 December	**29,195**	1,894
Net book value		
At end of year	**52,934**	77,878
At start of year	**77,878**	-

13 Trading properties

	2019 £	2018 £
At 1 January	**83,803,714**	75,260,077
Additions	**24,599,759**	3,486,866
Disposals	**(21,484,747)**	865,582
Movement in provision	**(1,689,578)**	4,191,189
At 31 December	**85,229,148**	83,803,714

The Group's trading properties are carried at the lower of cost and net realisable value. The net realisable value as at 31 December 2019 has been arrived at on the basis of the valuation carried out by the Investment Director of Commercial Estates Group Limited.

14 Investment in group undertakings

	2019 £	2018 £
Company		
Carrying value		
At 1 January	**175,397,806**	157,095,543
Additions	**1,311,069**	1,002
Disposals	**-**	(9,999)
Movement in impairment provisions	**8,188,892**	18,311,260
At 31 December	**184,897,767**	175,397,806

14 Investment in group undertakings *(Continued)*

The historical cost of the investments in group undertakings is £187,991,365 (2018: £186,680,296).

At 31 December 2019, the subsidiaries of Dooba Holdings Limited, all of which have been included in these consolidated financial statements, are as follows:

Subsidiary undertakings	Country of incorporation	Nature of ownership interests	Proportion of ownership interest
GMV Holdings Limited	Suite 3, 2nd Floor Icon House 1/5 Irish Town, Gibraltar GX11 1AA	545,345 Ordinary shares of £0.001 each	70.19% *
Dooba (Gibraltar) Holdings Limited	Suite 3, 2nd Floor Icon House 1/5 Irish Town, Gibraltar GX11 1AA	2,871 Ordinary shares of £1 each	70.19% *
GMV Three Limited	28 Esplanade St Helier, Jersey JE2 3QA	100 Ordinary shares of £0.01 each and 1 special share of £1	70.19% *
GMV Five Limited	28 Esplanade St Helier, Jersey JE2 3QA	2 Ordinary shares of £1 each	70.19% *
GMV Eight Limited	28 Esplanade St Helier, Jersey JE2 3QA	12 Ordinary shares of £1 each	70.19% *
GMV Nine Limited	Ground Floor Dorey Court Admiral Park St Peter Port Guernsey GY1 2HT	2 Ordinary shares of £1 each	70.19% *
GMV Ten Limited	28 Esplanade St Helier, Jersey JE2 3QA	102 Ordinary shares of £1 each	70.19% *
GMV Eleven Limited	28 Esplanade St Helier, Jersey JE2 3QA	2 Ordinary shares of £1 each	70.19% *
GMV Twelve Limited	28 Esplanade St Helier, Jersey JE2 3QA	100 Ordinary shares of £1 each	70.19% *

14 Investment in group undertakings *(Continued)*

Subsidiary undertakings	Country of incorporation	Nature of ownership interests	Proportion of ownership interest	
GMV Thirteen Limited	28 Esplanade St Helier, Jersey JE2 3QA	100 Ordinary shares of £1 each	70.19%	*
GMV Fourteen Limited	28 Esplanade St Helier, Jersey JE2 3QA	2 Ordinary shares of £1 each	70.19%	*
Dooba Investments II Limited	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	3,453 Ordinary shares of £1 each	70.19%	*
Dooba Investments III Limited	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	3,840 Ordinary shares of £1 each	70.19%	*
Dooba Investments V Limited	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	3,020 Ordinary shares of £1 each	70.19%	*
Dooba Investments VII Limited	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	1,000 Ordinary shares of £1 each	70.19%	*
Excellenta Company Limited	Office 18 Verdala Business Centre Level 1 LM Complex Brewery Street, Zone 3 Central Business District Birkirkara CBD3040 Malta	600,000 Ordinary shares of £0.7895 each	70.19%	*

14 Investment in group undertakings *(Continued)*

Subsidiary undertakings	Country of incorporation	Nature of ownership interests	Proportion of ownership interest	
Excellenta (Jersey) Limited	28 Esplanade St Helier, Jersey JE2 3QA	500,001 Ordinary shares of £1 each	70.19%	*
GLP Holdings Malta Limited (in liquidation)	Office 18 Verdala Business Centre Level 1 LM Complex Brewery Street, Zone 3 Central Business District Birkirkara CBD3040 Malta	2,000 Ordinary shares of £1 each	70.19%	*
Gerard Versteegh Holdings Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	100 Ordinary shares of £1 each	70.19%	*
Dooba Developments Limited	Unit 2, Block E Quay West Bridge Road Douglas IM1 5AG Isle of Man	1 Ordinary share of £1	70.19%	*
GLP Properties Aktiebolag	c/o Axla Accounting AB Gotgatan 11 116 46 Stockholm Sweden	1,000 Ordinary shares of SEK 100 each	70.19%	*
Whichert Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	100,000 Ordinary shares of £1 each	70.19%	*
Nestron Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	5,000,000 Ordinary shares of £1 each	70.19%	*
Ampersand 2010 Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	100 Ordinary shares of £1 each	70.19%	*
Carlyon Bay Limited Partnership	Ground Floor Dorey Court Admiral Park St Peter Port Guernsey GY1 2HT	General Partner	70.19%	

14 Investment in group undertakings *(Continued)*

Subsidiary undertakings	**Country of incorporation**	**Nature of ownership interests**	**Proportion of ownership interest**
Aktiebolaget Dooba (in liquidation)	c/o Axla Accounting AB Gotgatan 11 116 46 Stockholm Sweden	Ordinary shares of SEK 100 each	70.19% *
Ampersand Homes Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	100 Ordinary shares of £1 each	70.19% *
Dooba Investments (Red Flag) Limited	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	1,000 Ordinary shares of £1 each	100.00%
Commercial Estates Projects Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	100 Ordinary shares of £1 each	70.19% *
Kirkstallforge Investment Property I Limited	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	9,001,000 Ordinary shares of £1 each	70.19% *
Kirkstallforge Investment Property II Limited	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	1,000 Ordinary shares of £1 each	70.19% *
SWI Kirkstall Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	1 Ordinary share of £1	70.19% *
Dooba Investments Limited (formerly CEG Land Promotions III Holdings Limited)	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	600 Ordinary shares of £1 each	100.00%

14 Investment in group undertakings *(Continued)*

Subsidiary undertakings	Country of incorporation	Nature of ownership interests	Proportion of ownership interest
Dooba Properties Limited	59-61 Acropolis Avenue 3rd Floor Office 301 Strovolos Nicosia 2012 Cyprus	6,000 Ordinary shares of £1 each	100.00%
Caerwent Storage Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	2 Ordinary shares of £1 each	70.00% *
Kirkstall Estate Management Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	2 Ordinary shares of £1 each	70.19% *
Dooba Finance AB (publ)	Jonkoping Sweden	500,000 Ordinary shares of SEK1 each	100.00%
Dooba ShelfCo (Malta) Limited	Office 18 Verdala Business Centre Level 1 LM Complex Brewery Street, Zone 3 Central Business District Birkirkara CBD3040 Malta	1,999 Ordinary shares of £1 each	100.00%
Dooba Investments (Jersey) Limited	28 Esplanade St Helier Jersey JE2 3QA	10,000 Ordinary shares of £1 each	100.00%
Dooba Finance (UK) Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	1 Ordinary share of £1	100.00%
Kirkstall Residential Management Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	1 Ordinary shares of £1 each	70.19%*
Kirkstall Homes I Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	1 Ordinary shares of £1 each	70.19%*

14 Investment in group undertakings *(Continued)*

Subsidiary undertakings	Country of incorporation	Nature of ownership interests	Proportion of ownership interest
Baylife plc (Dissolved post year end)	Sloane Square House 1 Holbein Place London SW1W 8NS	50,000 Ordinary shares of £1 each	70.19%*
Port Eden Limited (Dissolved post year end)	Sloane Square House 1 Holbein Place London SW1W 8NS	1,000 Ordinary shares of £1 each	93.64%*
Land Investment Projects Limited	Sloane Square House 1 Holbein Place London SW1W 8NS	1 Ordinary shares of £1 each	100.00%*

* Undertakings held indirectly by the company

15 Investment in associates

Group	2019 £	2018 £
At 1 January	**60,693,785**	43,800,503
Additions	**5,433,314**	4,765,872
Share of post-tax profit from equity accounted investments	**10,112,613**	19,008,032
Dividends received from equity accounted investments	**(1,720,332)**	(6,880,622)
At 31 December	**74,519,380**	60,693,785

The historical cost of investments in associates is £35,688,863 (2018: £30,255,553). The Group is entitled to a share of profits and voting rights in the following entities and also has the right to veto certain types of resolutions. The directors consider that they have the power to exercise significant influence over these entities without having a controlling interest. They have therefore treated them as associates and have equity accounted for them in the consolidated financial statements.

The Group's principal associates at 31 December 2019 are set out below:

Name	Country of Incorporation	Proportion of beneficial interest
CEG Land Promotions I (Holdings) BV	Netherlands	33.33%*
CEG Strategic Land (Malta) Limited	Cyprus	50.00%*
CEG Land Promotions II Holdings Limited	Cyprus	20.00%*
CEG Land Promotions III (UK) Limited	England and Wales	30.91%
CEG Investments III LLP	England and Wales	33.33%
ASE II F&F LLP	England and Wales	53.50%
ASE III F&F LLP	England and Wales	48.13%
CEG Holdings LLP	England and Wales	57.38%

* Held by 70.19% owned subsidiary undertaking

15 Investment in associates *(continued)*

2019	Total assets £	Total liabilities £	Share of net assets £
CEG Land Promotions I (Holdings) BV	42,236,605	27,091,822	3,908,644
CEG Strategic Land (Malta) Limited	3,903,722	92,355	1,901,099
CEG Land Promotions II Holdings Limited	171	33,971	-
CEG Land Promotions III (UK) Limited	4,154,337	654,748	1,158,544
CEG Investments III LLP	205,267,286	102,728,760	5,926,162
ASE II F&F LLP	66,945,048	(5,286)	32,582,870
ASE III F&F LLP	16,533,277	-	17,495,892
CEG Holdings LLP	24,320,480	-	11,446,369
Other			99,800
Total			74,519,380

2018	Total assets £	Total liabilities £	Share of net assets £
CEG Land Promotions I (Holdings) BV	35,348,630	(31,668,600)	1,226,677
CEG Strategic Land (Malta) Limited	4,102,410	(621,674)	1,778,621
CEG Land Promotions II Holdings Limited	5,841,975	(7,767,535)	-
CEG Land Promotions III (UK) Limited	3,599,276	(1,511,542)	695,916
CEG Investments III LLP	25,934,647	(12,996,823)	5,543,637
ASE II F&F LLP	66,944,333	(3,754)	30,332,672
ASE III F&F LLP	16,553,277	(114,735)	10,351,122
CEG Holdings LLP	18,671,895	(84,682)	10,665,340
Other entities			99,800
Total			60,693,785

16 Other investments

	2019 £	2018 £
Group		
At 1 January	**27,348,073**	27,179,832
Additions	**2,294,314**	1,086,432
Exchange differences	**(1,559,869)**	(266,485)
Revaluation	**9,930,223**	(651,706)
At 31 December	**38,012,741**	27,348,073

The historical cost of the above investments is £42,208,753 (2018: £39,914,439). The Group has shares in a listed Swedish property company. At year end the closing value of the shares was £25,862,872 (2018: £16,299,147) which represented the market rate at that date.

17 Trade and other receivables

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Amounts falling due greater than one year:				
Trade receivables:	**7,574,652**	-	5,476,524	-
Amounts falling due within one year:				
Trade receivables	**7,084,484**	-	7,371,272	-
Provision for impairment of trade receivables	**(199,600)**	-	(188,439)	-
Trade receivables – net	**14,459,536**	-	12,659,357	-
Other receivables	**8,545,341**	**1,964,437**	10,949,325	1,848,428
Amounts due from related undertakings	**107,087,275**	**68,891,899**	107,903,715	79,124,139
Total financial assets other than cash and cash equivalents classified as loans and receivables	**130,092,152**	**70,856,336**	131,512,397	80,972,567
Taxation and social security	**1,159,661**	-	843,630	-
Corporation tax	**219,618**			
Prepayments and accrued income	-	-	-	-
Total trade and other receivables	**131,471,431**	**70,856,336**	132,356,027	80,972,567

Fair value approximates to book value at 31 December 2019 and 2018 as credit risk has been addressed as part of the impairment provisioning and due to the receivables not being subject to ongoing fluctuations in market rates as a result of their short term nature.

17 Trade and other receivables *(Continued)*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's tenants.

As at 31 December 2019 the lifetime expected loss provision for trade receivables is as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	More than 150 days past due	More than 180 days past due	Total
Expected loss rate (%)	2.5%	26.8%	35.3%	44.8%	55.2%	63.6%	100.0%	
Gross carrying amount* (£)	803,016	8,927	4,940	29,259	2,485	9,267	155,410	1,013,304
Loss provision (£)	19,689	2,389	1,745	13,105	1,372	5,890	155,410	199,600

* Gross carrying amount used in the provision matrix excludes certain balances such as purchase ledger debits.

As at 31 December 2018 the lifetime expected loss provision for trade receivables was as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	More than 150 days past due	More than 180 days past due	Total
Expected loss rate (%)	1.6%	20.8%	29.1%	42.3%	53.8%	62.2%	100.0%	
Gross carrying amount* (£)	1,275,054	86,143	29,149	28,153	18,309	15,315	104,396	1,556,519
Loss provision (£)	20,401	17,918	8,482	11,909	9,850	9,526	104,396	182,482
Specific lifetime credit provision (£)			(7,036)	(164)	7,367	5,790		5,957

17 Trade and other receivables *(Continued)*

* Gross carrying amount used in the provision matrix excludes certain balances such as purchase ledger debits.

At 31 December 2019, £nil trade receivables had lifetime expected credit losses of the full value of the receivables.

18 Loans and borrowings

The book value of loans and borrowings are as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Non-current				
Bank loans – secured	**133,738,494**	196,728,465	-	-
Current				
Bank loans – secured	**78,935,818**	15,214,022	-	-
Total loans and borrowings	**212,674,312**	211,942,487	-	-

The ageing analysis of these loans and borrowings is as follows:

	2019 £	2018 £
Less than one year	**78,935,818**	15,214,022
From one to five years	**128,153,083**	189,376,446
After five years	**5,585,411**	7,352,019
Total loans and borrowings	**212,674,312**	211,942,487

Fair value approximates to book value at 31 December 2019 and 2018 as the interest payments on the majority of the Group's loans and borrowings are linked to LIBOR and therefore any fluctuations in market rates will be reflected in the future cash flows of the loans.

The bank loans are secured by property mortgages and floating charges over the properties of the Group with a mandatory break at the end of the bank loan facilities.

The group had the following loans outstanding as at 31 December 2019: £49,797,484 expiring within five years at a margin of 2.3% plus LIBOR and secured by a fixed charge over property held by Dooba Investments II Limited; £19,465,805 expiring within five years at a margin of £8% plus LIBOR and secured by a fixed charge over property held by Dooba Investments II Limited. £74,111,465 expiring in less than one year at a margin of 1.6% plus LIBOR secured by a fixed charge over property held by Dooba Investments III Limited, Carlyon Bay Limited Partnership and KirkstallForge Investment Property I Limited; £12,383,144 expiring in 10 years at a fixed rate of 2.63% secured by a fixed charge over property held by GMV Twelve limited; £19,540,674 expiring Dec 2023 at a fixed rate of 8% secured against future land receipts of Ampersand Homes Limited expiring Feb 2020 and a £34,401,387 unsecured bond expiring Jan 2022 at a fixed rate margin of 10.5%.

19 Trade and other payables

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Trade payables	**1,283,059**	-	2,773,233	2,914
Other payables	**25,099,590**	**6,096,659**	16,799,438	-
Amounts owed to related undertakings	**17,992,552**	**13,869,766**	48,985,435	30,556,431
Accruals	**6,929,986**	**799**	9,892,109	38,739
Total financial liabilities, excluding loans and borrowings, classified as financial liability measured at amortised cost	**51,305,187**	**19,967,224**	78,450,215	30,598,084
Tax and social security	**1,123,919**	-	418,149	-
Corporation tax	-	-	571	-
Deferred income	**2,868,234**	-	2,397,329	-
Total trade and other payables	**55,297,340**	**19,967,224**	81,266,264	30,598,084

Due to the short term nature of the payables, they are not subject to ongoing fluctuations in market rates, and so the fair value approximates to book value at 31 December 2019 and 2018.

Maturity analysis of the financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost, is as follows (the amounts shown are undiscounted and represent the contractual cash flows):

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Up to 3 months	**51,305,187**	**19,667,224**	78,450,215	30,598,084

Trade payables are interest free and have settlement dates within one year.

20 Derivative financial instruments

At 31 December 2019, the Group uses derivative financial instruments to manage its exposure to interest rate movements on its interest bearing loans and borrowings. The fair value of these instruments is recorded in the statement of financial position and is determined by the issuing banks.

Derivative financial liabilities – Interest rate swaps and caps

	2019 £	2018 £
Fair value at 1 January	**602,700**	1,724,762
Fair value movement	**2,954,293**	(1,122,062)
Fair value at 31 December	**3,556,993**	602,700

20 Derivative financial instruments *(continued)*

Derivative financial assets – Interest rate swaps and caps

	2019 £	2018 £
Fair value at 1 January	**323,874**	-
Fair value movement	**(323,874)**	323,874
Fair value at 31 December	-	323,874

At 31 December 2019, the Group has £119,050,000 of interest rate derivatives in place as detailed below, all of which swap LIBOR for a fixed rate and have a mandatory break at the end of a related bank loan facility:

Interest Rate Swaps	Interest Rate	Maturity
£49,050,000	1.22%	18 October 2027
£70,000,000	1.37%	31 March 2023

21 Provisions

Group	2019 £	2018 £
At 1 January	**1,223,287**	145,924
Charged in year	**2,429,944**	1,223,287
Utilised or settled in year	**(1,223,287)**	(145,924)
At 31 December	**2,429,944**	1,223,287

Provisions comprise the following:

	Group 2019 £	Group 2018 £
Annual promote fee	**2,429,944**	-
Infrastructure provision – trading stock	-	1,223,287
	2,429,944	1,223,287

During the year the Group has provided for the expenditure required to fulfil its contracted sale obligations.

22 Share capital

	2019 £	2018 £
Authorised		
1,220,000 ordinary shares of £0.01 each	**12,200**	12,200
Allotted, called up and fully paid		
545,345 ordinary shares of £0.01 each	**5,453**	5,453

23 Reserves

Reserves	*Description and purpose*
Share premium	Amount subscribed for share capital in excess of nominal value.
Preference shares	Amount subscribed for share capital
Other reserves	Difference between the equity holdings of the company and GMV Holdings Limited at the date that the company acquired this entity through a transaction under common control as well as any capital contributions received from shareholders.
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income.

24 Leases

Operating leases - lessor

The Group earns rental income by leasing its investment and development properties to tenants under non-cancellable operating leases. The properties are let to tenants for a fixed period at a market rate. Standard lease provisions include service charge recovery and rent reviews. On review, rents are increased either by contractual formula or to current market rent (estimated rental value). Typically, single let properties are leased on terms where the tenant is responsible for repairs, insurance and running costs, while multi-let properties are leased on terms which include recovery of share of service charge, expenditure and insurance.

Future minimum lease payments receivable by the Group from such leases were as follows:

	2019 £	2018 £
Minimum rents receivable:		
Within one year	**14,194,184**	14,236,748
From one to five years	**38,272,981**	37,075,293
After five years	**29,912,873**	28,898,801
	82,380,038	80,210,842

24 Leases *(Continued)*

The Group as a lessee

The Group's leases consist of investment properties. Information about leases for which the Group is a lessee is presented below:

Right-of-use assets:

	2019 £	2018 £
At 1 January – recognised on adoption of IFRS16	3,284,447	-
Revaluation	(13,371)	-
At 31 December	3,271,076	-

Lease liabilities included in the balance sheet:

	2019 £	2018 £
Current	-	-
Non-current	(3,271,076)	-
At 31 December	(3,271,076)	-

Lease liabilities included in the income statement:

	2019 £	2018 £
Fair value movement on right of use asset – investment property	13,371	-
Interest on lease liabilities	132,629	-
	146,000	-

25 Related party transactions

Companies forming part of the Dooba Holdings Limited group are considered by the directors to be related parties as these companies have the same ultimate controlling party.

Commercial Estates Group Limited (CEG) is considered to be a related party since the ultimate beneficial owner of Dooba Holdings Limited is also a significant shareholder of CEG.

Transactions with related parties are entered into on a regular basis as a result of normal commercial transactions. During the year the Group incurred property management fees of £2,560,487 (2018: £2,451,240) from CEG which has been recognised in administrative expenses.

At 31 December 2019 CEG owed £15,697,435 (2018 – £14,523,328) to Gerard Versteegh Holdings Limited and CEG was owed £9,156,357 (2018 - £9,156,357) by Ampersand Homes Limited. Interest of £1,147,107 (2018 - £1,084,694) was receivable by the Group from CEG for the year.

25 Related party transactions *(Continued)*

At 31 December 2019 CEG Land Promotions Limited (a subsidiary of CEG Land Promotions I (Holdings) BV) owed £Nil (2018 - £7,663,000) and CEG Land Promotions II Limited (a subsidiary of CEG Land Promotions II Holdings Limited) owed £1,200,000 (2018 - £1,200,000) to Dooba (Gibraltar) Holdings Limited. CEG Land Promotions Limited was owed £8,100 (2018 - £8,100) by Ampersand Homes Limited and CEG Strategic Land (Malta) Limited was owed £1,862,000 (2018 – £1,787,000) by Dooba (Gibraltar) Holdings Limited.

Associates CEG Investments III LLP, ASE II F&F LLP, ASE III F&F LLP and CEG Holdings LLP also owed £4,000,000 (2018: £4,000,000), £21,502,374 (2018: £21,502,374), £Nil (2018: £24,000) and £330,461 (2018: £283,761) respectively to Dooba Properties Limited. Interest of £2,686,587 (2018: £2,523,439) was receivable by the Group in respect of the loan due from CEG Investments III LLP, ASE II F&F LLP and ASE III F&F LLP during the year. No interest was receivable in respect of the other balances.

Other investments included in the consolidated statement of financial position at 31 December 2019 include an investment of £11,000,000 (2018: £11,000,000) in 11,000,000 B ordinary shares of £1 each in the share capital of CEG, which carry no voting rights. No dividends have been received to date.

Included within amounts due from related undertakings in note 17 is £56,029,825 (2018: £51,025,801) due from the Dooba Settlement which owns the shares in Dooba Holdings Limited. This loan is subject to an interest at Barclays base lending rate and interest receivable of £1,913,467 (2018: £1,839,021) was earned on this loan in the year. Also included within other debtors in note 17 are interest free loans totalling £1,949,147 (2018: £1,824,833).

Included within other payables in note 19 is a loan due to the main beneficiary via the Dooba Settlement of £5,947,915 (£2018: £18,582,467). This loan is not subject to income.

Loans were made to the directors of CEG to facilitate the purchase of shares in CEG. The loans were subject to interest at 3% and were £5,795,796 (2018: £3,710,490) at year end.

During the year loans totalling £28,519,836 due to the main beneficiary were converted to 16,122,455 redeemable preference shares of £1 each. These loans were subject to a fixed interest rate of 2.5% and were repayable on demand. The total interest payable by the Group on these loans for the year was £73,818 (2018: £1,268,410). The converted preference shares are redeemable at any time on the election of the holder or the company and carry a cumulative dividend of 2.5%. The balance of the original loan of £12,471,199 has been credited to other reserves on the balance sheet.

26 Cash and cash equivalents

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Cash available on demand	**13,731,712**	**24,327**	10,587,479	27,395

26 Cash and cash equivalents *(Continued)*

Non-cash transactions from financing transactions are shown in the reconciliation of liabilities from financing transactions below:

	Non-current loans and borrowings £ (Note 18)	Current loans and borrowings £ (Note 18)	Interest rate swap liabilities £ (Note 20)	Bank loan Interest accrued £ (Note 19)	Lease liabilities £ (Note 24)	Loan from Investor £ (Note 25)	Loan from associates £ (Note 25)	Total £
At 1 January 2019	196,728,465	15,214,022	278,826	2,752,101	-	28,519,836	1,787,000	245,280,250
Cash flows:								
Drawdown of debt	20,000,000	-	-	-	-	-	75,000	20,075,000
Repayment of debt	-	(19,647,878)	-	-	-	-	-	(19,647,878)
Interest and Finance costs paid	-	-	-	(12,289,647)	-	-	-	(12,289,647)
Headlease obligations paid	-	-	-	-	(146,000)	-	-	(146,000)
Non-cash flows:								
Lease liabilities recognised on adoption of IFRS 16	-	-	-	-	3,284,447	-	-	3,284,447
Revaluation of derivatives	-	-	3,278,167	-	-	-	-	3,278,167
Interest charged through the income statement	-	-	-	11,309,787	132,629	73,818		11,516,234
Amortisation of loan issue costs	1,019,816	-	-	(1,019,816)	-	-	-	-
Loan issue costs accrued	(640,113)	-	-	-	-	-	-	(640,113)
Current portion of loan	(83,369,674)	83,369,674	-	-	-	-	-	-
Preference shares issued	-	-	-	-	-	(16,122,455)	-	(16,122,455)
Capital contribution – waiver of shareholder loan	-	-	-	-	-	(12,471,199)	-	(12,471,199)
At 31 December 2019	133,738,494	78,935,818	3,556,993	752,425	3,271,076	-	1,862,000	222,116,806

26 Cash and cash equivalents *(Continued)*

	Non-current loans and borrowings £ (Note 18)	Current loans and borrowings £ (Note 18)	Interest rate swap liabilities £ (Note 20)	Bank loan Interest accrued £ (Note 19)	Loan from Investor £ (Note 25)	Loan from associates £ (Note 25)	Total £
At 1 January 2018	188,675,854	19,941,472	1,724,762	2,593,493	51,349,038	1,445,000	265,729,619
Cash flows:							
Drawdown of debt	11,274,360	-	-	-	-	342,000	11,616,360
Repayment of debt	-	(8,663,067)	-	-	(5,463,645)	-	(14,126,712)
Interest and Finance costs paid	-	-	-	(10,238,550)	-	-	(10,238,550)
Non-cash flows:							
Revaluation of derivatives	-	-	(1,445,936)	-	-	-	(1,445,936)
Interest charged through the income statement	-	-	-	11,111,026	1,268,410	-	12,379,436
Amortisation of loan issue costs	713,868	-	-	(713,868)	-	-	-
Loan issue costs accrued	-	-	-	-	-	-	-
Current portion of loan	(3,935,617)	3,935,617	-	-	-	-	-
Novation of loan to related party	-	-	-	-	(18,632,967)	-	(18,632,967)
At 31 December 2018	196,728,465	15,214,022	278,826	2,752,101	28,519,836	1,787,000	245,280,250

27 Effects of changes in accounting policies

IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have significant leasing activities acting as a lessor.

Transition Method and Practical Expedients Utilised

The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 January 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed.

27 Effects of changes in accounting policies *(Continued)*

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

(a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
(b) Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;
(c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all head leases that are not considered low value leases.

28 Statutory information

Dooba Holdings Limited is a company incorporated in Cyprus with an established place of business in Malta (registration number OC 387). The registered address of the Maltese Branch is Office 18, Verdala Business Centre, Level 1, LM Complex, Brewery Street, Zone 3, Central Business District, Birkirkara CBD3040, Malta.

The parent and ultimate controlling party as at 31 December 2019 is JTC Company Limited, a trustee of the Dooba Settlement, a life interest trust.

29 Events subsequent to the reporting period

Advanced discussions are underway with Lloyds to refinance the current facility which is due to expire in December 2020. The directors are confident that a new facility will be in place prior to the expiry date.

In response to COVID-19 and limited recourse for landlords to demand rent from tenants, the company agreed with its principal financiers Royal Bank of Scotland and Lloyds 6-month principal repayment holidays and waivers on the debt to service cover covenants.

The Group sold two trading properties for total proceeds of £2.9m.

As further described in note 1.1, subsequent to the balance sheet date, the spread of COVID-19 has impacted on the ability of the Group to collect rental receipts as planned. This has had an adverse impact on the Group's profit generation. The impact, if any, on the valuation of the Group's investment and trading properties cannot be estimated with any certainty at this time.