

**Tremane Limited**  
**Unaudited Financial Statements**  
**31 December 2016**

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COMPANIES HOUSE

**HARRISONS**  
Chartered accountant  
4 Brackley Close  
Bournemouth International Airport  
Christchurch  
Dorset  
BH23 6SE

**Tremane Limited**  
**Financial Statements**  
**Year ended 31 December 2016**

<b>Contents</b>	<b>Page</b>
Director's report	1
Statement of comprehensive income	2
Balance sheet	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6
<b>The following pages do not form part of the financial statements</b>	
Detailed income statement	16
Notes to the detailed income statement	17

# **Tremane Limited**

## **Director's Report**

**Year ended 31 December 2016**

The director presents her report and the unaudited financial statements of the company for the year ended 31 December 2016.

### **Principal activities**

The principal activity of the company during the year has been that of holding 100% of the issued share capital of two Polish companies both of which invest in real estate in Poland, concentrating mainly on land for future residential development.

### **Director**

The director of the company who was in office during the year and up to the date of signing the financial statements was:

B Badynska

### **Small company provisions**

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board of directors on 7 July 2017 and signed on behalf of the board by:

B Badynska  
Director



Registered office:  
4 Brackley Close  
Bournemouth International Airport  
Christchurch  
Dorset  
BH23 6SE

**Tremane Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2016**

	Note	2016 €	2015 €
Administrative expenses		19,409	1,930
Impairment losses of fixed asset investments	9	<u>262,748</u>	<u>(6,021)</u>
<b>Operating (loss)/profit</b>	4	<b>(282,157)</b>	<b>4,091</b>
Other interest receivable and similar income	8	56,597	56,693
Interest payable and similar expenses	10	<u>70,734</u>	<u>66,140</u>
<b>Loss before taxation</b>		<b>(296,294)</b>	<b>(5,356)</b>
Tax on loss	11	<u>—</u>	<u>—</u>
<b>Loss for the financial year and total comprehensive income</b>		<b><u>(296,294)</u></b>	<b><u>(5,356)</u></b>

All the activities of the company are from continuing operations.

The notes on pages 6 to 14 form part of these financial statements.

# Tremane Limited

## Balance Sheet

31 December 2016

	Note	2016 €	2015 €
<b>Fixed assets</b>			
Investments	12	2,782,852	3,026,138
<b>Creditors: amounts falling due within one year</b>	13	36,239	41,777
<b>Net current liabilities</b>		36,239	41,777
<b>Total assets less current liabilities</b>		2,746,613	2,984,361
<b>Creditors: amounts falling due after more than one year</b>	14	1,117,545	1,058,999
<b>Net assets</b>		1,629,068	1,925,362
<b>Capital and reserves</b>			
Share capital	16	5,122,600	5,122,600
Profit & loss account	17	(3,493,532)	(3,197,238)
<b>Total equity</b>		1,629,068	1,925,362

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 7 July 2017, and are signed on behalf of the board by:

B Badynska  
Director



Company registration number: 07092495

The notes on pages 6 to 14 form part of these financial statements.

**Tremane Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2016**

	Share capital €	Profit & loss account €	Total €
<b>At 1 January 2015</b>	5,122,600	(3,191,882)	1,930,718
Loss for the year	<u>                    </u>	<u>(5,356)</u>	<u>(5,356)</u>
<b>Total comprehensive income for the year</b>	–	(5,356)	(5,356)
<b>At 31 December 2015 and 1 January 2016</b>	5,122,600	(3,197,238)	<b>1,925,362</b>
Loss for the year	<u>                    </u>	<u>(296,294)</u>	<u>(296,294)</u>
<b>Total comprehensive income for the year</b>	–	(296,294)	(296,294)
<b>At 31 December 2016</b>	<u>5,122,600</u>	<u>(3,493,532)</u>	<u><b>1,629,068</b></u>

The notes on pages 6 to 14 form part of these financial statements.

**Tremane Limited**  
**Statement of Cash Flows**  
**Year ended 31 December 2016**

	2016 €	2015 €
<b>Cash flows from operating activities</b>		
Loss for the financial year	(296,294)	(5,356)
<i>Adjustments for:</i>		
Foreign exchange loss/gain on fixed asset investments	23,672	(115)
Impairment losses of fixed asset investments	262,748	(6,021)
Other interest receivable and similar income	(56,597)	(56,693)
Interest payable and similar expenses	70,734	66,140
Accrued (income)/expenses	(4,641)	576
<i>Changes in:</i>		
Trade and other creditors	(897)	1,469
Cash generated from operations	(1,275)	–
Interest paid	(12,188)	–
Net cash used in operating activities	<u>(13,463)</u>	<u>–</u>
<b>Cash flows from investing activities</b>		
Cash advances and loans granted	–	(300,000)
Cash receipts from the repayment of advances and loans	13,463	–
Net cash from/(used in) investing activities	<u>13,463</u>	<u>(300,000)</u>
<b>Cash flows from financing activities</b>		
Loans received from group undertakings	–	300,000
Net cash from financing activities	<u>–</u>	<u>300,000</u>
<b>Net decrease in cash and cash equivalents</b>	–	–
<b>Cash and cash equivalents at beginning of year</b>	–	–
<b>Cash and cash equivalents at end of year</b>	<u>–</u>	<u>–</u>

The notes on pages 6 to 14 form part of these financial statements.

**Tremane Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2016**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4 Brackley Close, Bournemouth International Airport, Christchurch, Dorset, BH23 6SE.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial statements are prepared in euro, which is the functional currency of the entity.

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

**Going concern**

As at 31 December 2016 there were net current liabilities of €36,239 (2015: €41,777) all of which relates to creditors falling due within one year. All of the creditors falling due within one year relate to amounts owing to related parties. The related parties have confirmed that they have no plans to take any legal action to recover the amounts due to them, that they will continue to provide management services to the company and to fund other administrative overheads of the company on the basis that they are fully aware of the activities of the subsidiary companies in Poland and are confident that the sales proceeds eventually generated from the sale of the real estate owned by these companies will be sufficient to cover the debt owed.

The additional finance of €300,000 secured from Angloconsult SA during the previous year has enabled the company to in turn lend this amount to its subsidiary companies in Poland which has provided them with the necessary working capital to be able to progress the development of real estate and to begin to generate revenue there from.

The director is confident that the terms of the promissory note, referred to in note 14, due to the immediate parent company will be extended until such time as the company is in a position to make repayment, based upon ongoing discussions with the board of directors thereof who have a detailed knowledge and involvement with the development of the real estate in Poland. Accordingly the financial statements are prepared on a going concern basis.

**Consolidation**

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Tremane Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2016**

**3. Accounting policies** *(continued)*

**Critical accounting judgements and key sources of estimation uncertainty** *(continued)*

The judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are the balance sheet carrying value of the investments in group undertakings and the provision for impairment losses relating thereto, together with the assumption that the company continues to be a going concern.

The estimate of the balance sheet carrying value of the investments in group undertakings is based upon a detailed review of the latest available financial statements of the subsidiary undertakings and upon any information available to the director which may lead her to believe that the net assets of the subsidiary undertakings will realise less than their balance sheet carrying value within those financial statements. The director has been closely involved with both subsidiary undertakings throughout the period since their formation and has a detailed knowledge of the financial positions of those companies and is fully appraised of any risks with regard thereto. If, however, the net assets were to realise less than this estimate this could potentially generate a material loss on disposal depending on the circumstances of any future sales.

The going concern accounting policy note within these financial statements sets out the rationale in concluding that the company continues to be a going concern. Should the assumptions made by the director in reaching this conclusion be proven by future events to be inaccurate this could have a fundamental impact upon the company's ability to continue to trade as a going concern.

**Taxation**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, to the extent that the director believes such an amount to be material, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

**Foreign currency**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit (or loss).

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

**Investments**

Investments in subsidiary companies are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

**Tremane Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2016**

**3. Accounting policies** *(continued)*

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**Financial instruments**

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

**(a) Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price.

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

**(b) Financial liabilities**

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account.

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

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

**4. Operating (loss)/profit**

Operating profit or loss is stated after charging:

	2016	2015
	€	€
Foreign exchange differences	<u>20,000</u>	<u>1,354</u>

**Tremane Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2016**

**5. Auditor's remuneration**

	2016 €	2015 €
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	(91)	64
Other non-audit services	<u>(500)</u>	<u>512</u>
	<u>(591)</u>	<u>576</u>

**6. Director's remuneration**

The director did not receive any emoluments in respect of her services to the company during the year (2015: £nil). She is remunerated by other group companies and her services to this company are incidental to her wider overall role. As such there is no specific recharge to the company.

**7. Staff costs**

The average number of employees, including directors, during the year was as follows:

	2016	2015
Executive directors	1	1

**8. Other interest receivable and similar income**

	2016 €	2015 €
Interest from group undertakings	<u>56,597</u>	<u>56,693</u>

**9. Impairment losses of fixed asset investments**

	2016 €	2015 €
Impairment loss of fixed asset investments	<u>262,748</u>	<u>(6,021)</u>

**10. Interest payable and similar expenses**

	2016 €	2015 €
Interest payable to group companies	58,546	54,353
Other interest payable and similar charges	<u>12,188</u>	<u>11,787</u>
	<u>70,734</u>	<u>66,140</u>

**Tremane Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2016**

**11. Tax on loss**

**Reconciliation of tax income**

The tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016	2015
	€	€
Loss on ordinary activities before taxation	<u>(296,294)</u>	<u>(5,356)</u>
Loss on ordinary activities by rate of tax	<u>(59,259)</u>	<u>(1,085)</u>
Unutilised tax losses carried forward	6,709	2,304
Impairment of fixed asset investments	<u>52,550</u>	<u>(1,219)</u>
Tax on loss	<u>—</u>	<u>—</u>

**Factors that may affect future tax income**

The company has various tax losses and unutilised management expenses carried forward at the year end which may be available for utilisation against future taxable profits. The losses will be utilised at the rate of corporation tax prevailing at the time.

The standard rate of corporation tax reduced from 21% to 20% with effect from 1 April 2015 and legislation enacted reduces the main rate of corporation tax from 20% to 19% with effect from 01 April 2017 and to 17% with effect from 01 April 2020.

	2016	2015
	€	€
Unused management expenses	9,675	10,266
Non-trading loan relationship losses	72,039	37,902

**12. Investments**

	Shares in group undertakings €	Loans to group undertakings €	Total €
<b>Cost</b>			
At 1 January 2016	4,985,490	1,183,407	<b>6,168,897</b>
Repayment in year	—	(13,463)	<b>(13,463)</b>
Foreign exchange movement	—	(23,672)	<b>(23,672)</b>
Interest charged	—	56,597	<b>56,597</b>
<b>At 31 December 2016</b>	<u>4,985,490</u>	<u>1,202,869</u>	<u><b>6,188,359</b></u>
<b>Impairment</b>			
At 1 January 2016	3,142,759	—	<b>3,142,759</b>
Impairment losses	262,748	—	<b>262,748</b>
<b>At 31 December 2016</b>	<u>3,405,507</u>	<u>—</u>	<u><b>3,405,507</b></u>
<b>Carrying amount</b>			
<b>At 31 December 2016</b>	<u>1,579,983</u>	<u>1,202,869</u>	<u><b>2,782,852</b></u>
At 31 December 2015	<u>1,842,731</u>	<u>1,183,407</u>	<u><b>3,026,138</b></u>

**Tremane Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2016**

**12. Investments** *(continued)*

Fixed asset investments comprise equity shares and long term loans, which have been treated as equity instruments, in First Sp z o.o. and Magam Polska Sp z o.o. neither of which is publically traded.

The company owns 100% of the issued share capital of First Sp z o.o. and Magam Polska Sp z o.o. both of which are companies registered in Poland with a principal activity of investment in real estate concentrating mainly in land for residential development.

	2016 €	2015 €
Aggregate capital and reserves:		
First Sp z o.o.	849,410	942,946
Magam Polska Sp z o.o.	1,009,638	1,177,237
(Loss)/Profit for the year:		
First Sp z o.o.	(58,900)	(59,721)
Magam Polska Sp z o.o.	(124,358)	37,842

The loans to both First Sp z o.o. and Magam Polska Sp z o.o. are unsecured. They are due for repayment on 31 December 2018. Interest is payable at 7.5% per annum.

Under the provision of section 398 of the Companies Act 2016 the company is exempt from preparing consolidated financial statements and has not done so, therefore the financial statements show information about the company as an individual entity.

**13. Creditors: amounts falling due within one year**

	2016 €	2015 €
Accruals and deferred income	11,787	16,428
Other creditors	24,452	25,349
	<u>36,239</u>	<u>41,777</u>

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

	2016 €	2015 €
Amounts owed to group undertakings	817,545	758,999
Other loans	300,000	300,000
	<u>1,117,545</u>	<u>1,058,999</u>

**Tremane Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2016**

**14. Creditors: amounts falling due after more than one year** *(continued)*

The amount owing to group companies represents principal of €500,000 in respect of a senior secured convertible promissory note from Talisman Capital European Real Estate Fund Limited, the immediate parent company of Tremane Limited, together with accrued interest thereon as at 31 December 2016.

This is part of a master financing agreement between the two parties with an aggregate commitment amount of €1,000,000.

The promissory note was payable in full together with unpaid interest thereon on 31 December 2014, unless it was renewed as per the terms and conditions to be agreed upon by the parties. Although no formal agreement has been reached with Talisman Capital European Estate Fund Limited to extend the repayment terms beyond 31 December 2014 the director is confident that repayment of the sums due under this promissory note will not be demanded in the foreseeable future or until some or all of the underlying investments of the company are realised and accordingly continues to show these sums as falling due after more than one year. The board of directors of Talisman Capital European Estate Fund Limited was reconstituted during the year ended 31 December 2014. The managing director of the board is able to exercise significant control over all of the related parties of Tremane Limited and is also managing director of both Polish subsidiary companies. There have been no further changes to the board of directors of Talisman Capital European Estate Fund Limited since this reconstruction.

The Lender may convert the principal of this note wholly or in part into fully paid ordinary shares of the Borrower at any time prior to its repayment date. The conversion price per share, which is to be a fair value thereof is to be determined as follows:

First, the fair value is equal to the per share price at which the most recent sale of ordinary shares in the aggregate of at least €200,000 has taken place within the twelve month period preceding the date of determination; and second, if no such sale has occurred, fair value is equal to the determination established by mutual agreement between the Lender and the Borrower; and third, if no such sale has occurred and the parties are unable to agree as to fair value within fourteen days of Lender's written notice to Borrower of its intent to convert this note, the fair value shall be determined by any firm of independent qualified stock appraisers of recognised standing selected by the board of Directors of the Borrower as of the last day of any month ending within 60 days preceding the date as of which the determination is to be made (the "Conversion Price").

Interest is payable at the rate of 6% net of taxes, equating to a gross rate of 7.5%.

The agreement states that the note is secured upon a full assignment of or perfected first lien on, security interest in and right of set-off against any and all right, title, and interest in and to any and all property and interest in property of the Borrower acquired through this facility and proceeds thereof.

The other loan above relates to monies owed to Angloconsult SA. Angloconsult SA has invested a sum of €300,000 in the form of a bond at an annual fixed rate of interest of 3.25% net of withholding tax. The interest is payable annually but the capital is not repayable until 13 January 2018 being three years after the anniversary date of the drawdown of the capital by Tremane Limited. The bond is unsecured

**Tremane Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2016**

**15. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

	2016	2015
	€	€
<b>Financial liabilities measured at amortised cost</b>		
Loans from group undertakings	817,545	758,999
Other loans	300,000	300,000
Other creditors	24,452	25,349
	<u>1,141,997</u>	<u>1,084,348</u>

**16. Share capital**

**Issued, called up and fully paid**

	2016		2015	
	No.	€	No.	€
Ordinary shares of €1 each	<u>5,122,600</u>	<u>5,122,600</u>	<u>5,122,600</u>	<u>5,122,600</u>

**17. Reserves**

Profit and loss account - This is a distributable reserve and represents cumulative profits and losses net of dividends.

**18. Related party transactions**

Information about related party transactions and outstanding balances is outlined below:

**Other related parties:** - by virtue of common directorships at immediate parent company level

	2016	2015
	€	€
Overheads and taxation paid on behalf of the company	(897)	1,469
Amounts owed by the company at 31 December	24,452	25,349
Monies received on behalf of the company during the year	13,463	300,000
Monies discharged on behalf of the company during the year	13,463	300,000
Loan, in the form of a bond, received during the year	-	300,000
Loan interest payable for the year	12,188	11,787
Loan owing at 31 December	300,000	300,000
Loan interest owing at 31 December	11,787	11,787

All amounts above owing by the company are unsecured.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

# **Tremane Limited**

## **Notes to the Financial Statements** *(continued)*

### **Year ended 31 December 2016**

#### **19. Controlling party**

Talisman Capital European Real Estate Fund Limited, a company registered in the British Virgin Islands, which took over the subscriber share on 1 December 2009, is regarded by the director to be the immediate parent company of Tremane Limited.

As at the balance sheet date the entire share capital of Talisman Capital European Real Estate Fund Limited was held by UBS Switzerland AG with the shares having been transferred during the previous year from Clearstream Global Securities Limited and Bank Julius Baer & Co Ltd. The director understands that the shares are held in a nominee capacity, which forms part of the normal regulated business activities of these financial institutions. There is no single party which has ultimate overall control.