

Company Number: 05035199

PMF-2, LTD

ANNUAL REPORT

31 DECEMBER 2017

THURSDAY



L7B102VN

LD2

26/07/2018

#115

COMPANIES HOUSE

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2017. A strategic report has not been prepared as the company is entitled to the small companies exemption under section 414B of the Companies Act 2006.

1. Principal activities

PMF-2, Ltd ('the company') provided financing, through a funded participation agreement, to a group undertaking that held a portfolio of non-performing loan receivables collateralized against investment properties. Upon foreclosure the properties are included in the balance sheet of the group undertaking. The funded participation agreements have been terminated during 2017. The directors of the company are reviewing new opportunities in the forthcoming year.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. ('Group Inc.'). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System ('Federal Reserve Board'). In relation to the company, 'group undertaking' means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries, form 'GS Group'. GS Group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

The company primarily operates in a Euro environment. Accordingly, the company's functional currency is the Euro and these financial statements have been prepared in that currency.

2. Financial overview

The financial statements have been drawn up for the year ended 31 December 2017. Comparative information has been presented for the year ended 31 December 2016.

The results for the year are shown in the profit and loss account on page 6. Profit before taxation was €nil (31 December 2016: Profit before taxation of €444,776). The company has net assets of €0.2 million (31 December 2016: net liabilities of €0.1 million).

In January 2017, the company terminated its funded participation agreements with PMF-1 Ltd and PMF-2 (BES 1) Ltd at nil gain / (loss) (see note 10).

In April 2017, the company issued 300,000 ordinary shares of €1 each for a total consideration of €300,000.

3. Future outlook

The directors consider that the year end financial position of the company was satisfactory and will continue to review new opportunities for the future.

4. Principal risks and uncertainties

The directors consider that the most important component of the company's financial risk is credit risk. The company, as part of a global group, adheres to global risk management policies and procedures. The company's risk management objectives and policies are described in note 15 of the financial statements.

5. Dividends

The directors do not recommend the payment of a dividend in respect of the year (31 December 2016: €nil).

6. Exchange rate

The British pound / Euro exchange rate at the balance sheet date was £ / € 1.12 (31 December 2016: £ / € 1.17). The average rate for the year was £ / € 1.13 (31 December 2016: £ / € 1.18).

DIRECTORS' REPORT (continued)

7. Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

8. Independent auditors

Prior to 1 October 2007, the company passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the company pursuant to section 487(2) of the Companies Act 2006 and paragraph 44 of schedule 3 to the Companies Act 2006 (Commencement No. 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007.

9. Directors

The directors of the company who served throughout the year and to the date of this report, except where noted, were:

Name	Appointed	Resigned
J. A. Wiltshire		
M. Holmes		22 November 2017
V. Chima	22 November 2017	

No director had, at the year end, any interest requiring note herein.

10. Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (continued)

11. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 4 July 2018.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'Jim Wiltshire', written in a cursive style.

Director

Jim Wiltshire

Report on the audit of the financial statements

Our opinion

In our opinion, PMF-2, Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2017; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 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; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Ian Ross (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 July 2018

PMF-2, LTD

PROFIT AND LOSS ACCOUNT **for the year ended 31 December 2017**

		Year Ended 31 December 2017	Year Ended 31 December 2016
	Note	EUR	EUR
Administrative income	5	-	471,388
Interest payable and similar expenses	6	-	(26,612)
PROFIT BEFORE TAXATION		-	444,776
Tax on profit	9	-	23,707
PROFIT FOR THE FINANCIAL YEAR		-	468,483

The profits of the company are derived from continuing operations in the prior year.

The company has no recognised gains and losses other than those included in the profit and loss account for the years shown above, and therefore no separate statement of comprehensive income has been presented.

The accompanying notes are an integral part of these financial statements.

PMF-2, LTD

BALANCE SHEET

as at 31 December 2017

	Note	31 December 2017 EUR	31 December 2016 EUR
CURRENT ASSETS			
Investments	10	-	-
Debtors	11	168,714	130,057
Cash at bank and in hand		-	180,242
		168,714	310,299
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	-	(441,585)
NET CURRENT ASSETS / (LIABILITIES)		168,714	(131,286)
NET ASSETS / (LIABILITIES)		168,714	(131,286)
CAPITAL AND RESERVES			
Called up share capital	13	54,089,305	53,789,305
Profit and loss account		(53,920,591)	(53,920,591)
TOTAL SHAREHOLDER'S SURPLUS / (DEFICIT)		168,714	(131,286)

The financial statements were approved by the Board of Directors on 4 July 2018 and signed on its behalf by:



Director

Jim Wiltshire

The accompanying notes are an integral part of these financial statements.
Company number: 05035199

PMF-2, LTD

Statement of Changes in Equity
For the Year Ended 31 December 2017

		Called up share capital	Profit and Loss Account	Total Shareholder's Surplus / (Deficit)
	Note	EUR	EUR	EUR
Balance at 1 January 2016		51,289,305	(54,389,074)	(3,099,769)
Proceeds from shares issued	13	2,500,000	-	2,500,000
Profit for the financial year		-	468,483	468,483
Balance at 31 December 2016		53,789,305	(53,920,591)	(131,286)
Proceeds from shares issued	13	300,000	-	300,000
Balance at 31 December 2017		<u>54,089,305</u>	<u>(53,920,591)</u>	<u>168,714</u>

No dividends were paid in 2017 and 2016.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. GENERAL INFORMATION

The company is a limited liability company and is incorporated and domiciled in England and Wales. The address of its registered office is Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

The immediate parent undertaking is ELQ Investors, LTD, a company incorporated and domiciled in England and Wales.

The ultimate parent undertaking and the parent company of the smallest and largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, or at www.goldmansachs.com/shareholders/.

2. ACCOUNTING POLICIES

a. Basis of presentation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The following exemptions from disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

- (i) IFRS 2 'Share-based Payment' paragraph 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc
- (ii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv);
- (iii) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;
- (iv) IAS 7 'Statement of Cash Flows'
- (v) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (vi) IAS 24 'Related Party Disclosures' paragraph 17; and
- (vii) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

b. Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholder. Interim equity dividends are recognised and deducted from equity when paid.

c. Foreign currencies

The company's financial statements are presented in Euro, which is also the company's functional currency.

Transactions denominated in foreign currencies are translated into Euros at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in profit before taxation.

d. Cash at bank and in hand

Cash at bank and in hand is highly liquid overnight deposits held in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

2. ACCOUNTING POLICIES (continued)

e. Financial Assets and Financial Liabilities

(i) Recognition and Derecognition

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset. A financial liability is derecognised only when it is extinguished (i.e. when the obligation specified in the contract is discharged or cancelled or expires).

(ii) Classification and Measurement

Financial assets comprise all of the company's current assets and financial liabilities comprise all of the company's creditors.

The company classifies its financial assets and financial liabilities into the below categories. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

- **Financial assets designated at fair value through profit or loss**

Financial assets designated at fair value through profit or loss comprise funded participation investments. These investments are designated at fair value as they are managed and their performance is evaluated on a fair value basis. Financial assets designated at fair value through profit or loss are initially recognised at fair value with transaction costs expensed in profit or loss. They are measured in the balance sheet at fair value and all subsequent gains or losses are recognised in the profit and loss account.

- **Loans and receivables and financial liabilities measured at amortised cost**

Loans and receivables and financial liabilities measured at amortised cost are initially recognised at fair value and are subsequently remeasured at amortised cost, with finance income and expense recognised on an accruals basis. All finance income and expense is recognised in the profit and loss account.

(iii) Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is:

- currently a legally enforceable right to set off the recognised amounts; and
- intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where these conditions are not met, other financial assets and financial liabilities are presented on a gross basis on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

2. ACCOUNTING POLICIES (continued)

f. Current and deferred tax

The tax expense comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary differences that have originated, but not reversed at the balance sheet date, where transactions or events have occurred by that date that will result in an obligation to pay more tax or a right to pay less tax in the future with the following exceptions:

- (i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying temporary differences can be deducted.
- (ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. In the opinion of management, there were no judgements made that had a significant effect on amounts recognised in the financial statements.

4. SEGMENTAL REPORTING

The directors manage the company's activities as a single business in the same geographic region and accordingly no segmental analysis has been provided.

5. ADMINISTRATIVE INCOME

	Year Ended 31 December 2017 EUR	Year Ended 31 December 2016 EUR
Reversal of provision for payment to group undertaking	-	(563,309)
Auditors' remuneration - audit services	-	4,167
Other expenses	-	87,754
	-	(471,388)

Reversal of provision for payment to group undertaking in the prior year represents reversal of provision under the funded participation agreement.

The auditors' remuneration for the current year of £5,000 (€5,665) has been borne by a group undertaking.

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year Ended 31 December 2017	Year Ended 31 December 2016
	EUR	EUR
Interest expense on loan due to group undertaking	-	23,677
Interest expense on money market investments	-	2,935
	-	26,612

7. STAFF COSTS

As in the prior year, the company has no employees. All persons involved in the company's operations are employed by group undertakings and no costs are borne by the company.

8. DIRECTORS' EMOLUMENTS

	Year Ended 31 December 2017	Year Ended 31 December 2016
	EUR	EUR
Directors:		
Aggregate emoluments	537	611
Company pension contributions to money purchase schemes	17	17
	554	628

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. This total only includes the value of cash and benefits in kind, and does not include the value of equity awards in accordance with the provisions of schedule 5 of Statutory Instrument 2008/410. Directors also receive emoluments for non qualifying services which are not required to be disclosed. The directors' emoluments were borne by group undertakings in the current and prior periods.

All the directors are members of a defined contribution pension plan, and all the directors are members of a defined benefit pension plan. All the directors have been granted Group Inc. shares in respect of long-term incentive schemes during the year. No directors have exercised options during the year.

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

9. TAX ON PROFIT

a. Analysis of tax credit for the year:

	Year Ended 31 December 2017 EUR	Year Ended 31 December 2016 EUR
Current tax:		
UK corporation tax at 19.25% (2016: 20%)	-	(23,707)
Total tax	-	(23,707)

The table below presents a reconciliation between tax on profit and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the year of 19.25% (31 December 2016: 20.00%) to the profit before taxation.

	Year Ended 31 December 2017 EUR	Year Ended 31 December 2016 EUR
Profit before taxation	-	444,776
Profit multiplied by the weighted average rate in the U.K. of 19.25% (2016: 20.00%)	-	88,955
Permanent differences	-	(112,662)
Total tax on profit	-	(23,707)

A potential deferred tax asset of €2,730,060 (31 December 2016: €2,873,747) has not been recognised in the financial statements as there is uncertainty whether the company will generate suitable taxable profits in the future against which the deferred tax asset can be recovered.

10. INVESTMENTS

	31 December 2017 EUR	31 December 2016 EUR
Investments under funded participation agreements	-	-

In the prior year, funded participation agreements were entered into with PMF-1, Ltd and PMF-2 (BES I) Ltd, fellow group undertakings. The funding was used by PMF-1, Ltd to purchase a portfolio of non-performing loan receivables. Through participating in this agreement, the company was committed and provided funds for operating expenditure in accordance with PMF-1, Ltd's requirements. The funded participation agreements were carried at fair value and given the underlying performance of PMF-1, Ltd had been written down fully in the prior years.

In January 2017, the funded participation agreements was terminated at nil gain/(loss) and the company was released from all its commitments under the agreements.

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

11. DEBTORS

	31 December 2017	31 December 2016
	EUR	EUR
Amounts due from group undertakings	168,714	-
Group relief receivable	-	130,057
	<u>168,714</u>	<u>130,057</u>

Amounts due from group undertakings includes €168,714 (31 December 2016: €nil) in cash balances held on account by a fellow group undertaking.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2017	31 December 2016
	EUR	EUR
Other payable to group undertakings	-	425,470
Other creditors and accruals	-	16,115
	<u>-</u>	<u>441,585</u>

13. CALLED UP SHARE CAPITAL

At 31 December 2017 and 31 December 2016 share capital comprised:

	31 December 2017		31 December 2016	
	Number	EUR	Number	EUR
<u>Allotted, called up and fully paid</u>				
Ordinary shares of US \$1 each	1	1	1	1
Ordinary shares of €1 each	54,089,304	<u>54,089,304</u>	53,789,304	<u>53,789,304</u>
		<u>54,089,305</u>		<u>53,789,305</u>

Share capital issued is translated at the historic rates prevailing on the date of issuance.

On April 2017, the company issued 300,000 ordinary shares of €1 each for a total consideration of €300,000.

14. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at year end (31 December 2016: €nil).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

15. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base (see note 13) compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

The company is not subject to any externally imposed capital requirements. The directors consider that the most important component of the company's financial risk is credit risk. The company, as part of a global group, adheres to global risk management policies and procedures.

Credit risk

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the financial assets are secured. The company's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 31 December 2017 and 31 December 2016.

16. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Fair value of financial assets and financial liabilities not measured at fair value

The company has €168,714 (31 December 2016: €310,298) of current financial assets and €nil (31 December 2016: €441,584) of current financial liabilities that are not measured at fair value. Given the short-term nature of these instruments, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

b. Maturity of financial liabilities

In the prior year, all financial liabilities are due within 12 months of the balance sheet date.