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Frenchgate Interchange Limited

Annual report and consolidated financial statements

Year ended 31 December 2016

Registered No: UK 05867230

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Frenchgate Interchange Limited

Directors' report and financial statements

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Frenchgate Interchange Limited

Directors and other information

Directors	Kevin Drayne (Resigned 15 August 2016) Padraig Drayne Patrick McKillen Shane McCrory
Registered office	c/o DMMS Ltd 3rd Floor 26/28 Great Portland Street London W1W 8QT
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Bankers	Barclays Bank plc Doneygal House Doneygal Square North Belfast BT1 5GB Barclays Bank plc 5 High Road Willesden Green London NW10 2TE Col Reo Victoria B S.a r.l 2-3 Avenue Marie-Terese L-2132 Luxembourg
Registered number	UK 05867230

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Frenchgate Interchange Limited

Strategic report

Principal activities

The principal activities of the business are the letting of investment property.

Review of business

The business continues to manage the investment property which includes challenged retail, office and industrial assets.

These risks are managed by the board by maintaining the property in good repair and intensive asset management.

Key performance indicators

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators.

Key performance indicators used by management include assessment of rents, monitoring occupancy rates, lease expires, renewals, arrears and mitigation of vacancy costs.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the group are events which could lead to a fall in demand for the shopping centre that the group own. Such events would include but are not limited to economic downturns and increased competition.

On behalf of the board

Shane McCrory
Director

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Frenchgate Interchange Limited

Directors' report

The directors present their annual report and the audited consolidated financial statements of the company and its subsidiaries for the year ended 31 December 2016.

Results and dividends

The loss for the year after taxation amounted to £7,208,480 *(2015: £365,211)*. The loss is after impairment of investment property of £7,200,000 *(2015: £Nil)*.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office at 31 December 2016 were:

Padraig Drayne
Patrick McKillen
Shane McCrory

During the year Kevin Drayne retired as a director.

Political contributions

There were no political contributions in the year.

Disclosure of information to auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board

Shane McCrory
Director

21 AUGUST 2017

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Frenchgate Interchange Limited

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the group and parent company financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group and company for that year. In preparing each of the group and parent company 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board

Shane McCrory
Director

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Frenchgate Interchange Limited

We have audited the financial statements of Frenchgate Interchange Limited and subsidiaries for the year ended 31 December 2016 set out on pages 7 to 26 which comprise the consolidated profit and loss account and other comprehensive income, the consolidated and company balance sheet, the consolidated and company statement of changes in equity, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.. Our audit was conducted in accordance with International Standards on Auditing (ISA's) (UK & Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and company as at 31 December 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK & Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the above responsibilities.

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Independent auditor's report to the members of Frenchgate Interchange Limited
(continued)

Basis of our report, responsibilities and restrictions on use

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK & Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

C Byrne *(Senior Statutory Auditor)*
for and on behalf of
KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

21 August 2017

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Frenchgate Interchange Limited

Consolidated profit and loss account and other comprehensive income
for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	2	**18,999,584**	19,451,468
Administration		**(9,569,765)**	(10,351,595)
Operating profit	5	**9,429,819**	9,099,873
Interest receivable	3	**48,800**	49,040
Interest payable	4	**(9,487,099)**	(9,514,124)
Loss before exceptional items		**(8,480)**	(365,211)
Exceptional items			
Provision for impairment of investment property	8	**(7,200,000)**	-
Loss on ordinary activities before taxation		**(7,208,480)**	(365,211)
Tax on loss on ordinary activities	7	**-**	-
Loss for the year		**(7,208,480)**	(365,211)

The parent and group had no items of comprehensive income in the financial year or the preceding financial year other than those dealt with in the profit and loss account and no statement of other comprehensive income has therefore been presented.

Frenchgate Interchange Limited

Consolidated balance sheet
as at 31 December 2016
Company registered number: 05867230

	Note	2016 £	2015 £
Fixed assets			
Investment property	8	**155,300,000**	162,500,000
Financial assets	9	**244,401**	244,401
		155,544,401	162,744,401
Current assets			
Debtors	10	**7,570,027**	7,118,261
Cash at bank and in hand	11	**3,135,999**	1,275,137
		10,706,026	8,393,398
Creditors: amounts falling due within one year	12	**(7,085,659)**	(5,891,255)
Net current assets		**3,620,367**	2,502,143
Total assets less current liabilities		**159,164,768**	165,246,544
Creditors: amounts falling due after more than one year	13	**(165,450,683)**	(164,323,979)
Net (liabilities)/assets		**(6,285,915)**	922,565
Capital and reserves			
Called up share capital	16	**200**	200
Share premium		**75,000,000**	75,000,000
Capital contribution		**2,690,842**	2,690,842
Revenue reserves		**(83,976,957)**	(76,768,477)
Shareholders' (deficit)/surplus		**(6,285,915)**	922,565

On behalf of the board

Shane McCrory
Director

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Frenchgate Interchange Limited

Company balance sheet
as at 31 December 2016
Company registered number: 05867230

	Note	2016 £	2015 £
Fixed assets			
Financial assets	9	**244,406**	244,406
Current assets			
Debtors	10	**70,171,597**	70,301,358
Cash at bank and in hand	11	**1,558,857**	273,006
		71,730,454	70,574,364
Creditors: amounts falling due within one year	12	**(2,405,944)**	(1,118,548)
Net current assets		**69,324,510**	69,455,816
Total assets less current liabilities		**69,568,916**	69,700,222
Creditors: amounts falling due after more than one year	13	**(67,009,777)**	(66,651,715)
Net assets		**2,559,139**	3,048,507
Capital and reserves			
Called up share capital	16	**200**	200
Share premium		**75,000,000**	75,000,000
Capital contribution		**2,690,842**	2,690,842
Profit and loss account		**(75,131,903)**	(74,642,535)
Shareholders' funds		**2,559,139**	3,048,507

On behalf of the board

Shane McCrory
Director

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Frenchgate Interchange Limited

Consolidated statement of changes in equity
for the year ended 31 December 2016

	Share capital £	Share premium £	Capital contribution £	Profit and loss account £	Total equity £
Balance at 1 January 2015	**200**	**75,000,000**	**2,690,842**	**(76,403,266)**	**1,287,776**
Total comprehensive income for the year					
Loss for year	-	-	-	(365,211)	(365,211)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(365,211)**	**(365,211)**
Balance at 31 December 2015	**200**	**75,000,000**	**2,690,842**	**(76,768,477)**	**922,565**
Total comprehensive income for the year					
Loss for year	-	-	-	(7,208,480)	(7,208,480)
Other comprehensive income					
Total comprehensive income for the year	**-**	**-**	**-**	**(7,208,480)**	**(7,208,480)**
Balance at 31 December 2016	**200**	**75,000,000**	**2,690,842**	**(83,976,957)**	**(6,285,915)**

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Frenchgate Interchange Limited

Company statement of changes in equity
for the year ended 31 December 2016

	Share capital £	Share premium £	Capital contribution £	Profit and loss account £	Total £
Balance at 1 January 2015	**200**	**75,000,000**	**2,690,842**	**(74,153,167)**	**3,537,875**
Total comprehensive income for the year					
Loss for the year	-	-	-	(489,368)	(489,368)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(489,368)	(489,368)
Balance at 31 December 2015	**200**	**75,000,000**	**2,690,842**	**(74,642,535)**	**3,048,507**
Total comprehensive income for the year					
Loss for the year	-	-	-	(489,368)	(489,368)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(489,368)	(489,368)
Balance at 31 December 2016	**200**	**75,000,000**	**2,690,842**	**(75,131,903)**	**2,559,139**

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Frenchgate Interchange Limited

Consolidated cash flow statement
for the year ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Loss for the year		**(7,208,480)**	(365,211)
Adjustments for:			
Non cash transaction – impairment of investment property		**7,200,000**	-
Interest payable		**9,487,099**	9,514,124
Interest receivable		**(48,800)**	(49,040)
Depreciation, amortisation and impairment		**-**	-
		9,429,819	9,099,873
Increase in trade and other debtors		**(451,766)**	(1,495,413)
Increase in trade and other creditors		**1,831,740**	1,226,076
Net cash from operating activities		**10,809,793**	8,830,536
Cash flows from investing activities			
Interest paid		**(8,948,931)**	(8,975,956)
Net cash from investing activities		**(8,948,931)**	(8,975,956)
Net increase/(decrease) in cash and cash equivalents		**1,860,862**	(145,420)
Cash and cash equivalents at 1 January		**1,275,137**	1,420,557
Cash and cash equivalents at 31 December	*11*	**3,135,999**	1,275,137

1 Accounting policies

Frenchgate Interchange Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in September 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property measured at fair value.

Going concern

The directors have reviewed budgets, projected cashflows and all other relevant information and, on the basis of this review, are confident that the group has adequate financial resources to continue in operational existence for the foreseeable future.

As a result, the directors believe that it is appropriate to continue to prepare the financial statements on a going concern basis.

Frenchgate Interchange Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2016. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Basic financial instruments

Trade and other debtors/creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in ordinary shares
Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1 Accounting policies *(continued)*

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition:

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. If depreciation were to be provided it would be provided at a rate of 2% per annum on the revalued amount. If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with Section 17 of FRS 102 until a reliable measure of fair value becomes available.

Investment property has been valued by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The property has been valued on an open market basis reflecting existing use and is supported by market evidence.

Impairment excluding investment properties and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Frenchgate Interchange Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Turnover

Turnover, which excludes VAT, represents rental income, car park income and income due from insurance. Rental income which has been invoiced in the year but relates to the subsequent year has been recorded as deferred income in the balance sheet.

Lease incentives provided are recognised in aggregate as a debtor in the balance sheet and as a reduction to the income recognised over the lease term on a straight line basis.

Expenses

Operating lease
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable
Interest payable and similar charges include interest payable, finance charges and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Frenchgate Interchange Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation *(continued)*

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property, except when the investment property has a limited useful life and the objective of the entity's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover

Turnover consist of rental income, car park income and service charge income. All income arises from activities undertaken wholly within the UK.

3 Interest receivable

	2016	2015
	£	£
Deposit interest	**-**	160
Interest on other loans wholly repayable within five years	**48,800**	48,880
	48,800	49,040

Frenchgate Interchange Limited

Notes *(continued)*

4 Interest payable and similar charges	2016 £	2015 £
On bank loans and overdrafts wholly repayable within five years	**8,948,931**	8,975,956
On other loans wholly repayable within five years	**538,168**	538,168
	9,487,099	9,514,124

5 Statutory and other information	2016 £	2015 £
Loss on ordinary activities before interest is stated after charging:		
Directors' emoluments:		
- Other remuneration	**-**	-
Auditor's remuneration		
- Audit of the group financial statements	**20,000**	20,000

6 Employees

The group and parent company had no employees during the current or prior year.

Frenchgate Interchange Limited

Notes *(continued)*

7 Tax on (loss)/profit on ordinary activities

	2016 £	2015 £
Current tax		
Corporation tax on the loss for the year on ordinary activities	-	-
Deferred tax		
Other deferred tax adjustments	-	-
Tax on profit on ordinary activities	-	-
Current tax reconciliation		
Loss on ordinary activities before tax	**(7,208,480)**	(365,211)
Current tax at 20% *(2015: 21.49%)*	**(1,441,696)**	(78,483)
Effects of:		
Deferred tax not recognized	**(128,687)**	(60,145)
Expenses not deductible	**1,570,383**	138,628
Total current tax charge	-	-

8 Investment properties

	2016 £	2015 £
Group		
Cost		
At beginning of year	**162,500,000**	162,500,000
Impairment	**(7,200,000)**	-
At end of year	**155,300,000**	162,500,000

The company holds an investment property in Doncaster, South Yorkshire. This property has been valued by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Based on these valuations an impairment charge was recorded of £7,200,000 in the year. The property has been valued on an open market basis reflecting existing use and is supported by market evidence. In the opinion of the directors, the value of the investment property is not less than the carrying value shown above.

Historical cost net book value	**236,765,597**	**236,765,597**

Frenchgate Interchange Limited

Notes *(continued)*

9 Financial fixed assets

Group	**2016** £	2015 £
Capital contribution to related undertaking	**244,401**	244,401

Capital contributions relate to the difference between the present value and carrying value of amounts due from related parties greater than one year and have been accounted for in accordance with FRS102.

Company	**Capital contribution** £	**Shares in subsidiaries** £	**Total** £
At beginning and end of year	**244,401**	**5**	**244,406**

Name	**Country of incorporation**	**Details of investment**	**Proportion held**	**Principal activity**
Subsidiary undertaking				
Caféfirst Limited	United Kingdom	1 ordinary share of £1	100%	Investment Holding
Europa Frenchgate LP Limited	United Kingdom	1 ordinary share of £1	100%	Investment Holding
Foodearth Limited	United Kingdom	1 ordinary share of £1	100%	Investment Holding
Frenchgate LP Limited	United Kingdom	1 ordinary share of £1	100%	Investment Holding
Frenchgate General Partner Limited	United Kingdom	1 ordinary share of £1	100%	Investment Holding

10 Debtors

	2016 Group £	2016 Company £	2015 Group £	2015 Company £
Amounts falling due within one year				
Trade debtors	**3,034,226**	**-**	3,269,064	-
Prepayments and accrued income	**484,106**	**726,227**	416,141	726,227
Lease incentives	**2,493,346**	**-**	1,923,507	-
	6,011,678	**726,227**	5,608,712	726,227
Amounts falling due after one year				
Amounts owed by group undertakings	**-**	**67,887,021**	-	68,065,582
Amounts owed by related undertakings	**1,558,349**	**1,558,349**	1,509,549	1,509,549
	1,558,349	**69,445,370**	1,509,549	69,575,131
Total debtors	**7,570,027**	**70,171,597**	7,118,261	70,301,358

Trade debtors are stated net of a provision for bad debts of £389,089 *(2015: £539,944)*. Amounts owed by group undertakings is stated net of provision for impairment of £74,464,097 *(2015: £74,464,097)*.

Amounts owed by related undertakings are due in 2019 at maturity and interest is charged at the aggregate of EURIBOR finance asset costs and a margin of 1.95%.

11 Cash and cash equivalents

	2016 Group £	2016 Company £	2015 Group £	2015 Company £
Cash at bank and in hand	**3,135,999**	**1,558,857**	1,275,137	273,006
Cash and cash equivalents per cash flow statements	**3,135,999**	**1,558,857**	1,275,137	273,006

Frenchgate Interchange Limited

Notes *(continued)*

12 **Creditors**: amounts falling due within one year	**2016 Group £**	**2016 Company £**	2015 Group £	2015 Company £
Trade creditors	**1,267,022**	**-**	1,020,646	-
Amounts owed to related undertakings	**20,533**	**214,669**	20,533	214,669
Other creditors including tax and social welfare	**869,345**	**177,853**	972,803	177,853
Accruals and deferred income	**4,928,759**	**2,013,422**	3,877,273	726,026
	7,085,659	**2,405,944**	5,891,255	1,118,548
Tax and social welfare included in other creditors:				
Corporation tax	**-**	**-**	-	-
VAT	**618,680**	**-**	734,744	-
	618,680	**-**	734,744	-

13 **Creditors**: amounts falling due after one year	**2016 Group £**	**2016 Company £**	2015 Group £	2015 Company £
Amounts owed to director	**8,594,941**	**8,594,941**	8,325,858	8,325,858
Amounts owed to related undertaking	**8,594,941**	**8,594,941**	8,325,857	8,325,857
Bank loans	**148,260,801**	**49,819,895**	147,672,264	50,000,000
	165,450,683	**67,009,777**	164,323,979	66,651,715

14 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2016	2015	**2016**	2015
	£	£	**£**	£
Creditors: amounts falling due after more than one year:				
Secured bank loans	**148,260,801**	147,672,264	**49,819,895**	50,000,000
Amounts owed to related undertakings	**8,594,941**	8,325,857	**8,594,941**	8,325,857
Amounts owed to directors	**8,594,941**	8,325,858	**8,594,941**	8,325,858
	165,450,683	164,323,979	**67,009,777**	66,651,715

The bank loans have covenants in place relating to the financial performance and financial position of the company.

Terms and debt repayment schedule

Group	**Currency**	**Nominal interest rate**	**Year of maturity**	**Repayment schedule**	**2016 £**	2015 £
PBB Deutsche Pfandbriefbank	STG	EURIBOR[1]	2019	At maturity	**98,440,906**	97,908,247
Col Reo Victoria	STG	10%	2019	At maturity	**49,819,895**	49,764,017
Amounts owed to related undertakings	STG	Notional[2]	2019	At maturity	**8,594,941**	8,325,857
Amounts owed to directors	STG	Notional[2]	2019	At maturity	**8,594,941**	8,325,858
					165,450,683	164,323,979

[1] Nominal interest rates are the aggregate of EURIBOR finance costs and a margin of 1.95%.
[2] Notional interest charged in line with FRS 102 at the aggregate of EURIBOR finance costs and a margin of 1.95%.

14 Interest-bearing loans and borrowings *(continued)*

Terms and debt repayment schedule

Company	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2016 £	2015 £
Col Reo Victoria	STG	10%	2019	At maturity	**49,819,895**	50,000,000
Amounts owed to related undertakings	STG	EURIBOR[1]	2019	At maturity	**8,594,941**	8,325,857
Amounts owed to directors	STG	EURIBOR[1]	2019	At maturity	**8,594,941**	8,325,858
					67,009,777	66,651,715

[1] Nominal interest rates are the aggregate of EURIBOR finance costs and a margin of 1.95%.

15 Bank security

Deutsche Pfandbriefbank AG

Debenture given by The Frenchgate Limited Partnership, acting by its general partner, Frenchgate General Partner Limited, Frenchgate General Partner Limited, Frenchgate (Nominee 1) Limited, Frenchgate (Nominee 2) Limited, Frenchgate LP Limited, Cafefirst Limited, Europa Frenchgate LP Limited, and Foodearth Limited in favour of Deutsche Pfandbriefbank AG (as Security Agent) dated 8 September 2014, together with the relevant certificates of registration.

Shareholder's Security Agreement given by Frenchgate Interchange Limited in favour of Deutsche Pfandbriefbank AG (as Security Agent) dated 8 September 2014, together with the relevant certificates of registration.

Col Reo Victoria B S.a r. l.

Debenture (Common Asset) given by The Frenchgate Limited Partnership, acting by its general partner, Frenchgate General Partner Limited, Frenchgate General Partner Limited, Frenchgate (Nominee 1) Limited, Frenchgate (Nominee 2) Limited, Frenchgate LP Limited, Cafefirst Limited, Europa Frenchgate LP Limited, and Foodearth Limited in favour of Deutsche Pfandbriefbank AG (as Common Asset Security Agent) dated 8 September 2014.

Debenture (Mezzanine Only) given by Frenchgate Interchange Limited in favour of Col Reo Victoria B S.a. r.l. (as Mezzanine Only Security Agent) dated 8 September 2015. Share Charge Agreement (Common Asset) given by Frenchgate Interchange Limited in favour of Deutsche Pfandbriefbank AG (as Common Asset Security Agent) dated 8 September 2014.

Share Charge Agreement (Mezzanine Only) given by Patrick McKillen, Padraig Drayne (then Garvagh Investments Ltd) and Colfrenchgate Holding S.a r.l. in favour of Col Reo Victoria B S.a r. l. (as Mezzanine Security Agent) dated 8 September 2014.

16 Called up share capital

	2016	2015
	£	£
Authorised		
999 "A" Ordinary shares of £1 each	**999**	999
100 "B" Ordinary shares of £0.01 each	**1**	1
	1,000	1,000
Allotted, called up and fully paid		
200 "A" Ordinary shares of £1 each	**200**	200
1 "B" Ordinary shares of £0.01 each	**-**	-
	200	200

The rights of the "A" and "B" shares are set out in the Memorandum and Articles of Association.

17 Related party transactions

Transactions with directors
During the year notional interest was charged to the company by the director of £269,084 *(2015: £269,084)*. At the year end £8,594,941 *(2015: £8,325,857)* remained outstanding to the director.

Garvagh Investments Limited
During the year notional interest was charged to the company by Garvagh Investments Limited of £269,084 *(2015: £269,084)*. At the year end £8,594,941 *(2015: £8,325,857)* remained outstanding to Garvagh Investments. Garvagh Investments Limited is a shareholder in Frenchgate Interchange Limited.

Belfast Office Properties Limited
During the year Belfast Office Properties Limited was charged notional interest of £48,800 *(2015: £48,880)*. At the year end, the company was owed £1,558,349 *(2015: £1,509,549)* by Belfast Office Properties Limited. The companies are related by virtue of common directors.

Apamore Properties Limited
During the year, Apamore Services Limited invoiced £2,708,404 *(2015: £1,683,389)* and charged a management fee of £250,000 *(2015: £250,000)*. At the year end, £93,196 *(2015: £54,400)* was due to Apamore Services Limited. Apamore Services Limited is related by virtue of common ownership.

Forge Limited Partnership
At the year end, £20,533 *(2015: £20,533)* was due to the Forge Limited Partnership. The Forge Limited Partnership is related by virtue of common ownership.

18 Operating leases

Leases as lessor
The investment properties are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2016	2015
	£000	£000
Less than one year	**7,900**	9,048
Between one and five years	**23,986**	30,797
More than five years	**51,872**	72,880
	83,758	112,725

19 Ultimate parent undertaking/controlling party

The group is controlled by Patrick McKillen, Padraig Drayne and Colfrenchgate Holding S.a.r.l.

20 Accounting estimates and judgements

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

Valuation of investment property

The investment properties are reviewed annually by the directors and periodically by independent property valuers to ensure properties are reflected at fair value in accordance with the accounting policies.

Recoverability of trade debtors

Trade debtors are reviewed for their recoverability on a periodic basis by the directors. If any specific debtors are identified as having some doubt as to their recoverability they are fully provided for and in addition to this the risk of bad debts is stratified across the types of debtors to calculate the total bad debt provision. The directors consider the provision against trade debtors of £389,089 *(2015: £539,944)* to be appropriate.