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COMPANIES HOUSE
30 SEP 2015
BELFAST

Frenchgate Interchange Limited and subsidiaries

Directors' report and financial statements

Year ended 31 December 2014

Registered No: UK 05867230

AMENDED

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Frenchgate Interchange Limited and subsidiaries

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Year ended 31 December 2014

Registered No: UK 05867230

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Frenchgate Interchange Limited and subsidiaries

Directors' report and financial statements

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Frenchgate Interchange Limited and subsidiaries

Directors and other information

Directors	Kevin Drayne Padraig Drayne Patrick McKillen
Registered office	c/o DMMS Ltd 3rd Floor 26/28 Great Portland Street London W1W 8QT
Auditors	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

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Frenchgate Interchange Limited and subsidiaries

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 properties which includes challenged retail, office and industrial assets.

These risks are managed by the board by maintaining the properties 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

Kevin Drayne
Director

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Frenchgate Interchange Limited and subsidiaries

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 2014.

Results and dividends

The profit for the year after taxation amounted to £69,745,528 *(2013: Loss of £67,393,989)*. The result for the year includes a release of debt in the amount of £75 million in consideration of the issue of ordinary share capital of the company. The result for the prior year included an impairment of investment properties of £74,464,097.

The directors do not recommend the payment of a dividend.

Refinancing

The directors are pleased to confirm that during the year the company successfully completed the refinancing of its banking facilities.

Directors

The directors who held office at 31 December 2014 were:

Kevin Drayne
Padraig Drayne
Patrick McKillen

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

Kevin Drayne
Director

KPMG

Frenchgate Interchange Limited and subsidiaries

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

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 the group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards, and applicable law.

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 the parent company and of the profit or loss of the group and company for that period.

In preparing each of the group and parent 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 that 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 Acts 2006. They are also responsible 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Kevin Drayne
Director

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

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

We have audited the group and company financial statements of Frenchgate Interchange Limited and subsidiaries for the year ended 31 December 2014 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit 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 company 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.

KPMG, an Irish partnership and a member firm of the KPMG network
of independent member firms affiliated with KPMG International
Cooperative ("KPMG International"), a Swiss entity

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

Opinion on financial statements

In our opinion the financial statements;

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with the UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Acts 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

C Byrne

C Byrne
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

28 April 2015

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Frenchgate Interchange Limited and subsidiaries

Consolidated profit and loss account

for the year ended 31 December 2014

	Note	**2014**	2013
		£	£
Turnover	*2*	**18,206,204**	19,451,214
Administration		**(9,589,982)**	(9,077,065)
Profit before interest and exceptional items		**8,616,222**	10,374,149
Interest receivable	*4*	**88**	3,876
Interest payable	*5*	**(13,870,782)**	(3,307,917)
(Loss)/profit before exceptional items		**(5,254,472)**	7,070,108
Exceptional items			
Release of debt	*3*	**75,000,000**	-
Provision for impairment of investment property	*3*	**-**	(74,464,097)
Profit/(loss) on ordinary activities before taxation		**69,745,528**	(67,393,989)
Tax on profit/(loss) on ordinary activities	*8*	**-**	-
Profit/(loss) for the year	*9/18*	**69,745,528**	(67,393,989)

The group had no recognised gains or losses in the financial year or the preceding financial year other than those shown in the profit and loss account.

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Frenchgate Interchange Limited and subsidiaries

Consolidated balance sheet

as at 31 December 2014

	Note	**2014** £	2013 £
Fixed assets			
Investment property	*10*	**163,350,000**	162,500,000
Tangible fixed assets	*11*	**255,926**	260,299
		163,605,926	162,760,299
Current assets			
Debtors	*13*	**7,573,460**	3,114,751
Cash at bank and in hand		**1,420,557**	4,055,471
		8,994,017	7,170,222
Creditors: amounts falling due within one year	*14*	**(5,225,449)**	(240,926,753)
Net current liabilities		**3,768,568**	(233,756,531)
Total assets less current liabilities		**167,374,494**	(70,996,232)
Creditors: amounts falling due after more than one year	*15*	**(168,625,000)**	-
Net liabilities		**(1,250,506)**	(70,996,232)
Capital and reserves			
Called up share capital	*17*	**200**	2
Share premium	*18*	**75,000,000**	-
Revenue reserves	*18*	**(76,250,706)**	(70,996,234)
Shareholders' deficit	*18*	**(1,250,506)**	(70,996,232)

On behalf of the board

Kevin Drayne
Director

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Frenchgate Interchange Limited and subsidiaries

Company balance sheet
as at 31 December 2014

	Note	**2014** £	2013 £
Fixed assets			
Investments	*12*	**5**	5
Current assets			
Debtors	*13*	**69,998,881**	159,326,085
Cash at bank and in hand		**727,421**	4,016,753
		70,726,302	163,342,838
Creditors: amounts falling due within one year	*14*	**(1,091,152)**	(237,333,046)
Net current assets/(liabilities)		**69,635,150**	(73,990,208)
Total assets less current liabilities		**69,635,155**	(73,990,203)
Creditors: amounts falling due after more than one year	*15*	**(68,625,000)**	-
Net assets/(liabilities)		**1,010,155**	(73,990,203)
Capital and reserves			
Called up share capital	*17*	**200**	2
Share premium	*18*	**75,000,000**	-
Profit and loss account	*18*	**(73,990,045)**	(73,990,205)
Shareholders' funds/(deficit)	*18*	**1,010,155**	(73,990,203)

On behalf of the board

Kevin Drayne
Director

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Frenchgate Interchange Limited and subsidiaries

Consolidated cash flow statement

for the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	*20*	**6,389,167**	10,204,587
Returns on investments and servicing of finance	*21*	**(16,924,081)**	(3,304,041)
Capital expenditure and financial investment	*21*	**(850,000)**	(109,201)
Cash inflow before financing		**(11,384,914)**	6,791,345
Financing	*21*	**66,250,000**	(6,500,000)
Increase in cash in the year		**54,865,086**	291,345

Reconciliation of net cash flow to movements in net debt

	Note	2014 £	2013 £
Increase in cash in the year		**54,865,086**	291,345
Cashflows from change in borrowings	*21*	**(66,250,000)**	6,500,000
Changes in net debt resulting from cash flows	*22*	**(11,384,914)**	6,791,345
Non-cash movements: release of debt	*22*	**75,000,000**	-
Changes in net debt resulting from cash flows		**63,615,086**	6,791,345
Net debt at beginning of year	*22*	**(212,194,529)**	(218,985,874)
Net debt at end of year	*22*	**(148,579,443)**	(212,194,529)

Frenchgate Interchange Limited and subsidiaries

Notes *(forming part of the financial statements)*

1 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in England and Wales.

At the year-end the group was in a net liability position of £1,250,506. During the year there was a release of debt in the amount of £75 million in consideration of the issue of ordinary share capital of the company. The company is financed by a medium term loan.

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.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and of all of its subsidiary undertakings made up to 31 December 2014. In the company's financial statements, investments in subsidiaries are stated at cost less provisions for permanent diminution in value.

The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Upon the acquisition of a business, fair values are attributed to the identifiable net assets acquired.

The parent company is not presenting a separate profit and loss account in accordance with Section 148(8) of the1963 Companies Act.

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.

Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

1 Statement of accounting policies *(continued)*

Investments

Investment property
Investment properties are revalued annually and are not depreciated or amortised. Where the valuation indicates a permanent diminution in value of the property, the permanent diminution is charged to the profit and loss account. All other fluctuations in value are transferred to a revaluation reserve.

This treatment is a departure from the requirement of Company Law to provide depreciation on all fixed assets which have a limited economic life. However, these investment properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. 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.

Other investments
Financial fixed assets are shown at cost less provisions for impairments in value. Income from financial fixed assets, together with any related tax credit, is recognised in the profit and loss account in the year in which it is receivable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The charge for depreciation is calculated to write down the cost of tangible fixed assets to their estimated tangible residual values by equal installments over their useful lives as follows;

Fixtures and fittings	20% -33% straight line

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

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 Exceptional items

	2014 £	2013 £
Release of debt	**75,000,000**	-
Provision for impairment of investment property	-	(74,464,097)

During the year, the loan with Irish Bank Resolution Corporation Limited (in Special Liquidation) was refinanced by the company. As part of the refinancing, there was a release of debt in the amount of £75,000,000 in consideration of the issue of ordinary share capital of the company. This is treated as an exceptional item in the profit and loss account.

The investment properties were valued by independent valuers Savills (UK) Limited on 14 August 2014, on the basis of market value at £162,500,000. The valuation was undertaken in accordance with the Royal Institute of Chartered Surveyors. This resulted in an impairment in 2013 of £74,464,097.

4 Interest receivable

	2014 £	2013 £
Deposit interest	**88**	3,876

5 Interest payable and similar charges

	2014 £	2013 £
On bank loans, overdrafts and other loans wholly repayable within five years	**13,870,782**	3,307,917

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Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

6 Statutory and other information

	2014 £	2013 £
Profit on ordinary activities before interest is stated after charging:		
Directors' emoluments:		
- Other remuneration including pension contributions	-	-
Depreciation	4,373	2,842
Auditor's remuneration		
- Audit of the group financial statements	20,000	20,000

7 Employees

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

8 Tax on profit/(loss) on ordinary activities

	2014 £	2013 £
Current tax		
Corporation tax on the profit/(loss) for the year on ordinary activities	-	-
Deferred tax		
Other deferred tax adjustments	-	-
Tax on profit on ordinary activities	-	-
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	69,745,528	(67,393,989)
Current tax at 21.49% *(2012: 28%)*	14,990,511	(18,879,316)
Effects of:		
Tax losses	1,399,959	(1,970,631)
Non taxable income	(16,119,863)	-
Expenses not deductible	19,073	20,849,947
Other adjustments	(289,680)	-
Total current tax charge	-	-

Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

9	**Consolidated profit and loss account**	**2014**	2013
		£	£
	Profit/(loss) for the financial year:		
	The company	**75,000,160**	(74,460,310)
	Subsidiaries	**(5,254,632)**	7,066,321
		69,745,528	(67,393,989)
	Profit and loss account at 31 December		
	The company	**(73,990,045)**	(73,990,205)
	Subsidiaries	**(2,260,661)**	2,993,971
		(76,250,706)	(70,996,234)

10	**Investment properties**	**2014**	2013
		£	£
	Cost		
	Opening balance	**162,500,000**	236,864,097
	Additions in year	**850,000**	100,000
	Impairment	**-**	(74,464,097)
		163,350,000	162,500,000

The investment properties were valued by independent valuers Savills (UK) Limited on 14 August 2014, on the basis of market value at £162,500,000. The valuation was undertaken in accordance with the Royal Institute of Chartered Surveyors. This resulted in an impairment in 2013 of £74,464,097. During the year the company incurred an additional €850,000 in capital expenditure subsequent to the preparation of the valuation report.

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Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

11 Tangible fixed assets

Group	*Fixtures & fittings* £
Cost or valuation	
At beginning and end of year	**265,194**
Depreciation	
At beginning of year	4,895
Charge for year	4,373
End of year	**9,268**
Net book value:	
At 31 December 2014	**255,926**
At 31 December 2013	260,299

12 Financial fixed assets

Company	**2014** £	2013 £
Shares in subsidiary undertakings at beginning and end of year	**5**	5

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

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Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

13	**Debtors**	**2014 Group £**	**2014 Company £**	2013 Group £	2013 Company £
	Amounts falling due within one year				
	Trade debtors	**2,509,104**	-	907,664	-
	Other debtors	-	-	5	2
	Prepayments and accrued income	**3,306,595**	**698,830**	406,777	565,524
	UITF rent free adjustment	**68,878**	-	111,422	-
		5,884,577	**698,830**	1,425,868	565,526
	Amounts falling due after one year				
	Amounts owed by group undertakings	-	**69,273,576**	-	158,734,084
	Amounts owed by related undertakings	**1,688,883**	**26,475**	1,688,883	26,475
		1,688,883	**69,300,051**	1,688,883	158,760,559
	Total debtors	**7,573,460**	**69,998,881**	3,114,751	159,326,085

Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

14 **Creditors:** amounts falling due within one year	**2014 Group £**	**2014 Company £**	2013 Group £	2013 Company £
Bank loans	-	-	216,250,000	216,250,000
Trade creditors	**826,510**	-	342,259	-
Amounts owed to related undertakings	**241,216**	**214,669**	362,471	214,669
Other creditors including tax and social welfare	**483,013**	**177,853**	628,300	177,853
Accruals and deferred income	**3,674,710**	**698,630**	3,218,723	565,524
Amounts owed to directors	-	-	20,125,000	20,125,000
	5,225,449	**1,091,152**	240,926,753	237,333,046
Tax and social welfare included in other creditors:				
Corporation tax	-	-	-	-
VAT	**246,536**	-	381,924	-
	246,536	-	381,924	-

15 **Creditors:** amounts falling due after one year	**2014 Group £**	**2014 Company £**	2013 Group £	2013 Company £
Amounts owed to directors	**9,312,500**	**9,312,500**	-	-
Amounts owed to related undertakings	**9,312,500**	**9,312,500**	-	-
Bank loans	**150,000,000**	**50,000,000**	-	-
	168,625,000	**68,625,000**	-	-
Maturity of obligation under bank loans:				
Repayable within one year	-	-	216,250,000	216,250,000
Repayable between two and five years	**150,000,000**	**50,000,000**	-	-
	150,000,000	**50,000,000**	216,250,000	216,250,000

16 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 2014.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.

17 Called up share capital

	2014	2013
	£	£
Authorised		
1,000 Ordinary shares of £1 each	**-**	1,000
999 "A" Ordinary shares of £1 each	**999**	-
100 "B" Ordinary shares of £0.01 each	**1**	-
	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**-**	2
200 "A" Ordinary shares of £1 each	**200**	-
1 "B" Ordinary shares of £0.01 each	**-**	-
	200	2

Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

17 Called up share capital *(continued)*

The authorised share capital of the company was converted from £1,000 divided into 1,000 ordinary shares of £1.00 each into £1,000 divided into 999 ordinary "A" shares of £1.00 each and 100 ordinary "B" shares of £0.01 each and the 2 issued ordinary shares were converted to "A" ordinary shares.

198 ordinary "A" shares were issued at par value. There was a release of debt in the amount of £75 million in consideration for the issue of one ordinary "B" share of the company. The release of debt has been credited to share premium.

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

18 Reserves

Group	Share capital £	Share premium £	Profit and loss account £	Total £
Balance at beginning of year	2	-	(70,996,234)	(70,996,232)
Profit for the financial year	-	-	69,745,528	69,745,528
Issue of shares in the year	198	75,000,000	(75,000,000)	198
Balance at end of year	**200**	**75,000,000**	**(76,250,706)**	**1,250,506**

Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

18 Reserves *(continued)*

Company	Share capital £	Share premium £	Profit and loss account £	Total £
Balance at beginning of year	2	-	(73,990,205)	(73,990,203)
Profit for the financial year	-	-	75,000,160	75,000,160
Issue of shares in the year	198	75,000,000	(75,000,000)	198
Balance at end of year	**200**	**75,000,000**	**(73,990,045)**	**1,010,155**

19 Related party transactions

Transactions with directors
During the year the company refinanced its loan with Irish Bank Resolution Corporation Limited (in Special Liquidation). As part of the refinancing, one of the directors acquired the company's debt due to Irish Bank Resolution Corporation (in special liquidation) and there was a subsequent release of debt in the amount of £75 million in consideration of the issue of ordinary share capital of the company.

During the year Padraig Drayne sold his shareholding in the company to Garvagh Investments Limited, a company controlled by him, for £1. Garvagh Investments Limited also acquired the loan owed to Padraig Drayne of £9,312,500 which remained outstanding at the end of the year.

At the year end the company owed £9,312,500 *(2013: £10,062,500 million)* to Patrick McKillen and £Nil *(2013: £10,062,500)* to Padraig Drayne.

Belfast Office Properties Limited
At the year end, the company was owed £1,688,883 *(2013: £1,688,883)* by Belfast Office Properties Limited. The companies are related by virtue of common directors.

Apamore Properties Limited
During the year, Apamore Services Limited invoiced £2,475,712 *(2013: £2,105,953)* and charged a management fee of £240,000 *(2013:£290,000)*. At the year end, £220,683 *(2013: £341,938)* 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 *(2013:£20,533)* was due to the Forge Limited Partnership. The Forge Limited Partnership is related by virtue of common ownership.

Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

20 Reconciliation of operating profit to net cash inflow from operating activities

	2014	2013
	£	£
Operating profit	**8,616,222**	10,374,149
Depreciation of tangible assets	**4,373**	2,842
(Increase)/decrease in debtors	**(1,405,124)**	320,962
Decrease in creditors	**(826,304)**	(493,366)
Net inflow from operating activities	**6,389,167**	10,204,587

21 Analysis of cash flows for headings netted in the cash flow statement

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest and similar income received	**88**	3,876
Interest, refinancing costs and similar costs paid	**(16,924,367)**	(3,307,917)
Issue of shares	**198**	-
Net cash outflow from returns on investments and servicing of finance	**(16,924,081)**	(3,304,041)
Capital expenditure and financial investment		
Purchase of fixed assets	**(850,000)**	(109,201)
Financing		
Repayment of bank loans	**(8,750,000)**	(6,500,000)
Release of debt	**75,000,000**	-
	66,250,000	(6,500,000)

Frenchgate Interchange Limited and subsidiaries

Notes *(continued)*

22 Analysis of changes in net debt

	At 31 December 2013 £	Release of debt £	Cash flows £	At 31 December 2014 £
Cash at bank and in hand	4,055,471	-	(2,634,914)	1,420,557
Bank loans and overdraft	(216,250,000)	75,000,000	(8,750,000)	(150,000,000)
Total	**(212,194,529)**	**75,000,000**	**(11,384,914)**	**(148,579,443)**

23 Ultimate parent undertaking/controlling party

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

24 Approval of financial statements

The directors approved the financial statements on 28 April 2015.