Mezqual Limited

Registered number: 08841874

Report and Group Financial Statements

31 December 2018

Report and Group Financial Statements
YEAR ENDED 31 DECEMBER 2018

CONTENTS

STRATEGIC REPORT

The Directors present their report for the year ended December 31, 2018.

Mezqual Limited is the holding company of the El Enebro, S.A. Group, and is principally engaged in the management of investment property in El Enebro and subsidiaries.

The objects of the Group are as follows:

- The ownership of all types of rural estates for agriculture, livestock raising and tourism use, and commercial hunting.
- The acquisition, urban development, sub-division, cultivation and marketing of rural and urban estates for property development, farming, livestock raising, tourism and real estate use.
- The acquisition, holding, enjoyment, administration, lease and disposal of securities, property and real estate, excluding, in any event, activities subject to special legislation.
- The rendering of advisory services, assistance and execution of administrative, technical, legal, organizational and computer projects.
- Grape growing and processing, and the preparation, production, marketing and sale of wine.
- The purchase and sale, rearing, selection and reproduction of animals and, particularly, livestock in general.
- The purchase and sale of food products.

Review of the business

Mezqual Group proceeded with its consolidation strategy in 2018, maintaining its status as the long-standing quality leader in Spanish wines and bolstering its privileged position in the industry. The business improved during the year, even in an economic context with great uncertainties due to the large mismatches of open globalization. As in each year, the results, fed mainly by the winegrowing subgroup, are the result of several causes, although the main one is the greater or lesser number of bottles that make up the crops offered in each annual campaign.

For the winemaking subgroup, efforts were stepped up to raise the international profile of the corporate TEMPOS *Vega Sicilia* brand, which represents both the wineries and the various products we make. Efforts were also made to increase our digital presence, with a complete overhaul of our websites and new commercial packaging in a bid to enhance the quality of the wood and provide a new image. Meanwhile, staff changes in the wineries have proven to be well aimed.

As in previous years, the Group continued to review the risks of our assets, customers and suppliers in 2018, taking action to minimize the impact of the economic crisis. At the same time, we paid careful attention to cash flows at times of economic uncertainty, as is the case currently.

Total revenue from operations in 2018 was higher than the year before, at €59,172 thousand, driven by higher sales.

The Group had €53,189 thousand of property, plant and equipment at 31 December 2018, compared to €51,044 thousand a year earlier, an increase of 4% explained by capital expenditures made during the year.

Current assets increased by 3%, from €67,738 thousand in 2017 to €70,072 thousand in 2018.

STRATEGIC REPORT (continued)

Non-current liabilities are lower in 2018 than in 2017, due mainly to the partial repayment of bank and other borrowings.

Consolidated profit has increased significantly during 2018, making good on the expected return on investment.

Principal risks and uncertainties

The group has established a risk committee that meets quarterly and evaluates the group's risk appetite. The principal risks and uncertainties facing the group is financial instrument risk.

Financial Instrument Risks

The group has established a risk and financial management framework whose primary objectives are to protect the group from events that hinder the achievement of the group's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Use of derivatives

The Group did not enter into any hedging derivative contracts during 2018 or 2017.

Exposure to price, credit, liquidity and cash flow risk

These risks are described in note 20 to the financial statements.

On behalf of the board

Director: Juan Carlos Álvarez Mezquíriz
Date: October 14, 2019

DIRECTORS' REPORT

The Directors present their report for the year ended December 31, 2018.

Directors of the company

The directors who served throughout the year and to the date of this report are as follows:

D. Emilio Alvarez Mezquiriz
D. Juan Carlos Alvarez Mezquiriz
D. Pablo Alvarez Mezquiriz
Da. Elvira Alvarez Mezquiriz
Da. Marta Alvarez Mezquiriz
Mr. Stephen Norton

Dividends

The directors recommend no ordinary dividends, proposing to retain the profit for the year in reserves.

Future developments

The directors aim to maintain the management policies which have resulted in the group's substantial growth in recent years. They consider that the next year will show a further significant growth in sales from continuing operations, particularly of wine from new subsidiaries.

Going Concern

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report and in note 20 to the financial statements.

The group has considerable financial resources together with long-term loans with financial institutions. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS' REPORT (continued)

Re-appointment of auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the board

Director: Juan Carlos Álvarez Mezquíriz
Date: October 14, 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) adopted by the United Kingdom. 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 company and of the profit or loss of the group 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; and
- state whether applicable IFRS 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 Company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEZQUAL Limited

Opinion

We have audited the financial statements of Mezqual Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 December 2018 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flow, and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, about the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is enough and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following group's or parent's matters in relation to which the ISAs (UK) require us to report to you were:

- 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 group's or the parent 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.

INDEPENDENT AUDITORS' REPORT

to the members of Mezqual Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 of the parent company 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.

INDEPENDENT AUDITORS' REPORT
to the members of Mezqual Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (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 Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Paul Mapleston (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

October 14, 2019

Consolidated statement of profit or loss
for the year ended 31 December 2018
(thousand of euros)

	Note	2018	2017
Continuing operations			
Revenue		**60,834**	**59,439**
Revenue from operations	17.1	59,172	57,969
Other income		1,662	1,470
Changes in inventories of finished goods and work in progress		**1,668**	**506**
Operating costs		**(38,433)**	**(37,236)**
Consumables used and other external expenses	17.2	(8,307)	(8,120)
Employee benefits expense	17.3	(10,628)	(10,466)
Depreciation and amortization expense	5, 6, 7	(7,926)	(7,862)
Other operating expenses	17.4	(11,572)	(10,788)
Gains on disposal of fixed assets	6,7	**6,891**	**675**
OPERATING PROFIT		**30,960**	**23,384**
Finance revenue		**2,784**	**2,794**
Interest earned on loans and dividends received		2,784	2,794
Finance costs		**(2,297)**	**(3,070)**
Interest paid on non-current interest-bearing loans and borrowings		(2,269)	(3,046)
Exchange losses		(28)	(24)
NET FINANCIAL RESULT		**487**	**(276)**
Share of profit of companies accounted by equity method	8	(932)	(968)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**30,515**	**22,140**
Income tax expense	16.1	(7,231)	(4,599)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**23,284**	**17,541**
CONSOLIDATED PROFIT FOR THE YEAR		**23,284**	**17,541**
Attributable to:			
Equity holders of the parent		18,520	13,971
Non-controlling interests		4,764	3,570
		23,284	**17,541**

Consolidated statement of comprehensive income
for the year ended 31 December 2018
(thousand of euros)

	2018	2017
PROFIT FOR THE YEAR	**23,284**	**17,541**
Exchange differences on retranslation of foreign operations	(515)	(153)
Tax on items relating to components of other comprehensive income	-	34
TOTAL COMPREHENSIVE INCOME	**22,769**	**17,422**
Attributable to:		
Equity holders of the parent	18,089	13,877
Non-controlling interests	4,680	3,545
	22,769	**17,422**

Consolidated statement of financial position
at 31 December 2018
(thousand of euros)

Assets	Note	2018	2017	Equity and liabilities	Note	2018	2017
Property, plant and equipment	6	53,189	51,044	Issued capital	12.1	5	5
Investment Properties	7	37,564	39,537	Share Premium	12.2	90,022	90,022
Intangible assets	5	345	595	Retained earnings		72,977	54,457
Investment in companies accounted by equity method	8	5,927	6,859	Treasury shares	12.3	(39,434)	(39,434)
Non-current financial assets	9	91,832	88,892	Valuation reserve		(4,365)	(4,110)
Deferred tax assets	16	1,797	1,789	**Equity attributable to equity holders of the parent**		**119,205**	**100,940**
Non-current assets		**190,654**	**188,712**				
				Non-controlling interests		30,630	26,126
Inventories	10	60,201	58,677	**Total equity**		**149,835**	**127,066**
Trade and other receivables	9	8,017	7,361				
Other current financial assets	9	113	165	Interest-bearing loans and borrowings	15.1	40,349	71,993
Cash and cash equivalents	11	1,741	1,535	Deferred tax liabilities	16	4,879	5,520
Current assets		**70,072**	**67,738**	Grants and donations	13	3,271	3,473
				Provisions	14	2	174
				Non-current liabilities		**48,501**	**81,160**
				Interest-bearing loans and borrowings	15.1	54,763	42,863
				Trade and other payables	15.1	7,627	5,361
				Current liabilities		**62,390**	**48,224**
TOTAL ASSETS		**260,726**	**256,450**	**TOTAL EQUITY AND LIABILITIES**		**260,726**	**256,450**

The financial statements were approved by the Board and authorised for signature on their behalf by:

Juan Carlos Álvarez Mezquíriz
Director

Date: October 14, 2019

Parent company statement of financial position
at 31 December 2018
(thousand of euros)

Assets	Note	2018	2017	Equity and liabilities	Note	2018	2017
Investment in group companies	3	90,106	90,106	Issued capital	12.1	5	5
				Share Preminum	12.2	90,022	90,022
Non-current assets		90,106	90,106	Retained earnings		298	(224)
				Profit attributable to equity holders of the parent		514	525
Other current assets		444	298	Equity attributable to equity holders of the parent		90,839	90,328
Cash and cash equivalents		431	244				
				Total equity		90,839	90,328
Current assets		875	542				
				Non-current related party liabilities	15.2	-	186
				Non-current liabilities		-	186
				Trade and other payables	15.2	142	107
				Tax payable		-	27
				Current liabilities		142	134
TOTAL ASSETS		**90,981**	**90,648**	**TOTAL EQUITY AND LIABILITIES**		**90,981**	**90,648**

The financial statements were approved by the Board and authorised for signature on their behalf by:

Juan Carlos Álvarez Mezquíriz
Director

Date: October 14, 2019

Consolidated statement of changes in equity
for the year ended 31 December 2018
(thousand of euros)

	Share capital	Share premium	Retained earnings	Treasury shares	Valuation reserves	Shareholders' equity	Non-controlling interest	Total equity
As at 1 January 2018	**5**	**90,022**	**54,457**	**(39,434)**	**(4,110)**	**100,940**	**26,126**	**127,066**
Total income and expense for the year	-	-	18,520	-	-	18,520	4,764	23,284
Other comprehensive income: valuation adjustments	-	-	-	-	(255)	(255)	(260)	(515)
As at 31 December 2018	**5**	**90,022**	**72,977**	**(39,434)**	**(4,365)**	**119,205**	**30,630**	**149,835**

	Share capital	Share premium	Retained earnings	Treasury shares	Valuation reserves	Shareholders' equity	Non-controlling interest	Total equity
As at 1 January 2017	5	90,022	40,486	(39,434)	(4,016)	87,063	22,581	109,644
Total income and expense for the year	-	-	13,971	-	-	13,971	3,570	17,541
Other comprehensive income: valuation adjustments	-	-	-	-	(94)	(94)	(25)	(119)
As at 31 December 2017	**5**	**90,022**	**54,457**	**(39,434)**	**(4,110)**	**100,940**	**26,126**	**127,066**

Consolidated statement of cash flows
for the year ended 31 December 2018
(thousand of euros)

	Note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year before tax		**30,515**	**22,140**
Adjustments for:		**1,106**	**8,193**
Amortization and depreciation	5, 6, 7	7,926	7,862
Impairment losses		-	(22)
Change in provisions		8	91
Grants recognized in the income statement		(382)	(307)
Gains on disposal of fixed assets	6	(6,891)	(675)
Finance income		(2,784)	(2,794)
Finance expenses		2,269	3,046
Exchange gains/(losses)		28	24
Share of profit of companies accounted by equity method	8	932	968
Changes in operating assets and liabilities		**1,289**	**(3,765)**
(Increase) / decrease in inventories		(1,696)	(777)
(Increase) / decrease in trade and other receivables		(261)	(2,676)
(Increase) / decrease in other current assets		(157)	(64)
Increase / (decrease) in trade and other payables		3,653	(398)
Increase / (decrease) in other current liabilities		(250)	150
Other cash flows from operating activities		**(9,808)**	**(6,051)**
Interest paid		(2,209)	(3,046)
Interest received		18	2,794
Income tax received (paid)		(7,617)	(6,093)
Other proceeds and payments		-	2,945
Cash flows from operating activities		**23,102**	**20,517**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		**(11,604)**	**(7,932)**
Associates		-	(27)
Property, plant and equipment	6	(8,472)	(7,390)
Intangible assets	5	(30)	(422)
Investment property	7	(162)	(15)
Other financial assets		(2,940)	(78)
Proceeds from sale of investments		**8,306**	**3,496**
Property, plant and equipment		873	3,486
Investment property		7,433	-
Other financial assets		-	10
Cash flows used in investing activities		**(3,298)**	**(4,436)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments for financial liability instruments		**(19,595)**	**(15,884)**
Issue / (Redemption and repayment) of			
Debt with financial institutions		(5,717)	(3,071)
Associates		(13,878)	(12,813)
Cash flows used in financing activities		**(19,595)**	**(15,884)**
EFFECT OF EXCHANGE RATE FLUCTUATIONS		**(3)**	
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**206**	**197**
Cash and cash equivalents at the beginning of the year	11	**1,535**	**1,338**
Cash and cash equivalents at the end of the year	11	**1,741**	**1,535**

Parent company statement of changes in equity
for the year ended 31 December 2018
(thousand of euros)

	Issued capital (Note 12)	Reserves Share Premium (Note 12)	Retained Earnings	Profit for the year	Total
As at 1 January 2018	5	90,022	(224)	525	90,328
Total income and expense from Previous Year	-	-	525	(525)	-
Total income and expense for the Year	-	-	-	514	514
Other	-	-	(3)	-	(3)
At 31 December 2018	**5**	**90,022**	**298**	**514**	**90,839**
As at 1 January 2017	5	90,022	(263)	39	89,803
Total income and expense from Previous Year	-	-	39	(39)	-
Total income and expense for the Year	-	-	-	525	525
At 31 December 2017	**5**	**90,022**	**(224)**	**525**	**90,328**

Parent company statement of cash flows
for the year ended 31 December 2018
(thousand of euros)

	Notes	2018	2017
Profit/(loss) before tax		**514**	**525**
Changes in operating assets and liabilities		**(138)**	**(293)**
(Increase) / decrease in other current assets		(146)	(179)
Increase / (decrease) in trade and other payables		8	(114)
Cash flows from operating activities		**376**	**232**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing activities			
Acquisition of small investments		-	(78)
Cash flows used in investing activities			**(78)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments for financial liability instruments		**(186)**	**24**
Issue / (Redemption and repayment) of		(186)	24
Related parties		(186)	24
Cash flows used in financing activities		**(186)**	**24**
EFFECT OF EXCHANGE RATE FLUCTUATIONS		**(3)**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**187**	**178**
Cash and cash equivalents at the beginning of the year		**244**	**66**
Cash and cash equivalents at the end of the year		**431**	**244**

Notes to the consolidated financial statements
for the year ended 31 December 2018

1. CORPORATE INFORMATION

Mezqual Limited was incorporated as a private limited company on 13 January 2014. Its registered address has changed during 2018 to 6st Andrew Stree, London, EC4A 3AE, United Kingdom.

Mezqual Limited is the holding company of the El Enebro Group (collectively, the Group). It is principally engaged in the management of investment property in El Enebro and subsidiaries.

At 31 December 2018 shareholders were Emilio Alvarez Mezquiriz (20%), Juan Carlos Alvarez Mezquiriz (20%), Marta Maria Alvarez Mezquiriz (20%), Pablo Manuel Alvarez Mezquiriz (20%) and Maria Elvira Alvarez Mezquiriz (20%).

2. BASIS OF PREPARATION

The consolidated financial statements of the Group and the individual financial statements of the parent company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) adopted by the European Union.

As permitted by Section 408 of the Companies Act 2006, no Income Statement or Statement of Comprehensive Income is presented for the parent company.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties that are carried at amortised cost and certain land and buildings classified as property, plant and equipment, derivative financial instruments and available-for-sale financial assets that have been measured at fair value. Non-current assets held for sale have been measured at the lower of carrying amount and fair value less cost to sell.

The figures contained in the consolidated financial statements are presented in thousand of euros (€000), unless stated otherwise.

2.1 Fair presentation

The consolidated financial statements were prepared from the accounting records of the Parent and its subsidiaries. Prevailing accounting legislation was applied to present fairly the Group's consolidated equity, financial position and results. The consolidated statement of cash flows was prepared to present fairly the source and use of the Group's monetary assets, representing cash and cash equivalents.

The accompanying consolidated financial statements were prepared and approved by the directors of the Parent.

2.2 Critical issues concerning the measurement and estimation of uncertainties

In the preparation of the Group's consolidated financial statements, the Parent's directors made estimates to determine the carrying amount of certain of the assets, liabilities, revenue and expenses, and the disclosures of contingent liabilities. These estimates were made on the basis of the best information available at the reporting date. However, given the uncertainty inherent in estimates, future events could require these estimates to be modified in subsequent reporting periods. Any changes in accounting estimates would be made prospectively.

Key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of non-current assets

Estimates must be made when measuring non-current assets other than financial assets, especially intangible assets with an indefinite useful life, to determine their fair value in order to assess whether the assets may be impaired. To determine fair value, the directors estimate the expected future cash flows from the assets or the cash-generating units to which they belong.

Taxation

In accordance with prevailing legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the relevant inspection period has elapsed in each tax jurisdiction in which the Group operates. The Parent's directors consider that no significant contingencies would arise in the event of inspection that would result in material additional liabilities for the Group.

2.3 Changes in accounting policies and disclosures continued

Impact of adopting new accounting standards in 2018

On January 1, 2018 the new IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers became effective, resulting in changes in the accounting policies applied in prior periods.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 *Construction Contracts,* IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customer. IFRS 15 established a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 sets out the requirements for recognizing revenue from contracts with customers. The Group has adopted IFRS 15 using one of the two transaction methods allowed: the modified retrospective method, with the cumulative effect from initial application recognized as an adjustment to the opening balance of retained earnings at the date of initial application January 1, 2018, with a corresponding impact in "Non-controlling interests". Accordingly, the 2017 and 2016 information presented for comparative purposes has not been restated – i.e. it is prepared and presented in accordance with the accounting standards effective at that moment: under IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

Under the provisions in IFRS 15, it is possible to elect to apply certain practical expedients to reduce complexity in the application of the new requirements. The main practical expedients applied by the Group are:

- Completed contracts: not to apply the standard retrospectively to contracts that are completed contracts at January 1, 2018.
- Portfolio approach: the Group will apply the requirements of the standard to groups of contracts with similar characteristics (residential customers and small and medium-sized entities, where standard offers are marketed), since, for the cluster identified, the effects do not differ significantly from an application on a contract by contract basis.

Anyway, due to the nature of the Group's contracts with customers, the application of the new accounting policy did not lead to any change or impact to the previous recognition of revenue from the sale of goods (mainly wine) or other less relevant sources of income.

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurements* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Pursuant to the transition provisions in IFRS 9, the Group has elected the exemption not to restate comparative periods to be presented in the year of initial application (i.e. 2017 and 2016 information presented for the comparative purposes is prepared and presented in accordance with the accounting standards effective at that moment: under IAS 39 Financial Instruments; Recognition and Measurement, and related interpretations).

The adoption of IFRS 9 has fundamentally changed the Group`s accounting for impairment losses for financial assets by replacing IAS 39`s incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognize an allowance for ECLs for all debt instruments held at fair value through profit or loss and contract assets.

Upon the adoption of IFRS 9, the Group has not recognized additional impairment on the Group`s *Trade receivables* and *Debt instruments at fair value* once evaluated its effect as non significant.

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2018. The Group fully consolidates the subsidiaries over which the Parent has direct and indirect control, and uses the equity method of accounting for those operated jointly with other companies outside the Group.

Subsidiaries included in the scope of consolidation are as follows:

Name and address	Activity	% ownership Direct	% ownership Indirect
Full consolidation			
El Enebro, S.A. (*) Madrid, Spain	The acquisition, holding, administration, lease and disposal of securities, property and real estate	79.4%	-
Bodegas Vega Sicilia, S.A. Valbuena de Duero, Valladolid, Spain	Grape growing and processing, and the preparation, production, marketing and sale of wine.	-	79.4%
Bodegas y Viñedos Alión, S.A.U. Peñafiel, Valladolid, Spain	Preparation, production and bottling of wine and the harvest and operation of vineyards.	-	79.4%
El Quexigal, S.A.U. Finca El Quexigal Cebreros, Ávila, Spain	Preparation and packaging of agricultural products, and the operation of rural estates for farming, livestock raising and tourism.	-	79.4%
Tokaj Oremus, KFT Tolcsva, Hungary	Grape growing and processing, and the preparation, production, marketing and sale of wine.	-	79.4%
Núcleo de Explotaciones Agropecuarias de León, NEAL, S.A. Sahelices de Sabero, León, Spain	Production and sale of prime beef and byproducts.	-	79.4%
Bodegas y Viñedos Pintia, S.A.U. San Román de Hornija, Valladolid, Spain	Grape growing and processing, and the preparation, production, marketing and sale of wine.	-	79.4%

Name and address	Activity	% ownership Direct	Indirect
Equity method			
Benjamin Rothschild & Vega Sicilia, S.A. Samaniego, Álava, Spain	Grape growing and processing, and the preparation, production, marketing and sale of wine.	-	39.7%
Europvin, S.A.S 65, cours Saint Louis, Bordeaux, France	Sale of wine	-	15.86%

(*) On May 7, 2015 the Parent Company, Mezqual Limited, acquired 66.6% of the issued share capital of El Enebro, S.A., a Company located in Spain. This transaction was satisfied by the issuance of new 4,995 shares of Mezqual Limited 1 euro each with a share premium amounting to 90,022 thousand euro. Both entities were managed under common control, and the transaction was accounted for using the pooling of interest method.

All balances and transactions between fully-consolidated companies are eliminated on consolidation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main recognition and measurement standards applied by the Group in the preparation of the accompanying consolidated financial statements are as follows:

4.1 Translation of financial statements denominated in foreign currency

Financial statements in currencies other than the euro were translated at the rates of exchange at the reporting date, whereby all assets, rights and obligations were translated to euros at the exchange rate ruling at that date. Income statement items were translated at the exchange rate prevailing at the date of the related transactions or at the average exchange rate where the difference was immaterial. Equity was translated at the historical exchange rate. Exchange gains and losses arising on translation are recognized through Other Comprehensive Income and held in the Valuation Reserve as a separate component of equity.

The financial statements of the parent Company used to prepare the Group's consolidated financial statements are for the year ended 31 December 2018, and are presented in GBP. The financial statements of the subsidiaries used to prepare the Group's consolidated financial statements are for the year ended 31 December 2018, and all are presented in euros except those of Tokaj Oremus, KFT, which are presented in Hungarian forint.

4.2 Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable, directly and indirectly, to the parent company and is presented separately within equity in the consolidated balance sheet, separately from equity attributable to owners of the parent. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

4.3 Intangible assets

Intangible assets are initially measured at cost, determined as the purchase price or production cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment.

The Group assesses whether the useful life of an intangible asset is finite or indefinite. Intangible assets with a finite useful life are amortized on a systematic basis in accordance with their estimated useful life and residual value. Amortization methods and periods are reviewed at the end of each reporting period, and adjusted prospectively where applicable. Intangible assets are tested for impairment at least at each financial period end and any impairment is recognized.

An intangible asset with an indefinite useful life is not amortized and is tested for impairment at least annually. The assessment of indefinite useful life of these assets is reviewed annually.

Administrative concessions

Administrative concessions are amortized on a straight-line basis over the term of the concession, discounting the years elapsed when the assets belong to the previous owners.

Computer software

This item includes the cost for acquiring computer software from third parties. Computer software is amortized on a straight-line basis over an estimated useful life of four years.

Maintenance costs are recognized in the income statement for the year in which they are incurred.

Development expenses

The Group recognizes research costs as an expense in the reporting period in which they are incurred and capitalizes them from the time they meet the following conditions:

- The costs are itemized by project and clearly defined to enable them to be allocated over time.
- There is evidence of the project's technical success and economic and commercial feasibility.

Where there is reasonable doubt as to the technical success and economic and commercial feasibility of the project, any amounts capitalized are recognized directly in consolidated losses for the reporting period.

Expenditure capitalized is recognized according to its nature in the income statement with a balancing entry in income under "Work carried out by the group for assets."

4.4 Property, plant and equipment

Elements of property, plant and equipment are measured at cost, determined as the purchase price or production cost. After initial recognition, property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment.

Borrowing costs accrued that meet the requirement for capitalization for assets acquired or produced after January 1, 2008 that need more than one year to be brought into working condition are included in the purchase price or production cost.

Expenses for repairs that do not extend the useful life of the assets, as well as maintenance costs, are taken to the income statement in the year incurred. Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase capacity or productivity or extend the useful life of the asset are capitalized as an increase in the value of the asset. The carrying amount of items that are replaced are derecognized.

When available for use, property, plant and equipment are depreciated on a straight-line basis over their estimated useful life.

The estimated useful life of property, plant and equipment are as follows:

	Years of useful life
Buildings and constructions	5 – 50
Technical installations and machinery	3 – 12
Information technology equipment	4
Furniture	10
Motor vehicles	8 – 10
Other property, plant and equipment	
Livestock in the breeding age	6
Wine casks and plantations	1 – 16
Works of art and antiques	Indefinite

The Group reviews the assets' residual value, useful lives and depreciation methods at the end of each reporting period and adjusts them prospectively where applicable.

4.5 Investment properties

Buildings, residential real estate and commercial premises leased to third parties are classified as investment properties. The criteria set out for property, plant, and equipment are applied to investment property. Depreciation of investment property is calculated on a straight-line basis over the estimated useful life of the asset, which ranges from 25 to 50 years.

4.6 Impairment of non-financial assets

The Group assesses, at least at the end of each reporting period, whether there is an indication that a non-current asset or, where applicable, a cash-generating unit, may be impaired. If any indication exists, the Group estimates the asset's recoverable amount.

The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. The asset is considered impaired when its carrying amount exceeds its recoverable amount. The value in use is the present value of the future cash flows expected to be obtained, discounted at a market risk-free rate and adjusted for any risks specific to the asset. For those assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

For works of arts, antiques and planting rights, which are considered to have indefinite useful lives, the Group estimates their fair value at the end of the reporting period and recognizes an impairment loss where this is lower than carrying amount.

Impairment and any reversals thereof are recognized in the consolidated income statement. Impairment losses are reversed only if the circumstances that gave rise to the impairment cease to exist. Impairment is only reversed up to the limit of the carrying amount of the asset that would have been determined had the impairment loss not been recognized.

4.7 Leases

Agreements are classified as finance leases when the economic conditions of the lease arrangement indicate that substantially all the risks and rewards incidental to ownership of the asset are considered to be transferred. All other lease arrangements are classified as operating leases.

Group as lessee

The Group recognizes assets acquired under finance leases according to the nature of the asset, and a financial liability for the same amount, at the lower of the fair value of the leased asset and the present value of the minimum lease payments, including the purchase option. Minimum lease payments exclude contingent rents, costs for services and taxes that may be passed on by the lessor. Lease payments are apportioned between finance charges and reduction of the lease liability.

The total finance charge is allocated over the lease term and recognized in consolidated profit and loss for the reporting period in which it is accrued, using the effective interest rate method. The lessee applies the same depreciation, amortization, impairment and derecognition criteria as applied to assets of a similar nature.

Operating lease payments are recognized as expenses in the consolidated income statement when accrued.

Group as lessor

Income from operating leases is recognized in the consolidated income statement when accrued. The carrying amount is increased by the amount of directly attributable contract costs, which are recognized as an expense over the lease term using the same criteria as for the recognition of lease income.

4.8 Financial assets

Classification and measurement

Loans and receivables

The Group recognizes in this category trade and non-trade receivables, which include financial assets with fixed or determinable payments not traded in an active market for which the Company expects to recover all of its initial investment, for reasons other than credit deterioration.

Loans and receivables are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. The financial assets included in this category are subsequently measured at amortized cost.

Nonetheless, trade receivables falling due within one year for which there is no contractual interest rate, and loans and advances to personnel, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term are measured initially and subsequently at their nominal amount, provided that the effect of not discounting the cash flows is not material.

In guarantees extended for operating leases, the difference between the fair value (calculated taking the minimum contractual terms as the remaining period) and the amount disbursed is not considered as a prepayment for the lease or taken to the consolidated income statement over the lease term as the Parent's directors consider that the effect is not material.

Available-for-sale financial assets

This item includes equity instruments not classified in any of the above categories.

Available-for-sale financial assets are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

Available-for-sale assets are subsequently measured at fair value, without deducting any transaction costs incurred on disposal. Changes in fair value are accounted for directly in equity until the financial asset is derecognized or impaired, and subsequently in the consolidated income statement. However, exchange gains and losses on monetary financial assets in foreign currency are recognized in the consolidated income statement.

Investments in equity instruments for which the fair value cannot be estimated reliably are measured at cost less any accumulated impairment.

Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred.

If the Group has neither transferred nor retained substantially all the risks and rewards, it derecognizes the financial asset when it has not retained control over that asset. If the Group retains control over the asset, it continues to recognize the asset at the amount of the exposure to variability in the value of the transferred asset; that is, to the extent of its continuing involvement in the financial asset. The associated liability is also recognized.

Interest and dividends from financial assets

Interest and dividends accrued on financial assets after acquisition are recognized as income in the consolidated income statement. Interest is accounted for using the effective interest rate method, while dividends are recognized when the right to receive payment is established.

Upon initial measurement of financial assets, accrued explicit interest receivable at the measurement date is recognized separately, based on maturity. Dividends declared by the pertinent body at the acquisition date are also accounted for separately. Explicit interest is the interest obtained by applying the financial instrument's contractual interest rate.

4.9 Impairment of financial assets

The Group adjusts the carrying amount of financial assets with a charge to the consolidated income statement when there is objective evidence that the asset is impaired. To determine impairment losses on financial assets, the Group assesses the potential loss of individual as well as groups of assets with similar risk exposure.

Debt instruments and available-for-sale financial assets

The adoption of IFRS 9 has fundamentally changed the Group`s accounting for impairment losses for financial assets by replacing IAS 39`s incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognize an allowance for ECLs for all debt instruments held at fair value through profit or loss and contract assets. The change did not have a significant impact to the Group.

The Group classifies as impaired assets (non-performing assets) debt instruments for which there is objective evidence of impairment, which refers basically to the existence of unpaid balances, non-compliance issues, refinancing and data which evidence the possible irrecoverability of total agreed-upon future cash flows or a delay in their collection.

The reversal of an impairment loss is recognized as income in the consolidated income statement. The loss can only be reversed up to the limit of the carrying amount of the financial asset that would have been disclosed at the reversal date had the impairment loss not been recognized.

Equity instruments

For equity investments measured at cost and included in available-for-sale financial assets, the impairment loss is measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. When estimating impairment, the investee's equity is taken into consideration, corrected for any unrealized gains existing at the measurement date. The losses are recognized directly in the consolidated income statement through a reduction in equity.

The reversal of an impairment loss on equity investments in group companies, jointly controlled entities, and associates is recognized in the consolidated income statement. The loss can only be reversed up to the limit of the carrying amount of the investment that would have been disclosed at the reversal date had the impairment loss not been recognized.

4.10 Financial liabilities

Classification and measurement

Debts and payables

This category includes financial liabilities arising on the purchase of goods and services in the course of the Group's trade operations, and non-trade payables that are not derivatives.

Financial liabilities included in this category are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs.

The financial liabilities included in this category are subsequently measured at amortized cost. Accrued interest is recognized in the consolidated income statement using the effective interest rate method.

Nonetheless, trade payables falling due within one year for which there is no contractual interest rate, and called-up equity holdings expected to be settled in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Guarantees received for operating leases, which are deposited directly at the related public bodies for the legal amount established, are measured at the amount of reimbursement, which does not differ significantly from fair value, taking the minimum contractual term as the remaining period.

Derecognition

The Group derecognizes a financial liability when the obligation is extinguished.

4.11 Treasury shares

Treasury shares are presented as a reduction in equity when they are acquired. No gain or loss is recognized in the consolidated income statement when treasury shares are sold or cancelled. Income and expenses arising from transactions with treasury shares are taken directly to equity as a reduction in reserves.

4.12 Inventories

Goods included in inventories are measured at purchase price or production cost, including indirect taxes on inventories when these are not directly recoverable from the taxation authorities in accordance with the following criteria:

- Inventories of wine included in work in progress and finished goods are measured at production cost. Production cost includes the costs of raw materials, consumables, labour and direct construction costs, and is calculated using the average cost method for each harvest. Work in progress and finished goods whose average maturity or sale at the end of the reporting period exceeds one year are considered goods undergoing production and aging with a long production cycle.

- Production cost of livestock is determined by adding to the purchase price from third parties (where the animals are acquired from third parties) the costs directly attributable to the product, such as feed and pharmaceuticals. Also included is the proportional amount of indirectly attributable costs, insofar as these relate to the raising period, incurred to bring the livestock into a saleable condition and are based on the level of usage of normal production capacity of the raising facilities.

The purchase price or production cost of inventories that require a period of more than one year to bring them into a saleable condition includes borrowing costs accrued during the construction, aging, raising or preparation period.

Valuation allowances are made and recognized as an expense in the consolidated income statement when the purchase price or production cost of inventories exceeds the net realizable value. No valuation allowances are made for raw materials and other consumables used in the production process if the finished products into which they will be incorporated are expected to be sold above cost.

4.13 Cash and cash equivalents

Cash and cash equivalents include cash, current accounts, short-term deposits and purchases of assets under resale agreements which meet the following criteria:

- They are convertible to cash.
- They have a maturity of three months or less from the date of acquisition.
- There is no significant risk of changes in value.
- They form part of the Group's usual cash management strategy.

4.14 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

4.15 Provisions and contingencies

Liabilities for which the amount and settlement date are uncertain are recognized as provisions when the Group has a present obligation (legal, contractual, constructive or tacit) arising from past events, the settlement of which is expected to result in an outflow of resources and the amount of which can be measured reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it to a third party. Adjustments arising from the discounting of the provision are recognized as a finance expense when accrued. Provisions expiring within one year are not discounted where the financial effect is not material. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In addition, contingent liabilities are considered to be possible obligations that arise from past events whose materialization depends on the occurrence of future events not wholly within the Group's control, as well as present obligations arising from past events regarding which it is not probable that an outflow of resources will be required to settle them or which cannot be reliably measured. Contingent liabilities are not recognized in the financial statements, but are disclosed in the accompanying notes, unless the likelihood of an outflow of resources is considered remote.

4.16 Obligations arising from long-term employee benefits

The Group classifies its long-term employee benefits depending on their nature as defined benefit and defined contribution plans. Defined contribution plans are those in which the Group has an obligation to make predetermined contributions into a separate entity (for instance, an insurance company or a pension plan), provided that there is no legal, contractual or constructive obligation to make further contributions if the separate entity were unable to meet its obligations. Obligations that do not entail a defined contribution are considered defined benefit plans.

Retirement benefits under defined contribution schemes

The Group has commitments with certain employees to make contributions to an insurance policy, which are recognized in the income statement on an accrual basis, receivable by these employees if they remain at the company up to their retirement.

4.17 Income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

The Group's principal operating subsidiary in Spain, El Enebro, S.A., together with the fully-consolidated Spanish subsidiaries, files tax returns under the special regime for groups of companies in Spain.

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable profit for the year, less deductions and other tax relief, taking into account changes during the year in recognized deferred tax assets and liabilities. The tax expense is recognized in the consolidated income statement, except when it relates to transactions recognized directly in equity, in which case the related tax is likewise recognized in equity, and in the initial accounting of business combinations, in which case it is recognized as with the remaining assets and liabilities of the business acquired.

Deferred taxes are recognized for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset or liability is the amount attributed to it for tax purposes. The tax effect of temporary differences is included in "Deferred tax assets" or "Deferred tax liabilities" on the consolidated balance sheet, as applicable. The Group recognizes deferred tax liabilities for all temporary differences, except where disallowed under prevailing tax legislation.

The Group recognizes deferred tax assets for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that the related individual company or, where appropriate, the consolidated tax group, will have future taxable profit against which these assets may be utilised, except where disallowed by prevailing tax legislation.

At the end of each reporting period, the Group reassesses recognized and previously unrecognized deferred tax assets. Based on this analysis, a previously recorded deferred tax asset is derecognized when recovery is no longer probable, or a previously unrecorded deferred tax asset is recorded to the extent that it is probable the related individual company or, where appropriate, the consolidated tax group, will have sufficient future taxable profit enabling its application.

Deferred tax assets and liabilities are measured using the tax rates expected to prevail upon their reversal, based on tax legislation approved, and in accordance with the manner in which the assets are reasonably expected to be recovered and liabilities settled.

Deferred tax assets and deferred tax liabilities are not discounted and are classified as non-current assets or non-current liabilities, regardless of the date they are expected to be realized or settled.

4.18 Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the consolidated balance sheet as current or non-current. Accordingly, assets and liabilities are classified as current when they are associated with the operating cycle and it is expected that they will be sold, consumed, realized or settled within the normal course of that cycle; when they differ from the aforementioned assets and are expected to mature, to be sold or settled within one year; and when they are held for trading or are cash and cash equivalents whose use is not restricted to one year.

The normal operating cycle is less than one year for all the activities, except:

- Wine aging, whose cycle ranges between two and 10 years
- The raising of certain cattle, whose cycle is approximately four years.

Note 10 provides a breakdown of inventories whose aging or raising period before they become available for sale is more than one year.

4.19 Revenue and expenses

In accordance with the accruals principle, revenue and expenses are recognized when the goods or services represented by them take place, regardless of when actual payment or collection occurs.

Revenue from sales and the rendering of services is recognized when it is probable that the profit or economic benefits associated with the transaction will flow to the Group and the amount of revenue and costs incurred or to be incurred can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, less any trade discounts, rebates or similar items granted by the Group and interest on the nominal amount of credit extended. Applicable indirect taxes on transactions that the Company must pass on to third parties are not included in revenue.

Rental income is accounted for on a straight-line basis over the lease term.

Due to the nature of the Group client contracts this policy complies with the new IFRS 15 as stated in Note 2.3.

4.20 Foreign currency translation

The Group's functional and presentation currency is the euro. Foreign currency transactions are translated into euros at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the consolidated balance sheet date. Exchange gains or losses arising on this process and on settlement of these assets and liabilities are recognized in the income statement for the reporting period in which they occur.

The functional currency of Mezqual Limited is the GBP and the functional currency of Tokaj Oremus is the Hungarian forint. Translation to the presentation currency is carried out as explained in Note 4.1.

4.21 Environmental assets and liabilities

Expenses incurred to comply with environmental protection legislation are recognized in the year in which they are incurred, unless they correspond to purchases of assets incorporated in the Group's equity to be used over an extended period, in which case they are recognized in the corresponding line of "Property, plant and equipment" and depreciated using the same criteria.

4.22 Related party transactions

Related party transactions are measured using the same criteria described above.

The prices of related party transactions are adequately documented; therefore, the Parent's directors consider there are no risks of significant tax liabilities arising.

4.23 Termination benefits

In accordance with prevailing legislation in Spain, the Group is required to pay indemnities to employees whose contracts are terminated under certain circumstances. Reasonably quantifiable termination benefits are recognized as an expense in the year in which the Group has created a valid expectation with respect to third parties that it will assume an obligation.

5. INTANGIBLE ASSETS

The movements in items comprising "Intangible assets" are as follows:

(€000)	Balance at January 1	Additions and allowances	Disposals	Translation differences and other	Balance at December 31
2018					
Cost					
Research	3,631	-	-	(6)	3,625
Concessions	100	-	-	-	100
Patents, licenses, trademarks, and similar rights	55	-	-	-	55
Computer software	902	30	(7)	(2)	923
Other intangible assets	115	-	-	-	115
	4,803	30	(7)	(8)	4,818
Accumulated amortization					
Research	(3,472)	(123)	-	4	(3,591)
Concessions	(62)	(3)	-	-	(65)
Patents, licenses, trademarks, and similar rights	(36)	(1)	-	-	(37)
Computer software	(613)	(142)	7	3	(745)
Other assets	(25)	(10)	-	-	(35)
	(4,208)	(279)	7	7	(4,473)
Carrying amount	**595**				**345**

(€000)	Balance at January 1	Additions and allowances	Disposals	Translation differences and other	Balance at December 31
2017					
Cost					
Research	5,735	-	(2,040)	(64)	3,631
Concessions	100	-	-	-	100
Patents, licenses, trademarks, and similar rights	55	-	-	-	55
Computer software	851	402	(352)	1	902
Other intangible assets	109	6	-	-	115
	6,850	408	(2,392)	(63)	4,803
Accumulated amortization					
Research	(5,278)	(204)	2,040	(30)	(3,472)
Concessions	(59)	(3)	-	-	(62)
Patents, licenses, trademarks, and similar rights	(35)	(1)	-	-	(36)
Computer software	(981)	(203)	352	219	(613)
Other assets	(16)	(9)	-	-	(25)
	(6,369)	(420)	2,392	189	(4,208)
Carrying amount	**481**				**595**

5.1 Significant movements

There were no significant movements during 2018. The main significant movement in 2017 was the disposal of a research and investigation project that was fully amortized by an amount of €2,040 thousand.

5.2 *Other information*

Fully amortized items of intangible assets in use at December 31 are as follows:

(€000)	2018	2017
Research	3,400	3,061
Patents	37	37
Computer software	474	427
	3,911	**3,525**

6. PROPERTY, PLANT AND EQUIPMENT

The movements in items composing "Property, plant and equipment" are as follows:

(€000)	Balance at January 1	Additions and allowances	Disposals	Transfers	Translation differences and other	Balance at December 31
2018						
Cost						
Land and buildings	57,458	382	(204)	522	(209)	57,949
Technical installations and other items	61,181	4,942	(3,311)	3,287	(134)	65,965
Under construction and advances	1,201	3,952	(188)	(3,809)	(7)	1,149
	119,840	9,276	(3,703)	-	(350)	125,063
Accumulated depreciation						
Buildings	(28,403)	(2,189)	145	-	95	(30,352)
Technical installations and other items	(40,393)	(4,268)	3,055	-	84	(41,522)
	(68,796)	(6,457)	3,200	-	179	(71,874)
Carrying amount	**51,044**					**53,189**

(€000)	Balance at January 1	Additions and allowances	Disposals	Transfers	Translation differences and other	Balance at December 31
2017						
Cost						
Land and buildings	55,854	263	-	1,401	(60)	57,458
Technical installations and other items	60,907	3,080	(3,179)	579	(206)	61,181
Under construction and advances	1,445	2,000	(264)	(1,980)	-	1,201
	118,206	5,343	(3,443)	-	(266)	119,840
Accumulated depreciation						
Buildings	(26,209)	(2,186)	-	-	(8)	(28,403)
Technical installations and other items	(39,350)	(4,028)	2,837	-	148	(40,393)
	(65,559)	(6,214)	2,837	-	140	(68,796)
Carrying amount	**52,647**					**51,044**

6.1 Significant movements

Additions to "Technical installations and other items" in 2018 related mainly to the renovation of the winemaking plant in two wine cellar and the acquisition of new casks, barrels and tanks. Additions to "Technical installations and other items" in 2017 related mainly to the construction and refurbishment of the main building of the winery facilities and the acquisition of new casks.

Disposals of "Technical installations and other items" in 2018 and 2017 related mainly to the sale by the wineries of casks. Net gains in 2018 for the Group on the disposal of property, plant and equipment amounted to €403 thousand (2017: €654 thousand).

6.2 Financial leases

The net carrying amount of property, plant and equipment held under finance leases at December 31 is as follows:

(€000)	2018	2017
Technical installations		
Cost	3,661	-
Accumulated depreciation	(35)	-
	3,626	-

The initially recognized cost value for assets held under finance leases was the present value of future minimum lease payments on the date the lease agreement was signed. The reconciliation between the total future minimum lease payments and the present value at December 31 is as follows:

	2018		2017	
(€000)	Future minimum payments	Present value (Note 15.1)	Future minimum payments	Present value
Within one year	1,231	1,213	-	-
Between one and five years	2,335	2,323	-	-
	3,566	**3,536**	-	

The principal terms of finance lease agreements are as follows:

- The lease is for a term of three years.
- A fixed interest rate is applied (0.58% annual).
- Repair and maintenance expenses are assumed by the lessor.
- The amount of the purchase option is equivalent to the last lease payment.
- There are no contingent lease payments.

6.3 Operating leases

The future minimum payments under non-cancellable operating leases at December 31 are as follows:

(€000)	2018	2017
Within one year	448	429
After one year but not more than five years	1,151	779
	1,599	**1,208**

6.4 Other information

Fully depreciated items of property, plant and equipment in use at December 31 are as follows:

(€000)	2018	2017
Buildings	4,523	4,173
Technical installations and other items	25,325	23,268
	29,848	**27,441**

The Group's policy is to arrange insurance policies to cover potential risks that could affect its items of property, plant and equipment, The carrying amount of these items at 31 December 2018 was reasonably assured by the related insurance policies.

7. INVESTMENT PROPERTY

The movements in items composing "Investment property" are as follows:

(€000)	Balance at January 1	Additions and allowances	Disposals	Balance at December 31
2018				
Cost				
Land and buildings	58,930	162	(2,675)	56,417
	58,930	162	(2,675)	56,417
Accumulated depreciation				
Buildings	(19,393)	(1,190)	1,730	(18,853)
	(19,393)	(1,190)	1,730	(18,853)
Carrying amount	**39,537**			**37,564**
2017				
Cost				
Land and buildings	59,123	15	(208)	58,930
	59,123	15	(208)	58,930
Accumulated depreciation				
Buildings	(18,214)	(1,228)	49	(19,393)
	(18,214)	(1,228)	49	(19,393)
Carrying amount	**40,909**			**39,537**

7.1 Significant movements

In 2018, investments amounting €162 thousand were made mainly related to the remodelling of a building. There were no significant movements during 2018.

Disposals in 2018 related mainly to the sale of a building (including the land on which it was settled, which cost amounted to €817) resulting in a net gain (including sales cost) of €6,488 thousand. Disposals in 2017 related to the sale of a building in Mellilla whose cost amounted to €817) resulting in a net gain of €21 thousand.

7.2 Finance leases

The net carrying amounts of items of investment property acquired under finance leases at December 31 are as follows:

(€000)	2018	2017
Buildings		
Cost	33,039	33,039
Accumulated depreciation	(8,848)	(8,095)
	24,191	24,944

The cost at which assets held under finance lease were initially recognized was the present value of the minimum lease payments at the inception of the finance lease,

The reconciliation between the total amount of future minimum payments and their present value at December 31 is as follows:

(€000)	2018 Future minimum payments	2018 Present value (Note 15.1)	2017 Future minimum payments	2017 Present value (Note 15.1)
Within one year	1,308	1,269	1,407	1,356
After one year but not more than five years	10,058	9,933	5,913	7,116
More than five years	-	-	5,444	4,086
	11,366	11,202	12,764	12,558

The finance lease arrangements have the following characteristics:

- The remaining terms of the leases range from one to five years (2017: one to six years).
- Interest is at variable rates and indexed to the 1-year Euribor rate plus a spread of 0.6% (constant spread throughout the lease term).
- Finance costs accrued in 2018 amounted to €50 thousand (2017: €104 thousand).
- Upkeep and maintenance costs are borne by the lessee.
- The amount of purchase options is equivalent to the final payments of the finance leases.
- There are no contingent lease payments.

7.3 Operating leases

The Group's investment properties are leased out to Group companies, associates or third parties under operating leases or are in the process of being leased, The lease terms range from one to ten years and there are no contingent payments.

Income obtained in 2018, mainly from the lease of investment properties, amounted to €4,490 thousand (2017: €4,429 thousand) (Note 17.1).

Expenses related to investment properties and other minor revenue-generating assets in 2018 correspond to the related annual depreciation charge, of €1,093 thousand (2017: €1,210 thousand), and to administration and maintenance, of €1,114 thousand (2017: €1,010 thousand). Meanwhile, costs from unleased properties in 2018 included €98 thousand of depreciation (2017: €73 thousand) and €132 thousand of administration and maintenance (2017: €137 thousand).

The future minimum rentals receivable under non-cancellable operating leases at December 31 are as follows:

(€000)	2018	2017
Within one year	18,738	4,188
After one year but not more than five years	37,476	12,563
More than five years	-	4,880
	56,214	**21,631**

7.4 Other information

At 31 December 2018, the Group had fully depreciated buildings amounting to €2,419 thousand (2017: €2,207 thousand).

At 31 December 2018, the Group had investment properties with a net carrying amount of €7,224 thousand (2017: €7,380 thousand) which are mortgaged to secure various loans described in Note 15.1. The balance of these loans at 31 December 2018 was €3,844 thousand (2017: €5,057 thousand).

It is the Group's policy to arrange insurance policies to cover the potential risks to which its investment properties are exposed, The carrying amount of these items at 31 December 2018 was reasonably covered by the related insurance policies.

8. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The breakdown of and movement in companies accounted for using the equity method is as follows:

(€000)	Balance at January 1	Other	Amounts recognized in profit or loss	Balance at December 31
2018				
Benjamin Rothschild & Vega Sicilia, S,A,	5,727	-	(520)	5,207
Europvin, S,A,S	1,132	-	(412)	720
	6,859	**-**	**(932)**	**5,927**
2017				
Benjamin Rothschild & Vega Sicilia, S,A,	6,805	4	(1,082)	5,727
Europvin, S,A,S	1,018	-	114	1,132
	7,823	**4**	**(968)**	**6,859**

The information relating to companies accounted for using the equity method is as follows:

(€000)	Total Assets	Total Liabilities	Revenue	Profit for the year
2018				
Bodegas Benjamin de Rothschild & Vega Sicilia, S.A. (*)	39,527	26,745	3,859	(1,040)
Europvin, S.A.S (**)	15,762	12,571	20,396	(1,080)
2017				
Bodegas Benjamin de Rothschild & Vega Sicilia, S.A. (*)	39,895	26,202	3,175	(2,146)
Europvin, S.A.S (**)	14,602	10,332	21,686	579

(*) Financial information obtained from the condensed financial statements of Bodegas Benjamin de Rothschild & Vega Sicilia, S.A., at December 31 for each year, audited by Ernst & Young, S.L.,

(**) Financial information obtained from the annual financial statements ended at March 31, 2018 and 2017 of Europvin, S.A.S., audited by Pricewaterhouse Coopers France.

9. FINANCIAL ASSETS

The detail of financial assets, excluding investments in companies accounted for using the equity method (Note 8) is as follows:

(€000)	December 31, 2018			December 31, 2017		
	Equity instruments	Loans, derivatives and other financial assets	Total	Equity instruments	Loans, derivatives and other financial assets	Total
Non-current financial assets						
Available-for-sale financial assets						
Measured at cost	88,162	78	88,240	88,088	78	88,166
Loans and receivables	-	3,592	3,592	-	726	726
	88,162	3,670	91,832	88,088	804	88,892
Current financial assets						
Loans and receivables	-	8,130	8,130	-	7,526	7,526
	-	8,130	8,130	-	7,526	7,526
	88,162	**11,800**	**99,962**	**88,088**	**8,330**	**96,418**

These amounts are included in the following balance sheet line items:

(€000)	Equity instruments	Loans, derivatives and other financial assets	Total
31 December 2018			
Non-current financial assets			
Non-current investments	88,162	3,670	91,832
	88,162	3,670	91,832
Current financial assets			
Trade and other receivables	-	8,017	8,017
Other current investments	-	113	113
	-	8,130	8,130
	88,162	**11,800**	**99,962**
31 December 2017			
Non-current financial assets			
Non-current investments	88,088	804	88,892
	88,088	804	88,892
Current financial assets			
Trade and other receivables	-	7,361	7,361
Other current investments	-	165	165
	-	7,526	7,526
	88,088	**8,330**	**96,418**

9.1 Available-for-sale financial assets

The breakdown of available-for-sale financial assets is as follows:

(€000)	Cost	Valuation allowance	Net value	Ownership (%)
31 December 2018				
Eulen, S.A.	87,732	-	87,732	39,24%
SODICAL, S.C.R., S.A.	332	-	332	2,60%
Other equity instruments	98	-	98	-
	88,162	**-**	**88,162**	
31 December 2017				
Eulen, S.A.	87,732	-	87,732	39,24%
SODICAL, S.C.R., S.A.	332	-	332	2,60%
Other equity instruments	24	-	24	-
	88,088		**88,088**	

The Group has 198,533 shares in Eulen, S.A. with a total related cost of €88 million, being 152,620 shares adquired in 2013, with a total cost amounting to €81.3 million €. A significant portion of the price will be paid over the long term, at market rates of interest (Note 15.1.2). To guarantee payment of the price, the Group issued a pledge on shares of subsidiary Bodegas Vega Sicilia, S.A.

The Group holds these investments for strategic reasons and measures them at cost, as it does not have sufficient available information to determine fair value reliably. They are classified as non-current assets as the Group does not have the intention of selling them in the short term. None of these assets are listed on a stock exchange.

During 2018 Eulen, S.A. has distributed dividends amounting to €2,768 thousand (2017: €2,787 thousand).

9.2 Loans and receivables

The breakdown of financial assets classified in this category is as follows:

(€000)	31 December 2018	31 December 2017
Non-current financial assets		
Credits	2,911	50
Deposits extended	681	676
Other financial assets	78	78
	3,670	804
Current financial assets		
Trade and other receivables	8,017	7,361
Other credits	113	165
	8,130	7,526
	11,800	**8,330**

Trade and other receivables

The breakdown of "Trade and other receivables" is as follows:

(€000)	31 December 2018	31 December 2017
Trade receivables	7,766	7,152
Other receivables	251	209
	8,017	**7,361**

Valuation allowances/ Expected credit losses

The balance of "Trade receivables" is presented net of impairment. The changes in impairment losses during the year are as follows:

(€000)	2018	2017
Balance at January 1	1,263	1,297
Allowances / Expected credit losses, net	8	(34)
Amounts used, net	5	-
Balance at December 31	**1,276**	**1,263**

10. INVENTORIES

The breakdown of "Inventories" by business is as follows:

(€000)	Winemaking	Food	Livestock	Total
December 31, 2018				
Merchandise and finished goods	11,808	-	71	11,879
Work in progress and semi-finished goods	42,024	5,616	2	47,642
Raw materials and other supplies	1,132	-	3	1,135
Advances	-	3	-	3
Valuation allowances / expected credit losses	(458)	-	-	(458)
	54,506	**5,619**	**76**	**60,201**
December 31, 2017				
Merchandise and finished goods	12,421	-	71	12,492
Work in progress and semi-finished goods	39,953	5,530	2	45,491
Raw materials and other supplies	973	-	3	976
Advances	-	3	-	3
Valuation allowances	(451)	-	-	(451)
	52,896	**5,533**	**76**	**58,505**

Valuation allowances for inventories are primarily the result of the higher production cost than the market price. The net movements in "Valuation allowances" amounted to €7 thousand (2017: €285 thousand).

The group arranged insurance policies to recover the carrying amount of inventories.

11. CASH AND CASH EQUIVALENTS

The breakdown of "Cash and cash equivalents" is as follows:

(€000)	2018	2017
Cash	37	26
Cash in foreign currency	16	23
Demand current accounts	1,296	938
Demand current accounts in foreign currency	392	548
	1,741	**1,535**

Current accounts earn interest at market rates for this type of account. There are no restrictions on use of the balance.

12. EQUITY – CAPITAL AND RESERVES

12.1 Registered capital

The Parent's share capital at 31 December 2018 and 2017 consisted of 5,000 fully subscribed and paid ordinary registered shares of €1 par value each, all of the same class and carrying the same dividend and voting rights.

On May 7, 2015 the Parent Company made a capital increase of 4,995 shares of €1 par value each with a share premium amounting to 90,022 thousand euro in order to acquire the 66.6% of El Enebro, S.A. shares.

There are no guarantees, pledges or encumbrances on the shares comprising share capital.

Capital management policy

The primary objective of the Group's capital management policy is to safeguard its capacity to continue managing its on-going activities and continue expanding through new projects, while maintaining an optimal debt to equity ratio to create value for its shareholders.

The Company finances growth through:

- Internally generated cash flows from ongoing business activities.
- Shareholder contributions which could be by equity or new liabilities.

12.2 Restricted reserves

As described above, during 2015 the Company made a capital increase in order to acquire El Enebro, S.A. shares. This capital increase was performed with a share premium amounting to €90,022 thousand.

The Group has further restricted reserves amounting to €2,341 thousand as follows:

Legal reserve

In accordance with the Capital Enterprises Act of Spain, until the balance of the legal reserve is equivalent to at least 20% of share capital, it cannot be distributed to shareholders and can only be used to offset losses if no other reserves are available. This reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase.

The legal reserve held in El Enebro, S.A. at 31 December 2018 amounted to €372 thousand (2017: €372 thousand), in line with the legal threshold.

Revaluation reserves Royal Decree-Law 7/1996

In accordance with Spanish R.D. Law 7/1996, of June 7, on urgent tax measures and measures to promote and deregulate economic activity, the Group's Spanish companies revalued certain of their property, plant and equipment, assets held under finance leases and land.

The balance of the revaluation reserve, after verification and acceptance by the the taxation authorities, may be used to offset losses or increase the capital of the related company. After 10 years, the balance may be allocated to unrestricted reserves for fully depreciated assets, for the amount depreciated, and/or assets transferred or derecognized.

At 31 December 2018 and 2017, €579 and €576 thousand, respectively, of this reserve were restricted until the capital gain is realized.

Balance sheet revaluations were carried out in 2013 for €1,330 thousand at subsidiary Bodegas y Viñedos Pintia, S.A.U. in accordance with Law 16/2012, of December 27, published on December 28, 2012, adopting certain tax measures to consolidate public finances and promote economic activity. The related reserve is restricted.

12.3 Treasury shares

No changes in "Treasury shares" balance have been placed in 2018 and 2017.

At 31 December 2018 and 2017 El Enebro, S.A. held 50,064 of its own shares as treasury shares, representing 16,17% of its share capital, with a cost of €39,434 thousand.

A total of 22,373 treasury shares were pledged in guarantee of the syndicated loan arranged on October 15, 2015 (see Note 15.1.1).

13. GRANTS AND DONATIONS

The movements in non-refundable capital grants received from official bodies are as follows:

(€000)	Balance at January 1	Additions net of tax effect	Amounts transferred to the income statement	Tax effect of transfers	Translation adjustments & others	Balance at December 31
2018						
Consolidated entities	3,473	30	(382)	77	73	3,271
	3,473					**3,271**
2017						
Consolidated entities	3,774	-	(307)	77	(71)	3,473
	3,774					**3,473**

In 2010, the construction of a new production warehouse in a winery was completed and used to produce wines for the 2010 harvest. A grant of €3,502 thousand was extended for this investment (40% of an eligible investment of €8,755 thousand) under record number VA/090033/S16 as part of agrarian and food industry aid for diversification in Castilla and Le6n districts affected by the restructuring of the sugar industry (Line S16). The investment was accredited and subsequently verified by the grantor, which considered that the attaching conditions for the grant were fulfilled and accredited.

The Parent's directors consider that the Group has also complied with the attaching conditions for award of the remaining grants not verified by the grantors.

14. PROVISIONS

The are no significant "Provisions" in 2018 and 2017.

15. FINANCIAL LIABILITIES

15.1 Group

The breakdown of "Financial liabilities" is as follows:

(€000)	31 December 2018 Debt with financial institutions	Other	Total	31 December 2017 Debt with financial institutions	Other	Total
Non-current financial liabilities						
Debts and payables	25,852	14,497	40,349	43,660	28,333	71,993
	25,852	14,497	40,349	43,660	28,333	71,993
Current financial liabilities						
Debts and payables	40,838	21,552	62,390	28,707	19,517	48,224
	40,838	21,552	62,390	28,707	19,517	48,224
	66,690	**36,049**	**102,739**	**72,367**	**47,850**	**120,217**

These amounts are included in the following balance sheet line items:

(€000)	31 December 2018 Debt with financial institutions	Other	Total	31 December 2017 Debt with financial institutions	Other	Total
Non-current financial liabilities						
Non-current payables	25,852	14,497	40,349	43,660	28,333	71,993
	25,852	14,497	40,349	43,660	28,333	71,993
Current financial liabilities						
Current payables	40,838	13,925	54,763	28,707	42	28,749
Trade and other payables	-	7,627	7,627	-	19,475	19,475
	40,838	21,552	62,390	28,707	19,517	48,224
	66,690	**36,049**	**102,739**	**72,367**	**47,850**	**120,217**

15.1.1 Debt with financial institutions

The breakdown of "Debt with financial institutions" is as follows:

(€000)	31 December 2018	31 December 2017
Non-current		
Loans with financial institutions	12,383	23,412
Credit lines and facilities with financial institutions	1,213	9,046
Finance lease payables (Notes 6.2 and 7.2)	12,256	11,202
	25,852	43,660
Current		
Loans with financial institutions	11,538	8,012
Credit lines and facilities with financial institutions	26,686	19,238
Finance lease payables (Note 6.2 and 7.2)	2,482	1,356
Accrued interest payable	132	101
	40,838	28,707
	66,690	**72,367**

Loans with financial institutions

The breakdown of "Loans with financial institutions" is as follows:

(€000)	Balance outstanding Current	Non-current	Total	Final maturity	Interest rate
31 December 2018					
Mortgage loans on investment properties					
Banco Santander	614	850	1,464	30.05.2021	Euribor + 0.50%
Banco Santander (former Banesto)	37	349	386	01.08.2021	Euribor + 0.60%
Banco Santander	502	1,107	1,609	18.02.2022	Euribor + 1.10%
Abanca	78	307	385	01.06.2023	Euribor + 0.60%
Other loans					
Santander	500	-	500	29.01.2019	Fijxed 0.85%
BBVA	807	814	1,621	30.07.2020	Fixed 0.90%
Banco Santander syndicated loan	9,000	9,000	18,000	15.10.2020	Euribor + 1.50%
Debt formalizing costs	-	(44)	(44)		
	11,538	**12,383**	**23,921**		
31 December 2017					
Mortgage loans on investment properties					
Banco Santander	604	1,464	2,068	30.05.2021	Euribor + 0.50%
Banesto	38	386	424	01.08.2021	Euribor + 0.60%
Banco Santander	497	1,609	2,106	18.02.2022	Euribor + 1.10%
Abanca	74	385	459	01.06.2023	Euribor + 0.60%
Other loans					
BBVA	799	1,621	2,420	30.07.2020	Fixed 0.90%
Banco Santander syndicated loan	6,000	18,000	24,000	15.10.2020	Euribor + 1.65%
Debt formalizing costs	-	(53)	(53)		
	8,012	**23,412**	**31,424**		

On October 15, 2015, El Enebro, S,A, arranged a new syndicated loan for €30,000 thousand, with

Banco Santander as the agent bank and Abanca Corporación, BBVA and Bankinter as the remaining banks in the syndicate. The loan matures on October 15, 2020, with an 18-month grace period, and bears interest at the 6-month Euribor rate plus a spread of between 1.25 and 1.65 points. The loan is guaranteed with 22,373 treasury shares acquired in 2015 (Note 12.3).

The breakdown of maturities by nominal amount of loans from financial institutions at December 31 is as follows:

(€000)	2018	2017
2018	-	8,012
2019	11,538	11,038
2020	11,082	11,082
2021	1,206	1,206
2022	91	91
2023	48	48
	23,965	31,477

Credit facilities and lines

The breakdown of credit policies and facilities with financial institutions is as follows:

	Amount drawn					
(€000)	Current	Non-current	Total	Limit	Maturity	Interest rate
31 December 2018						
Credit Line I	3,501	-	3,501	4,000	29.11.2019	Euribor + 1.10%
Credit Line II	5,918	-	5,918	6,000	23.09.2019	Euribor + 1.25%
Credit Line III	3,379	-	3,379	4,000	27.11.2019	Fixed 1.2%
Credit Line IV	4,898	-	4,898	5,000	20.03.2019	Euribor + 1.00%
Credit Line V	4,816	-	4,816	5,000	15.06.2019	Euribor + 1.15%
Credit Line VI	1,573	-	1,573	10,000	25.10.2019	Euribor + 1.15%
Credit Line VII	2,531	-	2,531	6,000	21.12.2019	Euribor + 1.15%
Credit Line VIII	70	-	70	3,000	18.12.2019	Euribor + 1.15%
Credit Line IX	-	6	6	4,000	04.03.2020	Euribor + 1.10%
Credit Line X	-	405	405	3,000	04.03.2020	Euribor + 1.10%
Credit Line XI	-	335	335	2,000	04.03.2020	Euribor + 1.10%
Credit Line XII	-	467	467	467	31.07.2023	Bubor + 1.40%
	26,686	1,213	27,899	52,467		
31 December 2017						
Credit Line I	3,122	-	3,122	4,000	17.03.2018	Euribor + 1.25%
Credit Line II	5,711	-	5,711	6,000	23.09.2018	Euribor + 1.50%
Credit Line III	1,902	-	1,902	2,000	20.07.2018	Fixed 1.00%
Credit Line IV	4,705	-	4,705	5,000	17.03.2018	Euribor + 1.30%
Credit Line V	3,798	-	3,798	5,000	16.03.2018	Euribor + 1.25%
Credit Line VI	-	1,585	1,592	10,000	25.10.2019	Euribor + 1.15%
Credit Line VII	-	4,322	4,322	6,000	21.12.2019	Euribor + 1.15%
Credit Line VIII	-	78	78	3,000	18.12.2019	Euribor + 1.15%
Credit Line IX	-	2,329	2,329	4,000	04.03.2020	Euribor + 1.10%
Credit Line X	-	490	490	2,000	04.03.2020	Euribor + 1.10%
Credit Line XI	-	180	180	3,000	04.03.2020	Euribor + 1.10%
Other	-	62	62			
	19,238	9,046	28,291	50,000		

15.1.2 Other

The breakdown of financial liabilities classified in this category is as follows:

(€000)	31 December 2018	31 December 2017
Non-current		
Deposits received and advances from lessees	616	577
Payable to related parties	13,878	27,755
Other financial liabilities	3	1
	14,497	28,333
Current		
Trade and other payables	5,612	4,412
Payable to related parties	13,906	13,878
Other financial liabilities	19	278
Current tax liabilities (Note 16)	2,015	949
	21,552	19,517
	36,049	**47,850**

Payable to related parties

Loans received from related parties at December 31, 2018 and 2017 relate to the amount payable by the Group to certain former directors of El Enebro S.A. for the acquisition of shares of Eulen, S.A.. The total amount of the debt in this connection was €80,889 thousand, and at the time of the arrangement of the loans, the Group paid €11,500 thousand. The outstanding amount was instrumented in a number of loans from the former directors maturing in 2020, with a 3-year grace period and bearing annual interest of 5% in the first three years and interest at the Euribor rate plus a spread of 4.5% in the remaining years.

The breakdown by maturity of the nominal amounts of these loans at December 31 is as follows:

(€000)	31 December 2018	31 December 2017
2018	-	13,878
2019	13,906	13,877
2020 and beyond	13,878	13,878
	27,784	**41,633**

Trade and other payables

The breakdown of “Trade and other payables” is as follows:

(€000)	31 December 2018	31 December 2017
Suppliers	1,405	1,336
Suppliers, companies accounted for using the equity method	4	202
Other payables	1,969	1,335
Personnel (salaries payable)	476	1,001
Advances from customers	1,758	538
Total trade and other payables	**5,612**	**4,412**

15.2 Parent Company

The breakdown of "Financial liabilities" at December 31, is as follows:

(€000)	2018 Debt with financial institutions	2018 Other	2018 Total	2017 Debt with financial institutions	2017 Other	2017 Total
Non-current financial liabilities						
Debts and payables	-	-	-	-	186	186
	-	-	-	-	186	186
Current financial liabilities						
Debts and payables	-	142	142	-	134	134
	-	142	142	-	134	134
	-	**142**	**142**	**-**	**320**	**320**

These amounts are included in the following lines of the statement of financial position:

(€000)	2018 Debt with financial institutions	2018 Other	2018 Total	2017 Debt with financial institutions	2017 Other	2017 Total
Non-current financial liabilities						
Non-current payables to related parties	-	-	-	-	186	186
	-	-	-	-	186	186
Current financial liabilities						
Income tax payable	-	-	-	-	27	27
Trade payables	-	142	142	-	107	107
	-	142	142	-	134	134
	-	**142**	**142**	**-**	**320**	**320**

Payable to related parties

In 2017, non-current related parties' liabilities represent amounts payable to El Enebro, S.A. (Mezqual's subsidiary) for a principal of €179 thousand and interest amounting to €7 thousand.

16. TAXATION

The breakdown of tax assets and tax liabilities at December 31 is as follows:

(€000)	2018	2017
Deferred tax assets (Note 16.2)	1,797	1,789
Public entities, other		
VAT	62	12
Foreign taxes/ Other	19	9
Sub total	81	21
	1,878	**1,810**
Deferred tax liabilities (Note 16.2)	(4,879)	(5,520)
Current tax liabilities (Note 15.1.2)	(1,119)	(409)
Public entities, other		
Personal income tax withholdings	(508)	(428)
Social security payable	(117)	(105)
VAT	(271)	-
Foreign taxes	-	(34)
Sub total (Note 15.1.2)	(896)	(567)
	(6,894)	**(6,496)**

In accordance with prevailing legislation in Spain, tax returns for Group's Spanish subsidiaries cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. Due, *inter alia*, to the varying interpretation of prevailing tax legislation, future tax inspection of the years open to inspection could give rise to additional liabilities. In any event, the directors consider that such liabilities would not have a significant effect on the annual financial statements.

16.1 Calculation of income tax expense

El Enebro, S.A., as the principal operating subsidiary in Spain, files income tax returns for a Group of companies comprising El Enebro, S.A., Bodegas Vega Sicilia, S.A.U., Bodegas y Viñedos Alión, S.A.U., Núcleo de Explotaciones Agropecuarias de León, NEAL, S.A., El Quexigal, S.A.U. and Bodegas y Viñedos Pintia, S.A.U.

The reconciliation between the consolidated profit and the consolidated taxable base is as follows:

	Consolidated statement of profit or loss		
(€000)	Increase	Decrease	Total
2018			
Consolidated profit			23,284
Income Tax expense			7,231
Profit before tax			**30,515**
Permanent differences	1,318	(2,841)	(1,523)
Temporary differences	2,603	(1,560)	1,043
Consolidated taxable base			**30,035**
2017			
Consolidated profit			17,541
Income Tax expense			4,599
Profit before tax			**22,140**
Permanent differences	2,239	(4,615)	(2,376)
Temporary differences	3,524	(1,209)	2,315
Consolidated taxable base			**22,079**

The reconciliation between income tax expense/(income) and the result of multiplying total recognized income and expenses by applicable tax rates is as follows:

(€000)	**2018**	**2017**
Income and expenses for the year before tax	30,515	22,140
Permanent differences	(1,523)	(2,376)
	28,992	19,764
Tax charge (Spain tax rate: 25%)	7,629	5,535
Non-deductible expenses / Foreign investment effect/ Other	(398)	(936)
Tax expense (income)	**7,231**	**4,599**

The breakdown of income tax expense (income) is as follows:

(€000)	**2018**	**2017**
Current income tax	8,327	5,598
Changes in deferred taxes	(569)	(496)
Net deductions and other	(527)	(503)
	7,231	**4,599**

Income tax payable was calculated as follows:

(€000)	**2018**	**2017**
Current tax	8,327	5,598
Payments on account	(7,208)	(5,189)
Income tax payable (refundable)	**1,119**	**409**

16.2 Deferred tax assets and liabilities

The movements in items composing "Deferred tax assets" and "Deferred tax liabilities" are as follows:

(€000)	Balance at January 1	Changes reflected in Profit (loss) for the year	Changes reflected in Total equity	Balance at December 31
2018				
Deferred tax assets				
Difference between depreciation and tax depreciation, included the temporary adjustment 2013.2014 (Law 16.2012)	1,743	13	-	1,756
Other	46	-	(5)	41
	1,789	**13**	**(5)**	**1,797**
Deferred tax liabilities				
Tax unrealized gains	329	-	-	329
Non-refundable grants	(933)	7	85	(841)
Swaps	(76)	2	-	(74)
Tax goodwill	(16)	(1)	-	(17)
Accelerated tax depreciation	(4,346)	389	-	(3,957)
Tax impairment of investments in group companies	(478)	159	-	(319)
	(6,520)	**556**	**85**	**(4,079)**
2017				
Deferred tax assets				
Difference between depreciation and tax depreciation, included the temporary adjustment 2013.2014 (Law 16.2012)	1,735	8	-	1,743
Other	50	-	(4)	46
	1,785	**8**	**(4)**	**1,789**
Deferred tax liabilities				
Tax unrealized gains	329	-	-	329
Non-refundable grants	(1,032)	8	91	(933)
Swaps	(78)	2	-	(76)
Tax goodwill	(14)	(2)	-	(16)
Accelerated tax depreciation	(4,746)	400	-	(4,346)
Tax impairment of investments in group companies	(558)	80	-	(478)
	(6,099)	**488**	**91**	**(5,520)**

The Group estimated the tax assets it expects to obtain in the coming years. Based on this estimate, it recognized deferred tax assets related to deductions and deductible temporary differences for which it considered probable that the tax group will generate sufficient future taxable profit.

17 REVENUE AND EXPENSES

17.1 Revenue from operations

The breakdown of revenue from continuing operations by business category and geographic market is as follows:

(€000)	2018	2017
Segmentation by category		
Winemaking products	49,727	47,699
Meat, agrarian, livestock and forestry products	4,515	4,721
Lease of properties (Note 7.3)	4,490	4,429
Other	440	1,120
	59,172	**57,969**
By geographical market		
Spain	33,496	33,702
European Union	9,802	8,810
Rest of the world	15,874	15,457
	59,172	**57,969**

17.2 Consumables used and other external expenses

The breakdown of this heading is as follows:

(€000)	2018	2017
Merchandise used		
Purchases	(1,043)	(1,461)
Raw materials and other supplies used		
Purchases	(5,789)	(4,618)
Subcontracted work	(1,468)	(2,003)
Impairment of merchandise, raw materials and other supplies	(7)	(38)
	(8,307)	8,120

17.3 Employee benefits expense

The breakdown of "Employee benefits expense" is as follows:

(€000)	2018	2017
Salaries, wages and similar		
Salaries and wages	(9,151)	(8,944)
Termination benefits	(65)	(111)
	(9,216)	(9,055)
Employee benefits expense		
Social Security payable	(1,185)	(1,132)
Other employee benefits expense	(189)	(221)
	(1,374)	(1,353)
Provisions		
Contributions to retirement benefit insurance (Note 18)	(38)	(58)
	(10,628)	(10,466)

17.4 Other operating expenses

The breakdown of "Other operating expenses" is as follows:

(€000)	2018	2017
Leases and royalties	(792)	(740)
Repairs and maintenance	(1,629)	(1,278)
Auditor's remuneration:		
- Audit of the parent company	(111)	(96)
- Audit of the group subsidiaries	(132)	(130)
Other independent professional services	(4,097)	(4,241)
Transport	(409)	(402)
Insurance premiums	(453)	(454)
Banking and similar services	(28)	(27)
Advertising, publicity and public relations	(589)	(675)
Utilities	(819)	(795)
Other	(2,513)	(1,950)
	(11,572)	(10,788)

18 LONG-TERM EMPLOYEE BENEFITS

Defined contribution plans

The contribution to retirement benefit insurance in 2018 amounted to €38 thousand (2017: €58 thousand) (Note 17.3).

19 RELATED PARTY TRANSACTIONS

Related parties with which the Group carried out transactions in 2018 and 2017 and the nature of the relationship are as follows:

	Nature of the relationship
Eulen, S,A, and subsidiaries	Related party - Common shareholders with those of the Parent
Bodegas Benjamin de Rothsschild & Vega Sicilia, S,A,	Subsidiary integrated by Equity method
Administrators	Directors
Senior management	Managers

Related party transactions relate to the Group's normal trade operations and are carried out on an arm's length basis, similar to transactions with unrelated parties.

19.1 Related parties

Balances with related parties are as follows:

	Related parties	
(€000)	2018	2017
Current and Non-current payables to related parties	(27,784)	(41,870)
Trade receivables	46	398
Suppliers	(341)	(202)

Related party transactions in the year were as follows:

	Related parties	
(€000)	2018	2017
Sales	6,127	5,486
Sale of assets	29	-
Purchase of assets	(68)	-
Finance expenses	(1,289)	(1,869)
External services	(1,966)	(205)

19.2 Directors and senior management

Salaries and wages paid in the year to directors and senior management amounted to €965 thousand and €252 thousand, respectively (2017: €891 thousand and €182 thousand, respectively), Remuneration paid to directors for discharging their duties amounted to €1,150 thousand (2017: €1,150 thousand).The emoluments of the highest paid director amounted to €497 thousand (2017: €357 thousand).

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Based on its risk management policies, the Group has established a series of procedures and controls that make it possible to identify, measure, and manage the risks arising from financial instrument activity.

Financial instrument activity exposes the Group to credit, market, and liquidity risk.

20.1 Credit risk

Credit risk arises when there is a possible loss caused by the counterparty not meeting its contractual obligations, i.e., the possibility that financial assets will not be recovered at their carrying amount within the established time frame.

The maximum exposure to credit risk at December 31 is as follows:

(€000)	2018	2017
Non-current investments	3,592	727
Trade and other receivables	7,766	7,152
Current investments	113	165
	11,471	**8,044**

As of December 31, 2018 and 2017, the Group evaluates the concentration of risk with regard to trade and other receivables as low due to the widespread customer base.

20.2 Market risk

Market risk is the risk of loss caused by fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk comprises interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk of loss caused by fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its creditor positions in mortgage loans and long-term finance leases, and from credit facilities and lines with financial institutions, the interest rates of which are indexed to the Euribor rate.

Foreign currency risk

Foreign currency risk is the risk of loss caused by fluctuations in the fair value or cash flows of a financial instrument because of changes in foreign exchange rates. The Group's exposure to foreign currency risk is due mainly to rental income from the lease of investment properties obtained in Mexican pesos and US dollars. and to the net investment in the Hungarian subsidiary.

At 31 December 2018 and 2017 the Group did not have currency hedges on its foreign currency balances.

20.3 Liquidity risk

Liquidity risk is the risk that the Group will have a shortage of funds or lack access to sufficient funds at an acceptable cost to meet its payment obligations at all times. The Group's objective is to maintain sufficient available funds.

The Group obtains funding through mortgage loans, finance lease arrangements and credit facilities with financial institutions, the undrawn balance of which at 31 December 2018 stood at €24,568 thousand (2017: €21,966 thousand).

21 EMPLOYEE INFORMATION

The average number of employees in the year is as follows:

	2018	2017
Directors and senior management	3	2
Other managers	13	11
Administrative staff	18	20
Direct personnel	4	6
Technicians and supervisors	26	13
Specialists and unskilled laborers	89	83
Laborers and grape pickers	75	32
	228	**167**

22 SEGMENT INFORMATION

The operating segments identified by the Group are real estate, winemaking and other activities, which include, *inter alia*, the meat business. No material inter-segment transactions take place requiring criteria to be established for setting inter-segment transfer prices, The sales breakdown by geographic area shown in Note 17.1 illustrates that virtually all sales made outside of Spain involve the winemaking segment.

The following table presents the components representing 10% or more of total segment revenue, including inter-group and external sales:

€000	Segments Real Estate	 Winemaking	 Other	Adjustments and eliminations	Total
2018					
Revenue	6,595	52,499	4,570	(4,492)	59,172
Supplies	-	(7,084)	(3,428	2,205	(8,307)
Personnel expenses	(1,801)	(7,230)	(1,597)	-	(10,628)
Amortization and depreciation	(1,285)	(6,348)	(314)	21	(7,926)
Other expenses and income	(3,361)	208	446	1,356	(1,351)
Operating profit/(loss)	**148**	**32,045**	**(323)**	**(910)**	**30,960**
Finance income	32,895	6,358	1	(36,470)	2,784
Finance expenses	(2,487)	(186)	(151)	555	(2,269)
Other expenses	(653)	(1,319)	126	886	(960)
Profit before tax	**29,903**	**36,898**	**(347)**	**(35,939)**	**30,515**
Segment assets	171,181	206,910	102,728	(220,093)	260,726
Segment liabilities	(117,919)	(55,578)	139,985	(77,379)	(110,891)
Net cash flows	**(172)**	**366**	**12**	**-**	**206**
Acquisitions of non-current assets in the year	**271**	**9,689**	**28**	**(520)**	**9,468**
2017					
Revenue	6,009	49,601	4,792	(2,433)	57,969
Supplies	-	(5,198)	(3,775)	853	(8,120)
Personnel expenses	(1,977)	(6,861)	(1,628)	-	(10,466)
Amortization and depreciation	(1,333)	(6,242)	(308)	21	(7,862)
Other expenses and income	(4,096)	(6,096)	476	1,579	(8,137)
Operating profit/(loss)	**(1,397)**	**25,204**	**(443)**	**20**	**23,384**
Finance income	4,420	3,187	2	(4,815)	2,794
Finance expenses	(133)	(219)	(3,027)	309	(3,070)
Other expenses	(3,207)	(4)	2,853	(610)	(968)
Profit before tax	**(317)**	**28,168**	**(615)**	**(5,096)**	**22,140**
Segment assets	144,764	169,986	11,965	(69,170)	257,545
Segment liabilities	(121,609)	(23,789)	(12,064)	26,960	(130,502)
Net cash flows	**(52)**	**(220)**	**469**	**-**	**197**
Acquisitions of non-current assets in the year	**210**	**7,175**	**83**	**-**	**7,468**

23 EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary shareholders of the parent by the number of ordinary shares outstanding.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders of the parent by the average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive share options into ordinary shares.

Earnings per share	**Euros** **2018**	 **2017**
Earnings per share from continuing operations		
- basic and diluted, for profit for the year attributable to ordinary shareholders of the parent	3,704	2,794

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Thousand euros	
	2018	2017
Net profit attributable to ordinary shareholders of the parent from continuing operations	18,520	13,971
Result attributable to ordinary shareholders of the parent from discontinued operations	-	-

	Shares	
	2018	2017
Weighted average number of ordinary shares for basic and diluted earnings per share	5,000	5,000

24 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below, The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease, IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (i.e., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less), At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (i.e., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17, Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application was permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2018, the Group has assessed the potential effect of IFRS 16 on its consolidated financial statements. Except for the increase of less than 2 million of euros in the net book value of the intangible assets and the liabiliies, there isn't a significant impact expected on equity or income and loss.

25 EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the balance sheet date up to the date of approval of these financial statements.