COLLINS INTERNATIONAL LIMITED

(Registration Number: 48177)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2014

Contents

Company Information

Investment Manager:	International Property Management Services Limited 1st Floor, Exchange House 54-58 Athol Street Douglas Isle of Man, IM1 1JD
Directors of the Company:	Mr K R Collins Mr L E Hackney (resigned 12 December 2013) Mr R James Mr S Platt-Ransom Mr B O'Mahoney Mr L M Ward (appointed 27 January 2014)
Administrator, Secretary and Registrar:	Legis Fund Services Limited P.O. Box 91 11 New Street St Peter Port Guernsey, GY1 3EG
Annual Listing Sponsor:	Capital G BSX Services Limited 25 Reid Street 4th Floor Hamilton HM11 Bermuda
Independent Auditor:	BDO Limited Place Du Pre Rue Du Pre St Peter Port Guernsey, GY1 3LL
Legal Advisers in Guernsey:	Mourant Ozannes 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Legal Advisers in Bermuda:	Appleby Cannon's Court 22 Victoria Street PO Box HM 1179 Hamilton HM EX Bermuda

Investment Manager's Report to the Shareholders of Collins International Limited for the year ended 28 February 2014

APEX PROPERTIES LIMITED

- Apex Properties Limited ("APL") is a company registered in the Isle of Man and is a 100% held subsidiary of Collins International Limited ("CIL"). APL was incorporated specifically to hold property investments for CIL.
- During the year APL successfully refinanced the 2 property portfolios that it owns, by entering into new loans with Santander. The refinancing was bridged by a further shareholder loan from CIL to APL to the tune of c. £900,000 in order to balance the shortfall on the bank loan availed. This shareholders loan was provided from the proceeds of the sale of CIL's interest in Saxonchart. The final receipt of £1m from the sale of Saxonchart was received in December 2013.

Global Park

- APL owns Global Park, in the town centre of Colchester, in the county of Essex.
- Global Park comprises 19 properties, which are a combination of warehouses, shops, offices, car parkings and entertainment venues.
- At February 2014 the portfolio remained valued at £3.525m (2013: £3.525m) and rentals for the year amounted to c.£355,000 (2013: £384,116) with a yield of 10.1% (2013: 10.9%).
- With effect from November 2013, Unit L was vacated by Floramedia comprising c.10% of the gross lettable property at Global Park. The property was let in May 2014 to The County Tyre Holdings Ltd.

Apex House

- APL owns Apex House, an office block in London Road, Northfleet, Kent.
- At February 2014, the property was valued at £875,000 (2013: £850,000) and rentals for the year amounted to £98,090 (2013: £98,571) with a yield of 11.5% (2013: 11.6%).
- The third floor remained vacant during most of 2013 and was let in July 2014 to Nestor Primecare Services Ltd.

REVIVAL HOLDINGS LIMITED

- Revival Holdings Limited ("RHL") is a company registered in the UK and is a 100% owned subsidiary of CIL. It owns the two properties described below.
- RHL owns the freehold title to two properties in West Yorkshire: a property at Queensway, Guiseley, Leeds; and a property at Monkbridge Road, Meanwood, Leeds. Both properties are Care Units for the Elderly on long-term leases with the NHS Trust.
- The Properties were last valued at £7.8m in 2009. At February 2014, the carrying value, net of depreciation, of the properties was £ 6,516,819 (2013: £ 6,957,044). Net rentals for the year were £885,376 (2013: £815,929) with a net yield of 11.3% (2013: 10.5%) based on the valuation.
- At February 2014, £4,226,849 (2013: £4,558,779) was outstanding on the bank loan over the properties. The loan is in place until May 2015.

DU PREEZ LIMITED

- Du Preez Limited ("DPL") is a company registered in the Isle of Man and is a 100% held subsidiary of CIL. DPL was incorporated specifically to hold CIL's investments into the Delancey DV4 Fund ("DV4") and Zabre Investments Limited.

Delancey DV4 Fund

- DV4 is a real estate investment venture from Delancey Estates Plc. The fund invests in real estate in the British Isles and Mainland Europe.
- As at February 2014, DPL had contributed £3,419,060 to the fund. This equates to 68% of its total commitment of £5m. Subsequent to year-end £351,321 has been drawn down, bringing the total contributed to £3,770,381 which equates to 75% of the total commitment.
- The drawdown period has been extended from March 2013 to March 2015.
- A distribution of £54,895 was made to DPL during March 2014 from the profit on the disposal of interests in St Botolph's & Plantation Place.

Investment Manager's Report to the Shareholders of Collins International Limited for the year ended 28 February 2014 (continued)

DU PREEZ LIMITED (continued)

Zabre Investments Ltd

- Zabre Investments Limited ("ZIL") is a company registered in Mauritius and is a 10% held investment of DPL.
- During the 2014 financial year, ZIL increased its effective shareholding in Desroches Island Lodge Ltd ("DIL") in the Seychelles from 93.8% to 99%.
- DIL continues to own the leasehold rights to Desroches Island in the Seychelles. It owns the Desroches Island Lodge Hotel as well as the development rights for 22 luxury villas on the island. The sales of 2 villas and 1 syndicated share were concluded during the year.

Kaupthing Singer & Friedlander ("KS&F")

- KS&F went into liquidation in 2008.
- As at that date DPL held a balance of £2m with KS&F.
- Liquidation payouts by the KS&F Liquidator have been received with DPL receiving £1,969,745 up to 28 February 2014.
- A further payout of £41,122 has been tabled for September 2014. Total anticipated payout from KS&F Liquidator is 97.9% (95.8% received to date).

SAXONCHART LIMITED

- Saxonchart Limited ("SXL") is a company registered in the UK and was a 50% held subsidiary of CIL.
- During 2012, CIL concluded a transaction with Residential Land Holdings Ltd ("RLHL") whereby its 50% interest and loan accounts to SXL were sold to RLHL.
- The final instalment to conclude this transaction was received in December 2013 and these funds were utilized to bridge the shortfall on the Santander loan (refer above).

PETROCOM ENERGY LIMITED

- In previous years, CIL invested US$260,000 into Petrocom Energy Limited ("PEL") through Investec Bank's private equity division.
- PEL is a Cayman Islands registered company with operations in China. It allows a limited number of invited co-investors to invest alongside Investec into a Chinese Coal Blending Facilities business.
- Due to ongoing legal disputes, PEL has not been able to blend coal and its auditors have not signed off the Annual Financial Statements (FY2009 and FY2010) as they are unable to provide an indication of the ability of PEL to operate as a going concern.
- Investec have written the value of the investment down to zero in their accounts. The Investment Manager supports this treatment and so has recommended the same write-down for CIL's financial statements.

International Property Management Services Limited
August 2014

Report of the Directors for the year ended 28 February 2014

The Directors present their Annual Report and Consolidated Financial Statements for the year ended 28 February 2014.

Activities
Collins International Limited is a closed-ended investment fund established under the laws of Guernsey with limited liability on 7 December 2007.

Results
The results for the group for the year are shown in the Consolidated Statement of Comprehensive Income on page 9.

Dividends
The Directors do not recommend the payment of a dividend for the year (2013: nil).

Directors
The Directors of the Company during the year and to the date of this report were as listed on page 2.

Directors' responsibilities

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report, which complies with the requirements of the Companies (Guernsey) Law, 2008.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with the Companies (Guernsey) Law, 2008. The Directors have chosen to prepare financial statements for the group in accordance with International Accounting Standards ("IFRSs") per IAASB.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Going concern
It is possible that the Company will be wound up after the year-end. However, no formal approach has yet been made to the Board of Directors regarding this. We consider that, notwithstanding the possible winding up of Collins International Limited, the Company is able to continue operating for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis. We further believe that all subsidiaries will continue trading under the new structure and as a result there are no differences in fair value at the year end. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Report of the Directors for the year ended 28 February 2014 (continued)

Independent auditor

The Board resolved to approve the resignation of Saffery Champness with effect from 17 April 2014 and the appointment of BDO Limited as auditor of the Company with effect from 18 April 2014. A resolution for the re-appointment of BDO Limited as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the auditor is unaware;
- each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- the Consolidated Financial Statements give a true and fair view, have been prepared in accordance with IFRS and comply with the requirements of the Companies (Guernsey) Law, 2008.

Mr R James Director	Mr S Platt-Ransom Director

Date: 27 August 2014

Independent Auditor's Report to the Shareholders of Collins International Limited

We have audited the consolidated financial statements of Collins International Limited for the year ended 28 February 2014 which comprise the Group Statement of Financial Position, the Group Statement of Comprehensive Income, the Group Statement of Cash Flows, the Group Statement of Changes in Equity and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work is undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement within the Directors' Report, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 28 February 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Emphasis of matter - Going Concern

In forming our opinion on the consolidated financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2(r) to the consolidated financial statements concerning going concern basis of accounting. The financial statements do not include any adjustments that would result if Collins International Limited were to be wound up.

Independent Auditor's Report to the Shareholders of Collins International Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

BDO Limited
Chartered Accountants
Place du Pré
Rue du Pré
St Peter Port
Guernsey

Date: 27 August 2014

Consolidated Statement of Comprehensive Income
for the year ended 28 February 2014

	Notes	2014 €	2013 € (see note 2(a))
Revenue	4	2,388,496	2,441,100
Other income	4	171,426	664,344
Unrealised gains on investments		616,892	289,802
Movement on impairment of assets		29,551	(1,322,002)
Realised gains on investments		21,326	-
Expenses	6	(1,790,338)	(1,516,233)
Other gains/(losses)	18	23,908	(37,127)
			-
Gain from operations		1,461,261	519,884
Finance income	5	17,792	62,217
Finance expenses	7	(838,433)	(769,065)
Profit/(loss) for the year before tax		640,620	(186,964)
Taxation charge	8	(132,518)	(238,787)
Profit/(loss) for the year		508,102	(425,751)
Other Comprehensive income/(expense) in year			
Items that will or may be reclassified to profit or loss:			
Cumulative translation adjustment reserve		551,695	(346,452)
Total comprehensive profit/(loss) for the year		1,059,797	(772,203)

In arriving at the results for the financial year, all amounts above relate to continuing operations.

Consolidated Statement of Changes in Equity
for the year ended 28 February 2014

	Note	Share Capital €	Share Premium €	Retained earnings €	Total €
As at 1 March 2013	19	265	26,273,737	(4,604,511)	21,669,491
Profit for the financial year		-	-	508,102	508,102
Other comprehensive income		-	-	551,695	551,695
Total comprehensive profit for the year		-	-	1,059,797	1,059,797
As at 28 February 2014		265	26,273,737	(3,544,714)	22,729,288
As at 1 March 2012	19	265	26,273,737	(3,832,308)	22,441,694
Loss for the financial year		-	-	(425,751)	(425,751)
Other comprehensive expense		-	-	(346,452)	(346,452)
Total comprehensive loss for the year		-	-	(772,203)	(772,203)
As at 28 February 2013		265	26,273,737	(4,604,511)	21,669,491

The notes on pages 12 to 30 form an integral part of these financial statements

Consolidated Statement of Financial Position
as at 28 February 2014

		2014	**2013**
Assets	**Notes**	**€**	**€**
Non-current assets			
Goodwill	13	570,478	546,583
Investment properties	10	5,330,345	5,077,923
Property, plant and equipment	11	7,894,748	8,074,820
Investments held at fair value	14	6,649,553	5,748,644
Deferred tax asset		5,712	-
		20,450,836	19,447,970
Current assets			
Loans receivable	15	12,861,437	12,110,927
Trade and other receivables	16	289,674	1,433,687
Cash and cash equivalents		1,700,157	2,334,833
		14,851,268	15,879,447
Current liabilities			
Loans and other payables	17	(3,174,409)	(6,804,257)
Net current assets/(liabilities)		11,676,859	(3,035,737)
Non-current liabilities			
Deferred tax liability		-	(1,726)
Loans and other payables	17	(9,398,407)	(6,851,943)
		(9,398,407)	(6,853,669)
Net assets attributable to holders of Ordinary shares		22,729,288	21,669,491
Ordinary shares in issue	21	26,274	26,274
Net asset value per ordinary share		865.0867	824.7504

Approved and authorised for issue by the Board of Directors on 27 August 2014 and signed on its behalf by:

Mr R James
Director

Mr S Platt-Ransom
Director

The notes on pages 12 to 30 form an integral part of these financial statements

Consolidated Statement of Cash Flows
for the year ended 28 February 2014

	2014 €	2013 €
Cash flows from Operating Activities		
Operating profit/(loss) before tax	640,620	(186,964)
Adjustments		
Depreciation	180,072	180,073
Write off loan	56,079	-
Fair value adjustments on assets and investment	(616,892)	1,032,200
Currency (gain)/loss	(23,908)	37,127
Realised gains on investments	(21,326)	-
Movement on impairment of assets	(29,551)	-
Investment income	(189,218)	(726,561)
Interest expense	656,948	757,703
Decrease in trade receivables	41,707	33,186
Decrease in trade payables	(13,293)	(13,066)
	40,618	1,300,662
Interest expense	(328,195)	(757,703)
Taxation paid	(454,591)	14,474
Cash inflow from operations	(101,548)	370,469
Investing activities		
Investment income	-	606,928
Returns from impaired assets	-	186,142
Returns on sale of investments	1,211,442	1,590,115
Movement on investment in Zabre	-	555
Movement on investments in other financial assets	-	(139,077)
Movement on outstanding debt to DV4 Limited	(219,762)	(271,972)
Increase in receivable loans	(216,213)	(1,997,214)
Increase in payable loans	899,728	-
Cash inflow/(outflow) from investing activities	1,675,195	(24,523)
Financing activities		
Repayments of long-term bank borrowings	(4,688,575)	(280,225)
Proceeds from other borrowings	3,028,605	61,831
Repayments	(402,114)	(57,546)
Cash outflow from financing activities	(2,062,084)	(275,940)
Net cash inflow	(488,437)	70,006
Effect of foreign exchange rate changes	(146,240)	(34,064)
Net increase in cash and cash equivalents	(634,676)	35,942
Cash and cash equivalents at the beginning of the year	2,334,833	2,298,891
Cash and cash equivalents at the end of the year	1,700,157	2,334,833

The notes on pages 12 to 30 form an integral part of these financial statements

Notes to the Consolidated Financial Statements for the year ended 28 February 2014.

1. General Information

Collins International Limited (the "Company" and the "Fund") is a closed-ended investment fund established under the laws of Guernsey with limited liability on 7 December 2007. It is probable that the Company will be wound up after the year-end. See the Going Concern policy (note 2(r)).

The Company's investment policy is to be found in the Prospectus issued on 7 December 2007. Due to the planned wind-up, no further investments are being considered for purchase by the Company.

The Company's Ordinary shares are listed on the Bermuda Stock Exchange.

Collins International Limited and its 100% owned subsidiaries, Apex Properties Limited, Du Preez Limited and Revival Holdings Limited, together form the "Group".

2. Significant Accounting Policies

(a) Basis of preparation

These consolidated financial statements of the Group have been prepared under the historical cost basis, except for the revaluation of certain properties and financial instruments and in accordance with IFRS per IASB and applicable Guernsey law. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently during the year unless otherwise stated.

During the year, the directors have reconsidered the layout of the Consolidated Statement of Comprehensive Income and classification of 'Loans receivable'. Accordingly, the order in the Consolidated Statement of Comprehensive Income has appeared to change for certain items and two items have been reclassified. The comparatives have been amended on a consistent basis which has required the transfer of €62,217 of bank and loan interest from 'Other income' to 'Finance income' and the transfer of €11,362 of bank charges from 'Expenses' to 'Finance expenses'. The 'Loans receivable' have been reclassified to 'Current assets' due to the fact that there are no fixed repayment terms. These changes have had no impact on the reported 'Profit for the year before tax' or on 'Net assets attributable to holders of Ordinary Shares' so a third Consolidated Statement of Financial Position has not been presented as would ordinarily be required by IAS 1:10(f).

(b) Adoption of new and revised Standards

In the current year, the group has adopted the following revised standards:-

IAS 1: Presentation of Financial Statements - presentation of other comprehensive income (effective for accounting periods beginning on or after 1 July 2012)

IAS 16 Property, Plant and Equipment - May 2012 amendments (Annual Improvements 2009-2011 cycle) (applicable for accounting periods beginning on or after 1 January 2013)

IAS 18: Revenue - amended to refer to IFRS 9 as well as IAS 39 in excluding proceeds on disposal of financial instruments from the scope of the standard, and in relation to interest revenue (applicable for accounting periods beginning on or after 1 January 2013)

IAS 27: Consolidated and Separate Financial Statements - transition for amendments arising as a result of this IAS (applicable for accounting periods beginning on or after 1 January 2013)

IAS 28: Investments in Associates - consequential amendments from changes to IAS 27 (clarification on the transition rules in respect of the disposal or partial disposal of an interest in a foreign operation) (applicable for accounting periods beginning on or after 1 January 2013)

IAS 38: Intangible Assets – clarify that the fair value of an intangible asset acquired in a business combination will reflect market participants' expectations at the acquisition date about the probability that the expected future economic benefits embodied in the asset will flow to the entity (applicable for accounting periods beginning on or after 1 January 2013)

IFRS 7 (amended): "Financial Instruments: Disclosures" - offsetting financial assets and financial liabilities amendments (applicable for accounting periods commencing on or after 1 January 2013)

IFRS 10: Consolidated Financial Statements - to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities (applicable for accounting periods on or after 1 January 2013)

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

2. Significant Accounting Policies (continued)

(b) Adoption of new and revised Standards (continued)

IFRS 11: Joint Arrangements - where a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement (applicable for accounting periods on or after 1 January 2013)

IFRS 12: Disclosure of Interests in other Entities - requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows (applicable for accounting periods on or after 1 January 2013)

IFRS 13: Fair Value Measurement - applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2; leasing transactions within the scope of IAS 17; measurements that have some similarities to fair value, but are not fair value, such as net realisable value or value in use (applicable for accounting periods on or after 1 January 2013).

The adoption of these standards has had no material impact on the financial statements: only presentational changes to the notes as investment properties are now included in level 3 in note 19.

(c) Standards and Interpretations in issue and not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective: -

IAS 16 & IAS 38: Clarification of acceptable methods of depreciation & amortisation (applicable for periods beginning on or after 1 January 2016)

IAS 27: Consolidated and Separate Financial Statements - transition for amendments arising as a result of this IAS (amendments relating to investment entities applicable for accounting periods beginning on or after 1 January 2014)

IAS 32: Financial Instruments: Presentation - offsetting of financial assets and liabilities (applicable for accounting periods beginning on or after 1 January 2014)

IAS 37: Recoverable amount disclosures for non-financial assets (applicable for periods beginning on or after 1 January 2014)

IFRS 9: Financial Instruments, Classification and Measurement. In November 2009, the Board issued the first part of IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 will ultimately replace IAS 39. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortised cost or fair value. The Directors are currently assessing the impact of IFRS 9 (applicable for periods beginning on or after 1 January 2018).

IFRS 10: Consolidated Financial Statements - to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The Directors are currently assessing the impact of IFRS 10 (amendments relating to investment entities applicable for accounting periods beginning on or after 1 January 2014)

IFRS 11: Joint Arrangements - accounting for acquisitions of interests in joint operations (applicable for accounting periods beginning on or after 1 January 2016)

IFRS 12: Disclosure of Interests in other Entities - requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. The Directors are currently assessing the impact of IFRS 12 (amendments relating to investment entities applicable for accounting periods beginning on or after 1 January 2014)

IFRS 15: Revenue from Contracts with Customers - specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. Effective for periods beginning on or after 1 January 2017.

2. Significant Accounting Policies (continued)

(c) Standards and Interpretations in issue and not yet effective (continued)

Annual Improvements to IFRS 2010-2012 Cycle, effective from 1 July 2014

These amendments affect the following IFRSs:
IFRS 3: Business Combinations
IFRS 8: Operating Segments
IAS 38: Intangible Assets
IFRS 13: Fair Value Measurement

Annual Improvements to IFRS 2011-2013 Cycle, effective from 1 July 2014

These amendments affect the following IFRSs:
IFRS 3: Business Combinations
IAS 40: Investment Property
IFRS 13: Fair Value Measurement

The Directors anticipate that, with the exception of IFRS 9, 10 and 12 as detailed above, the adoption of these Standards and Interpretations in future periods will not have a material impact on the financial statements of the Group.

(d) Foreign exchange

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are translated into Euros (€), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions during the year in currencies other than the functional currency are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than Euros are translated into Euros at the closing rates of exchange at each period end. Foreign currency transaction gains and losses are included in realised and unrealised gain or loss on investments in the Statement of Comprehensive Income.

In preparing the financial statements of the individual entities for consolidation, all items in the Consolidated Statement of Financial Position are retranslated at the rates prevailing at the reporting date. Amounts shown in the Consolidated Statement of Comprehensive Income have been retranslated using average exchange rates calculated for each entity. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(e) Investment property

Investment property, which is property held for capital appreciation and rental income, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the Consolidated Statement of Comprehensive Income in the period in which they arise.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

(f) Investments

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Directors establish fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(g) Interest received & paid

Interest is accrued on a daily basis and recognised using the effective interest method.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

2. Significant Accounting Policies (continued)

(h) Revenue

Revenue represents income due from the normal activities of the Group's business, being investment in properties, to the extent that the Group obtains a right to consideration in exchange for its performance of those activities. All revenue is reported net of discounts and value added and other sales tax. Rental income and lease incentives from investment property leased out are recognised in the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the lease. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

(i) Expenses

All expenses are recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

(j) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(k) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over the expected useful lives on the following basis:

Long term freehold property	2% straight line

(l) Leases

All leases are operating leases and are accounted for on a straight line basis. A property held under an operating lease is classified and accounted for as an investment property where the Group holds it to earn rentals, capital appreciation, or both.

(m) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.
All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(n) Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and deposits at bank.

(o) Financial instruments

Financial assets and financial liabilities are recognised on the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group shall offset financial assets and financial liabilities if the Group has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

1) **Financial assets**

The Group’s financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions. The Group has not classified any of its financial assets as held to maturity or as available for sale.
Unless otherwise indicated, the carrying amounts of the Group’s financial assets are a reasonable approximation of their fair values.

2. Significant Accounting Policies (continued)

(o) Financial instruments (continued)

1a) Investments held at fair value through profit or loss

Investments are classified as "fair value through profit or loss" and are initially recognised at cost, being the fair value of the consideration given.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Group's investment strategy. The Group's policy is for the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Recognition

Purchases and sales of investments are recognised on the transaction date, the date on which the Group commits to purchase or sell the investment.

Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value with transaction costs being expensed in the statement of comprehensive income. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

1b) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments and without fixed and determinable payment dates that are not quoted in an active market. They mainly relate to interest bearing loans granted to third parties but also arise through rental leases with tenants (e.g. trade receivables and cash and cash equivalents) and incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, such impairments directly reduce the carrying amount of the impaired asset and are recognised against the relevant income category in the statement of comprehensive income.

2) Financial liabilities

The Group classifies its financial liabilities as financial liabilities measured at amortised cost. Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

2a) Financial liabilities measured at amortised cost

Other financial liabilities include the following items:

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Bank borrowings are initially recognised at fair value net of attributable transaction costs incurred. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

2. Significant Accounting Policies (continued)

(p) Taxation

The Group is subject to income tax in the United Kingdom and the Isle of Man.

Current tax is provided at the amounts expected to be paid applying tax rates that have been enacted or substantially enacted by the year-end date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial purposes. and the amounts used for taxation purposes and is calculated using the enacted or substantially enacted rates that are enacted to apply when the asset or liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

(q) Fair value measurement

The Group measures certain financial instruments such as derivatives, and non-financial assets such as investment property, at fair value at the end of each reporting period, using recognised valuation techniques and following the principles of IFRS 13. In addition, fair values of financial instruments measured at amortised cost are disclosed in the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group must be able to access the principal or the most advantageous market at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(r) Going concern

It is possible that the Company will be wound up after the year-end. However, no formal approach has yet been made to the Board of Directors regarding this. The Directors consider that, notwithstanding the possible winding up of Collins International Limited, the Company is able to continue operating for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis. The Directors further believe that all subsidiaries will continue trading under the new structure and as a result there are no differences in fair value at the year end. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

3. Fees

The Investment Management fee is equal to 2% per annum of the Company's funds payable quarterly in advance (as detailed in the Prospectus of 7 December 2007). The Manager is also entitled to an acquisition fee of 0.5% of the gross acquisition cost of each relevant property or property rights acquired, to be paid by the Group on the successful completion of any property investment. No investment management fees were paid during the year (2013: nil).

The Administrator of the Company is entitled to a fixed annual fee of £30,000 together with a transaction fee of £100 per subscription, and an additional £2,500 per board meeting.

The Directors of the Company have waived their fees, with the exception of Mr Platt-Ransom and Mr O'Mahoney, who are paid £5,000 per annum each.

Investec Capital Markets, as Structural Facilitator is entitled to a fee equal to 0.3% per annum of the aggregate subscription proceeds of the shares in the Company, as these are less than €30 million. Should the aggregate subscription proceeds rise above €30 million, the fee will rise according to a scale as disclosed in the Company's prospectus.

4. Revenue and Other income

	2014	2013
Revenue	**€**	**€**
Unitary charge received	1,872,462	1,846,731
Rental income	516,034	594,369
	2,388,496	2,441,100
Other income		
Dividend income	-	105,732
Break fees (paid by SRCL Ltd for vacating Apex House early)	-	431,471
Other income	171,426	127,141
	171,426	664,344
Non-recoverable service charges		
Service charge income (included in other income above)	152,567	119,458
Property operating expenditure (included in operating expenses in note 6)	(131,567)	(109,899)
Excess recoverable property operating expenditure	21,000	9,559

5. Finance Income

	2014	2013
Bank interest receivable	535	8,408
Loan interest income	17,257	53,809
	17,792	62,217

6. Expenses

	2014	2013
	€	**€**
Administration fees	158,599	138,933
Audit fees	42,899	41,943
Depreciation	180,072	180,073
Directors' fees	15,915	12,846
Legal & professional expenses	54,760	18,497
Licence fees/ Sponsor fees	9,525	9,496
Structural Facilitator's fees	78,822	78,822
Operating expenses	1,175,684	1,008,527
Costs of the Company's wind down	48,457	-
Sundry expenses	25,605	27,096
	1,790,338	1,516,233

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

7. Finance expenses

Loan interest	656,948	757,703
Bank charges	125,406	11,362
Write-off loan no longer considered receivable	56,079	-
	838,433	769,065

8. Taxation

	2014 €	2013 €
Taxation expense for the year		
Current income tax expense	139,849	252,410
Deferred income tax expense		
Relating to origination and reversal of temporary differences	(7,331)	(13,623)
Income tax expense reported in Consolidated Statement of Comprehensive Income	132,518	238,787

The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 (as amended), and is charged an annual exemption fee of £600.

Although no domestic taxation had arisen for the Company itself, tax has arisen in the underlying entities due to higher taxation rates applicable in the United Kingdom.

	2014 €	2013 €
Accounting gain/(loss) before tax	508,102	(425,751)
Reconciliation of income tax charge		
Tax at domestic rate of 0%	-	-
Effect of higher tax rates in UK	84,953	187,053
Effect of capital allowances	47,565	51,734
Tax expense	132,518	238,787

9. Investment in subsidiary undertakings

A list of the significant investments in subsidiaries as at 28 February 2014, including the name, country of incorporation and the proportion of ownership interest is given below:

Name of subsidiary undertaking	Class of share	% of class held with voting rights	Country of incorporation	Principal activity
Apex Properties Limited	Ordinary	100	Isle of Man	Property Company
Du Preez Limited	Ordinary	100	Isle of Man	Investment Holding Company
Revival Holdings Limited	Ordinary	100	England	Property Company

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

10. Investment Properties

Details of property	2014 €	2013 €
Apex House		
-Fair value at 1 March (£0.85m; 2013 - £1m)	986,568	1,193,497
-Movement in fair value (£0.025m; 2013 - £(0.15m))	73,444	(206,929)
Fair value at 28 February (£0.875m; 2013 - £0.85m)	1,060,012	986,568
Global Park		
-Fair value at 1 March (£3.525m; 2013 - £4.5m)	4,091,355	5,370,736
-Movement in fair value (£nil; 2013 - £(0.975m))	178,978	(1,279,381)
Fair value at 28 February (£3.525m; 2013 - £3.525m)	4,270,333	4,091,355
Total fair value of properties	5,330,345	5,077,923

Formal valuations of these properties were carried out by an independent valuer, Jones Lang Salle (registered RICS valuers), in November 2013 in accordance with RICS Valuation Professional Standards. The fair value of the properties was determined with reference to the recent observable property prices in an active market.

The Directors have considered the valuations and believe the values to be appropriate as at the year-end.

Pledged as security

Carrying value of assets pledged as security:

Apex House	1,060,012	986,568
Global Park	4,270,333	4,091,355

Amounts received for property rental income earned by the Group from these investment properties, which are leased out under operating leases and held by Apex Properties Limited, are shown in the Investment Manager's report. Direct operating expenses arising on investment property in the year amounted to €349,766 (2013: €166,511).

11. Property, plant and equipment

	2014 € Land and buildings	2013 € Land and buildings
Cost	9,003,624	9,003,624
Depreciation		
At 1 March	(928,804)	(748,731)
Charge for the year	(180,072)	(180,073)
At 28 February	(1,108,876)	(928,804)
Net book value		
At 28 February	7,894,748	8,074,820

The two properties held by Revival Holdings Limited in the North of England are given as security against the Royal Bank of Scotland loan to Revival Holdings Limited (note 17).

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

12. Leases

The properties are expected to generate rental yields on an ongoing basis. The properties have tenants on varying lease terms and the current percentage yields are disclosed in the Investment Manager's report. Some operating lease contracts contain market review clauses. The lessee does not have an option to purchase the property at the expiry of the lease period.

Operational leases where the Group is lessor

At the balance sheet date, the Group had lease contracts with tenants for the following total lease payments:

	2014	2013
	€	€
Payment date		
Within one year	2,298,902	2,347,287
Between 2 and 4 years*	1,471,922	4,472,771
	3,770,824	6,820,058

* The earliest break clause is 31 May 2015 for the leases on properties owned by Revival Holdings Limited so the 2014 figures show reduced non-cancellable operating lease payments for payment dates between 2 and 4 years.

13. Goodwill

The goodwill relates to the Company's 100% holding in Revival Holdings Limited.

	2014	2013
	€	€
Carrying amount at 1 March	546,583	562,027
Adjustment to goodwill for year-end exchange differences	23,895	(15,444)
Carrying amount at 28 February	570,478	546,583

After considering the net assets of Revival Holdings Limited, an impairment review of the cash-generating unit was carried out at 28 February 2014 and the Directors consider that goodwill remains unimpaired.

14. Investments held at fair value

	2014	2013
Investments	€	€
Unlisted shares - Zabre Investments Limited	1	1
Unlisted shares - DV4 Limited (1)	6,649,552	5,748,643
Connaught Place PCC Limited - Beta Cell (Petrocom Energy Limited) (2)	-	-
	6,649,553	5,748,644

(1) The Company is committed to a total investment of £5,000,000, of which £3,419,060 has been drawn down at the year-end. The remaining amount payable has been fair valued using a discount rate of LIBOR plus 4%.

(2) The Directors have taken the decision to fair value the investment at nil (2013: nil) due to the lack of any mining rights. Please refer to the Investment Manager's report for more information.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

15. Loans receivable

Loan to Zabre Investments Limited (a)		12,739,955	11,498,575
Interest-bearing loans (b) :	Falcata Limited	112,241	60,390
	Paradise Marine Limited	-	132,113
	International Group Management Limited	-	13,436
Interest-free loans (c):	Buckholm Limited	-	322,408
	Tropical Island Online Limited	-	55,066
	Salacia Limitada	9,241	8,638
	Falcata Limited	-	20,301
		12,861,437	12,110,927

The loans have been reclassified as current due to the fact that there are no fixed terms of repayment (see note 2 (a)).

(a) The loan to Zabre Investments Limited is unsecured, bears no interest and has no fixed terms of repayment.

(b) These loans are unsecured and have no fixed terms of repayment and bear interest at 5%.

(c) These loans are unsecured and have no fixed terms of repayment.

16. Trade and other receivables

	2014	2013
	€	€
Kaupthing Singer & Friedlander (a)	52,305	164,662
Debtor for sale of investment in associate (Saxonchart Limited) (b)	-	1,160,668
Interest receivable on amount outstanding from sale of Saxonchart Limited (b)	-	39,533
Trade and other receivables	217,721	48,724
Prepayments	19,648	20,100
	289,674	1,433,687

(a) During the 2009 financial period, Kaupthing Singer & Friedlander was placed in liquidation. The fair value has been established with reference to the recent report issued by the liquidators, Pricewaterhouse Coopers, Isle of Man. During the year, there have been receipts of 4.3% (2013: 7.8%) of the initial debt due of £2,056,101. The Directors, have, on the strength of the approximate recoveries detailed in the latest liquidators report, reduced the impairment to 2.1% (2013: 2.1%) of the original debt.

(b) The final receipt on the sale of Saxonchart Limited was received in December 2013.

17. Loans and other payables

	2014	2013
Other payables	€	€
Administration fees	6,057	5,803
Audit fee	26,652	24,374
Directors' fees	2,019	1,934
Tax liability	40,624	281,222
Trade & other creditors	184,069	190,252
	259,421	503,585
Current loans		
Owed to Arnewood Limited (a)	315,481	287,865
Owed to International Property Management Services Limited (a)	862,750	787,271
Owed to Cheshire Properties Limited (a)	245,701	224,193
Owed to Apsley Limited (a)	907,226	-
Other financial liabilities (b) Apex House	-	1,035,155
Other financial liabilities (b) Global Park	-	3,653,420
Other financial liabilities (b) -short-term portion	169,602	-
Other financial liabilities (d) -short-term portion	414,228	312,768
	2,914,988	6,300,672
	3,174,409	6,804,257

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

17. Loans and other payables (continued)

	2014	2013
Non-current loans	**€**	**€**
DV4 Limited (c)	1,833,050	1,873,481
Other financial liabilities (b)	2,859,003	-
Other financial liabilities (d)	4,706,354	4,978,462
	9,398,407	6,851,943

(a) These loans are unsecured, bear interest at 5% and have no fixed terms of repayment.

(b) Santander Corporate & Commercial Mortgage Bond- Apex House & Global Park
The loan is secured over the investment property detailed in Note 7, bears interest at 3% per annum and is repayable in quarterly instalments of £35,000 expiring on 24 December 2018 (2013: Leeds Building Society loan, which bore interest at 1.3% per annum above LIBOR for a minimum period of five years and was repayable in full at the end of May 2013).

(c) The above amount is payable over the remaining drawdown period of the subscription agreement, which expires on 7 March 2015. The above debt has been fair valued using a discount rate of LIBOR plus 4%.

(d) Royal Bank of Scotland - secured by the two properties held by Revival Holdings Limited
The loan is secured by the properties detailed in Note 8 and bears interest at 1.2% per annum above LIBOR. The loan is being repaid in monthly instalments over the period until 31 May 2015. An interest swap hedge was taken out to manage the risk of increasing interest rates to cover the loan.

18. Other gains/(losses)

	2014	2013
	€	**€**
Currency gains/(losses)	23,908	(37,127)

19. Financial instruments and fair value

In common with similar businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group from which financial instrument risk arises, are as follows:

(i) Cash and cash equivalents that arise directly from the Group's operations;
(ii) Investments
(iii) Loans and other receivables; and
(iv) Loans and other payables.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

19. Financial instruments and fair value(continued)

Financial instruments by category:

	2014 €	2013 €
Financial assets		
Non-current		
Investments designated at fair value through profit or loss	6,649,553	5,748,644
Current		
Cash & Cash Equivalents	1,700,157	2,334,833
Loans designated at amortised cost	12,861,437	12,110,927
Receivables (excluding prepayments)	270,026	1,413,587
	14,831,620	15,859,347
Financial liabilities		
Current		
Accruals & payables designated at amortised cost (including loans & payables)	(3,174,409)	(6,804,257)
Non-current		
Accruals & payables designated at amortised cost (including loans & payables)	(9,398,407)	(6,853,669)
	8,908,357	7,950,065

Property, plant, and equipment, prepayments and goodwill have been omitted from this analysis as these are not considered to be financial instruments.

The following table shows an analysis of the fair values of financial instruments recognised in the Statement of Financial Position by level of their fair value hierarchy (see Note 2 (q), fair value measurement).

2014	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets at fair value through Consolidated Statement of Comprehensive Income	-	-	6,649,553	6,649,553
Investment properties			5,330,345	5,330,345
	-	-	11,979,898	11,979,898
Financial liabilities at fair value through Consolidated Statement of Comprehensive Income	-	-	-	-
2013				
Financial assets at fair value through Consolidated Statement of Comprehensive Income	-	-	5,748,644	5,748,644
Financial liabilities at fair value through Consolidated Statement of Comprehensive Income	-	-	-	-

The Level 3 financial assets are valued as disclosed in note 14. The Investment properties are valued as disclosed in note 10.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

19. Financial instruments and fair value (continued)

Reconciliation of Level 3 Fair Value Measurements of Financial Assets:

	2014	**2013**
	€	**€**
Balance at 1 March	5,748,644	5,699,963
Share redemptions	-	(588)
Fair value gain recognised in the Statement of Comprehensive Income	633,667	217,984
Investment properties included in level 3 (under revised IFRS 13)	5,330,345	-
Foreign exchange gain/(loss) recognised in the Statement of Comprehensive Income	267,242	(168,715)
Balance at 28 February	11,979,898	5,748,644

In 2014, there were no movements in or out of Level 3 other than those due to revaluations (see note 14) and the inclusion of Investment Properties as IFRS 13 did not apply to investment properties in 2013.

The basis of the valuations is as described in note 2. Real estate valuations are complex, derived from data not widely publicly available and involve a degree of judgement. For these reasons, the valuations of our property portfolio have been classified as level 3 as defined by IFRS 13. Inputs to the valuations, some of which are 'unobservable', include nominal equivalent yield and rental income. All other factors remaining constant, an increase in rental income would increase valuations, whilst increases in nominal equivalent would result in a fall in values and vice versa. However, there are interrelationships between unobservable inputs as they are determined by market conditions. The existence of an increase of more than one unobservable input would augment the impact on valuation. The impact on the valuation would be mitigated by the interrelationship between unobservable inputs moving in opposite directions. For example, an increase in rents may be offset by an increase in yield, resulting in no net impact on valuation.

Class of investment property			**UK**	
Fair value	**€**		5,330,345	
Area	**sq. m.**		9,451	
Valuation technique			All risks yield	
Significant unobservable inputs		Initial yield	Revisionary yield	Equivalent yield
Range	**%**	8.14 - 10.98	9.25 - 12.91	9.06 - 10.99

20. Financial risk management objectives

The main risks arising from the Fund 's financial instruments are liquidity risk, interest rate risk, currency risk and market price risk. The Board has agreed policies for managing these risks and meet regularly to review them. They are summarised below.

The Investment Manager produces a cash flow forecast which is completed on a monthly basis. This forecast is prepared in order to manage financial and liquidity risks.

(a) Interest rate risk

The Fund faces interest rate risk from long-term borrowings. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowing at fixed rates exposes the Fund to fair value interest rate risk.

The Fund analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Fund calculates the impact on profit and loss of a defined interest rate shift.

The Fund is exposed to interest rate risk associated with the effects of fluctuations in the prevailing levels of market interest rates on cash balances, the amount receivable from the interest bearing loans and the bank loans. These accrue interest at a floating rate. This interest rate risk is not considered to be significant.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

20. Financial risk management objectives (continued)

The table below shows the Company's sensitivity to a 50 bps increase or decrease in LIBOR interest rates, representing the Directors' best estimate of a reasonable possible change.

	2014	**2013**
	€	**€**
A 50 bps increase in interest rates would produce a decrease in net assets of	(27,408)	(31,488)
A 50 bps decrease in interest rates would produce an increase in net assets	27,408	31,488

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in realising assets or raising funds to meet its financial commitments. The Fund's main financial commitments are its ongoing annual operating expenses and the bank loans within the structure. The details of security given to banks on their loans are disclosed in notes 10, 11 and 16.

	Less than 1 month	**1-3 months**	**3 months to 1 year**	**1 to 5 years**	**Total**
	€	**€**	**€**	**€**	**€**
2014					
Audit fee	-	-	26,652	-	26,652
Directors' fees	2,019	-	-	-	2,019
Tax liability	40,624	-	-	-	40,624
Short term loans	27,204	54,408	2,833,376	-	2,914,988
Other payables	6,057	184,069	-	-	190,126
Non-current loans	-	-	-	9,398,407	9,398,407
	75,904	238,477	2,860,028	9,398,407	12,572,816

	Less than 1 month	**1-3 months**	**3 months to 1 year**	**1 to 5 years**	**Total**
	€	**€**	**€**	**€**	**€**
2013					
Audit fee	-	-	24,374	-	24,374
Directors' fees	1,934	-	-	-	1,934
Tax liability	281,222	-	-	1,726	282,948
Short term loan	26,064	4,740,703	1,533,905	-	6,300,672
Other payables	5,803	190,252	-	-	196,055
Non-current loans	-	-	-	6,851,943	6,851,943
	315,023	4,930,955	1,558,279	6,853,669	13,657,926

The Investment Manager manages liquidity on a regular basis. The Fund 's overall exposure to liquidity risk is monitored by the Directors on a quarterly basis.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

20. Financial risk management objectives (continued)

(c) Foreign currency risk

Foreign currency risk is the risk that the value of the Group's financial instruments will fluctuate because of changes in foreign currency rates. Some of the Fund's investments, loan payments and dividend receipts from its affiliates, may be in currencies other than Euro and exchange rate movements between those currencies and the Euro will affect the NAV of the Fund.

The table below shows the Fund's sensitivity to a 5% increase or decrease in Sterling (base currency of majority of assets) against the Euro (reporting currency), representing the Directors' best estimate of a reasonable possible change.

	2014 €	2013 €
A 5% increase in foreign currency rates (sterling strengthens) would produce an increase in net assets of	1,136,172	1,049,194
A 5% decrease in foreign currency rates (sterling weakens) would produce a decrease in net assets of	(1,136,172)	(1,049,194)

(d) Credit risk

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has entered into with the Fund. The Fund's overall exposure to credit risk is reviewed regularly by the Investment Manager and this risk is monitored by the board of Directors on a quarterly basis. The major loan asset is the loan to Zabre, which has been reviewed for its recoverability and the Directors consider it to be fully recoverable based on the value of the underlying assets. The credit ratings of the banks that hold material balances are: Investec Bank Ltd: Baa1 and Royal Bank of Scotland: A3.

(e) Capital management

The investment objective of the Company is to achieve long-term capital growth and spread risk through investment in a range of commercial properties primarily in the European Union.

The capital structure of the Company consists of borrowings, which includes the loans disclosed in note 17, cash and cash equivalents, and proceeds from the issue of Ordinary shares.

The Company's gearing policy, as stated in the prospectus, is that its gearing will be totally dependent on the structure of the property transaction in question and consideration will be given to cash flow requirements of the individual property transaction as well as the cash flow requirements of the Company. The maximum level of gearing will be 85% of the Gross Market Value of the assets of the Company.

	2014 €	2013 €
Total borrowings	12,313,395	13,152,615
Less cash and equivalents	(1,700,157)	(2,334,833)
Net debt	10,613,238	10,817,782
Total equity	22,729,288	21,669,491
Gearing ratio	46.7%	49.9%

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

21. Analysis of shares

Authorised

	2014 & 2013	
	No. of shares	**€**
Management shares of €1 each	10	10
Ordinary shares of €0.01 each	50,000	500
	50,010	510

Issued

	No. of shares	Share capital €	Share premium €
2014			
Management shares of €1 each			
Balance at 1 March	2	2	-
Issued	-	-	-
Redeemed	-	-	-
Balance at 28 February	2	2	-
Ordinary shares of €0.01 each			
Balance at 1 March	26,274	263	26,273,737
Issued	-	-	-
Redeemed	-	-	-
Balance at 28 February	26,274	263	26,273,737

	No. of shares	Share capital €	Share premium €
2013			
Management shares of €1 each			
Balance at 1 March	2	2	-
Issued	-	-	-
Redeemed	-	-	-
Balance at 29 February	2	2	-
Ordinary shares of €0.01 each			
Balance at 1 March	26,274	263	26,273,737
Issued	-	-	-
Redeemed	-	-	-
Balance at 29 February	26,274	263	26,273,737

Management shares are not redeemable, do not carry any right to dividends and in a winding up rank only for a return of the amount of paid up capital after return of capital on Ordinary shares.

The Company is closed-ended and therefore shareholders have no right to redeem the shares or request that the Company repurchase them prior to the redemption date. If the Company is wound up, after the payment of all creditors, the shareholders will be entitled to the fair market value of the Ordinary shares.

Dividends may be paid on the shares at a level recommended by the Directors and provided that they are covered by funds that may be lawfully distributed as dividends.

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

22. Acquisition of subsidiaries

There were no further acquisitions of subsidiaries during the year or the prior year.

23. Controlling and Ultimate Controlling Party

The Company is currently wholly owned by Investec Securities Limited.

24. Related party transactions

The related party transactions with the Investment Manager of the Company are detailed in notes 3, 6 and 17. The interest on the loan from the Investment Manager payable during the year was €40,044 (2013 €39,729); these amounts have been included in the loan balance owing at the year-end, as they remain unpaid (see note 17). International Group Management Limited is part of the same group as the Investment Manager (see note 15 for the loan balance due from it); interest on the loan payable during the year was €nil (2013: €679) and administration fees paid during the year were €34,965 (2013: €24,307).

For amounts payable and due to the Structural Facilitator of the Company, which is part of the same group as Investec Securities Limited, see notes 3 and 6.

Two Directors of the Company, Stuart Platt-Ransom and Brian O'Mahoney, each received a Director's fee of £5,000 during the year (2013: £5,000), prorated as necessary (see note 6 for amounts paid during the year and note 17 for amounts due at the year-end).

The loans to Falcata Limited, Paradise Marine Limited, Buckholm Limited, Tropical Island Online Limited, Salacia Limitada and from Arnewood Limited, Apsley Limited and Cheshire Properties Limited are related party loans as they have directors and/or beneficial owners who are also directors of Collins International Limited (see notes 15 and 17 for the year-end balances). Interest received/ (paid) during the year amounted to:

Falcata Limited - €4,171 (2013: €3,051); Paradise Marine Limited - €nil (2013: €6,674); Apsley Holdings Limited - €7,316 (2013: €nil); Arnewood Limited - €14,658 (2013: €14,543); Cheshire Properties Limited - €11,416 (2013: €11,326).

25. Operating Segments

The Fund operates in one main segment: that of property investment. Whilst some of this is achieved through loans, it is considered to be operating in one market segment, which can be split geographically as below:

	Seychelles		United Kingdom and mainland Europe	
	2014	2013	2014	2013
	€	€	€	€
Apex House	-	-	1,060,012	986,568
Global Park	-	-	4,270,333	4,091,355
DV4 Limited	-	-	6,649,552	5,748,643
Revival Holdings Limited (property, plant and equipment)	-	-	7,894,748	8,074,820
Zabre Limited	12,739,956	11,498,576	-	-
	12,739,956	11,498,576	19,874,645	18,901,386

Notes to the Consolidated Financial Statements for the year ended 28 February 2014 (continued)

25. Operating Segments (continued)

The Group has one other subsidiary segment: that of investment in coal-blending facilities:

	China	
	2014	**2013**
	€	**€**
Connaught Place PCC Limited - Petrocom Energy Limited (see note 14)	-	-

	United Kingdom and mainland Europe	
	2014	**2013**
	€	**€**
Revival Holdings Limited (unitary charge received)	1,872,462	1,846,731
Apex House and Global Park (rental income)	516,034	594,369
	2,388,496	2,441,100

The unitary charges are received from the Leeds Partnerships Foundation NHS. The rental income is received from a variety of institutions and businesses, none of whom contribute more that 10% of the Group's income.

26 Post balance sheet events

As far as the Directors are aware, there are no events after the balance sheet date that require disclosure.