

Company Registration No:

08326708

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

LOGICOR EUROPE LTD

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Logicor Europe LTD

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Logicor Europe LTD

COMPANY INFORMATION

Directors

Mohammad Barzegar
Simon Clinton
Sheena Singla

Secretary

Intertrust (UK) Limited

Registered Office

36 Carnaby Street, 3rd Floor
London
England
W1F 7DR

Company Number

08326708

Auditors

Deloitte LLP
Statutory Auditor
2 New Street Square
London
United Kingdom
EC4A 3BZ

Logicor Europe LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Principal activities

The principal activities of the Company are to provide consultancy services to logistics property companies throughout Europe as well as asset management services to logistics property companies in the United Kingdom. The subsidiaries of the company provide asset management services to logistics property companies within Europe excluding the United Kingdom.

Review of the business

The loss for the year, after taxation, amounted to £44,318,976 (2016: loss of £2,998,821). The operating loss before interest and taxation amounted to £44,221,376 (2016: operating loss before interest and taxation of £2,835,139).

Asset management fee income increased in 2017 as it reflected a full year of asset management fees following the addition of certain portfolios to the Logicor Group during 2016. The Logicor Group is the wider group of which Logicor Europe Ltd is a member. The Logicor Group includes Eurocor II, Eurocor III and their subsidiaries. The Logicor Europe Ltd Group also started to provide asset management services to affiliated property companies outside of the Logicor Group. Furthermore, increased occupancy levels across the regions further contributed to the rise in asset management fees.

Asset management fees are billed to property companies based on 5% of the net operating income of the property company receiving the services. Exceptions to this are as follows: Logicor Italia charges a fixed fee to certain companies whereas others are charged on a fixed percentage of the values of the properties held by their funds. Logicor Property France S.A. charges fees based on the type of property management service provided. Consultancy fees were charged by the Company based on a 5% mark up on its head office costs directly to its subsidiaries and to other asset management companies in the Logicor group. Consultancy fees were also charged by the Company to property companies in Finland and Sweden based on 1% of the net operating income of the company receiving the services.

The acquisition of the Logicor Group by China Investment Corporation was completed on 29 November 2017. This resulted in £31,442,383 of expenditure being incurred in preparation for the sale and £13,843,264 in bonuses. The losses generated in 2016 and 2017 were the result of expenditure on the sale process.

KEY PERFORMANCE INDICATORS

	2017	2016
Growth in revenue	19%	55%
EBITDA (%)	(170%)	(9%)

Year on year revenue growth expressed as a percentage. Growth slowed in 2017 compared to 2016 primarily due to fewer acquisitions. However, revenue continued to grow as a result of increased occupancy and the commencement of asset management services to affiliated companies. Ratio of earnings before interest, tax and depreciation to revenue expressed as a percentage. In 2016 the Company began the process of preparing itself for a potential sale and/or capital raising. This continued in 2017 resulting in high professional fees throughout the year. The sale completed in November 2017 and thus 2018 should reflect a return to normality.

Logicor Europe LTD

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Group operates its asset management business across most major European markets. The Group is at risk of losing its customers in any major jurisdiction due to the sale or other disposition of the property by its owner or other action which results in the termination of an asset management contract which could result in a loss of revenue without a like reduction in expenses. There is a further risk to revenue and net income from a strengthening of the Pound versus the Euro, as the majority of expenses are incurred in Pounds Sterling while the majority of revenues are denominated in Euros.

FUTURE DEVELOPMENTS

The Group services logistics and industrial property owners across most major European logistics markets and as such does not expect to materially expand the current number of locations in 2018 as the Group experiences a period of consolidation following the sale process of the Logicor group as a whole. Professional fees will reduce in 2018, therefore, a return to profit is expected in 2018. Additional capital expenditure is also anticipated, as the Group continues to develop financial reporting software systems in 2018.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 4: Significant Accounting Policies.

Approved by the Board



Simon Clinton
Director
28 September 2018

36 Carnaby Street, 3rd Floor
London
England
W1F 7DR

Logicor Europe LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present the report and the audited financial statements for the year ended 31 December 2017.

The "Principal activities", "Review of the business", "Principal Risks and Uncertainties", "Future Developments", "Going Concern" and "Key Performance Indicators" sections are covered in the Strategic Report.

Results and Distributions

The results for the year are shown on page 12. No dividends have been declared in the current or in the prior year. The Directors do not recommend a final dividend.

Directors and Directors' Interests

The following Directors held office during and after the year:

Mohammad Barzegar	Appointed 03 June 2013
William Starn	Appointed 13 May 2014, Resigned 13 February 2017
Michael Slattery	Appointed 31 July 2015, Resigned 17 May 2018
Panayot Vasilev	Appointed 1 March 2016, Resigned 17 May 2018
Simon Carter	Appointed 13 February 2017, Resigned 17 May 2018
Simon Clinton	Appointed 17 May 2018
Sheena Singla	Appointed 17 May 2018

None of the Directors hold a beneficial interest in the ordinary share capital of the Company.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Disclosure of information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, having taken all the steps the Director's ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with S.418 of the Companies Act 2006.

Logicor Europe LTD

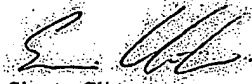
DIRECTORS' REPORT (continued)

Auditors

During the year, Deloitte LLP were re-appointed as auditor of the Company for the year ended 31 December 2017.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board



Simon Clinton

Director

28 September 2018

Logicor Europe LTD

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires the directors to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern

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

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

Logicor Europe LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGICOR EUROPE LTD

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2017 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated statement of financial position;
- the consolidated cash flow statement; and
- the related notes 1 to 22.

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.

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.

We are independent of the Group and the 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 sufficient and appropriate to provide a basis for our opinion.

Logicor Europe LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGICOR EUROPE LTD (continued)

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the consolidated financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Logicor Europe LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGICOR EUROPE LTD (continued)

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: 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.

Report on other legal and regulatory requirements

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Logicor Europe LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGICOR EUROPE LTD (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Other Matters

We have reported separately on the parent company financial statements of Logicor Europe Ltd. for the year ended 31 December 2017.

Philip Doherty

Philip Doherty FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

28 September 2018

Logicor Europe LTD

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
	Note	£	£
Revenue	6		
Consultancy fees		1,507,868	1,267,936
Asset management fees		22,425,143	18,689,672
Other management fees		992,659	975,499
Other income		42,854	42,970
		<u>24,968,524</u>	<u>20,976,077</u>
Expenses			
Salaries	9	(26,298,904)	(10,665,005)
Professional fees		(31,410,006)	(6,699,995)
Legal fees		(401,218)	(482,442)
Branding and marketing		(657,585)	(491,898)
Office costs and temporary staff		(4,796,910)	(2,364,334)
Travel		(1,139,453)	(773,037)
IT costs		(1,841,698)	(627,625)
General expenses		(1,057,123)	(962,544)
Foreign exchange gains		139,764	173,895
Bank charges		(40,579)	(23,137)
Depreciation	13	(815,272)	(790,193)
Other tax charges			(104,901)
Loss on disposals		(870,916)	
		<u>(69,189,900)</u>	<u>(23,811,216)</u>
Operating loss before interest and taxation		(44,221,376)	(2,835,139)
Interest receivable			32
Finance costs		(142,988)	(1,467)
Loss on ordinary activities before taxation	7	<u>(44,364,364)</u>	<u>(2,836,574)</u>
Taxation on loss on ordinary activities	10	45,388	(162,247)
Loss for the year		<u>(44,318,976)</u>	<u>(2,998,821)</u>

The income statement has been drawn up on the basis that all activities are continuing.

The notes on pages 16 to 40 form part of these financial statements.

Logicor Europe LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Loss for the year	(44,318,976)	(2,998,821)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(19,585)	47,337
Other comprehensive (loss)/income for the year net of tax	(19,585)	47,337
Total comprehensive loss for the year net of tax	(44,338,561)	(2,951,484)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £	Share premium £	Other reserves £	Profit and loss deficit £	Foreign currency translation reserve £	Total deficit £
Balance as at 1 January 2016	2	1,097,599	(829,451)	1,013,756	17,514	1,299,420
Loss for the year 2016				(2,998,821)		(2,998,821)
Foreign currency translation for the year 2016					47,337	47,337
Total comprehensive (loss)/income for the year 2016				(2,998,821)	47,337	(2,951,484)
Balance as at 31 December 2016	2	1,097,599	(829,451)	(1,985,065)	64,851	(1,652,064)
Loss for the year 2017				(44,318,976)		(44,318,976)
Foreign currency translation for the year 2017					(19,585)	(19,585)
Total comprehensive loss for the year 2017				(44,318,976)	(19,585)	(44,338,561)
Balance as at 31 December 2017	2	1,097,599	(829,451)	(46,304,041)	45,266	(45,990,625)

Other reserves comprise of goodwill arising on the purchase of Logicor Gestion S.A. by Logicor Europe Ltd as well as the legal reserve of Logicor Gestion S.A.

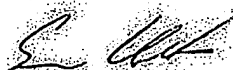
The notes on pages 16 to 40 form part of these financial statements.

Logicor Europe LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	31 December 2016 £
ASSETS			
Fixed Assets			
Property, plant and equipment	13	2,505,878	2,291,929
Current Assets			
Trade and other receivables	14	7,849,708	7,337,776
Current tax receivable		392,284	-
Cash and cash equivalents		33,709,935	7,598,642
Total Current Assets		41,951,927	14,936,418
Total Assets		44,457,805	17,228,347
LIABILITIES			
Current Liabilities			
Trade and other payables	15	(21,743,449)	(18,863,766)
Current tax payable			(16,645)
Borrowings	16	(27,240,000)	-
Total Current Liabilities		(48,983,449)	(18,880,411)
Net Current Liabilities		(7,031,522)	(3,943,993)
Non-Current Liabilities			
Borrowings	16	(41,464,981)	-
Total Non-Current Liabilities		(41,464,981)	-
Total Liabilities		(90,448,430)	(18,880,411)
Net Liabilities		(45,990,625)	(1,652,064)
Equity			
Share capital	18	2	2
Share premium		1,097,599	1,097,599
Other reserves		(829,451)	(829,451)
Profit and loss deficit		(46,304,041)	(1,985,065)
Foreign currency translation reserve		45,266	64,851
Total Deficit		(45,990,625)	(1,652,064)

The financial statements and notes thereto were approved and authorised for issue by the Board of Directors on 28 September 2018 and are signed on its behalf by:



Simon Clinton
Director

Registered Company Number: 08326708

The notes on pages 16 to 40 form part of these financial statements.

Logicor Europe LTD

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

		31 December 2017	31 December 2016
	Note	£	£
Net cash (used in) / generated by operating activities	19	(30,549,445)	6,969,874
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1,936,664)	(1,465,002)
Acquisitions of subsidiaries net of cash received			
Net cash used in investing activities		<u>(1,936,664)</u>	<u>(1,465,002)</u>
Cash flows generated by financing activities			
Loan financing received		58,767,386	
Net interest paid		(142,988)	(1,435)
Net cash generated by financing activities		<u>58,624,398</u>	<u>(1,435)</u>
Net increase in cash and cash equivalents		26,138,289	5,503,437
Cash and cash equivalents at beginning of year		7,598,642	2,073,189
Foreign exchange movements in cash		(26,996)	22,016
Cash and cash equivalents at end of year		<u>33,709,935</u>	<u>7,598,642</u>

The notes on pages 16 to 40 form part of these financial statements.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. GENERAL INFORMATION

Logicor Europe Ltd is a private company limited by shares and is incorporated in England under the Companies Act 2006. The address of the registered office is 36 Carnaby Street, 3rd Floor, London, England, W1F 7DR. The nature of the group's operations and its principal activities are to provide consultancy advice and asset management services to property companies within Europe.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 4.

2. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, in accordance with International Financial Reporting Standards as adopted by the European Union. The principal accounting policies adopted have been applied consistently to the Group's financial statements and are set out below.

3. ADOPTION OF NEW AND REVISED STANDARDS

New and revised IFRSs in issue but not yet effective and IFRSs applied for the first time in 2017.

At the date of authorisation of these financial statements, The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and, in some cases, had not yet been adopted by the EU:

IFRS 9	<i>Financial Instruments</i>	Applicable from 1 January 2018
IFRS 15	<i>Revenue from Contracts with Customers</i>	Applicable from 1 January 2018
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Applicable from 1 January 2018
IFRS 2 (amendments)	<i>Classification and Measurement of Share-based Payment Transactions</i>	Applicable from 1 January 2018
IFRS 16	<i>Leases</i>	Applicable from 1 January 2019

The table below provides a summary of the pronouncements which were applied by The Group for the first time at 1 January 2017.

IAS 7 (amendments)	<i>Disclosure Initiative</i>	Applicable from 1 January 2017
IAS 12 (amendments)	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	Applicable from 1 January 2017
Annual Improvements to IFRS Standards 2014-2016 (Amendments to IFRS 12)		Applicable from 1 January 2017

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

3. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised IFRSs in issue but not yet effective

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

4. SIGNIFICANT ACCOUNTING POLICIES

Going concern

In preparing the financial statements as at 31 December 2017, the Directors have reviewed the ability of the Company and the Group to meet its obligations over 12 months following the date of signature of these financial statements. The Company has net current liabilities as at 31 December 2017 following the receipt of a working capital loan from its affiliated companies Logicor Europe Holdings II S.À R.L, Eurocor II S.À R.L, and Eurocor III S.À R.L to support the Company during its period of preparation for a sale and/or raising capital. The Directors of Logicor Europe Holdings II S.À R.L, Eurocor II S.À R.L, and Eurocor III S.À R.L have confirmed in writing to the Directors of the Company that it will not request repayment of its loan to the Company within 12 months of the signing date of these financial statements. The Company and the Group is expected to be cash positive for the foreseeable future and profit generating from 2018 and will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the company and entities controlled by the Company (its subsidiaries) as at 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable profits and losses from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of the subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cashflows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations under common control

Business combinations under common control are transactions involving the acquisition and sale of different entities owned and controlled by the same ultimate party. The accounting treatment for such transactions is not dealt with under IFRS. The directors have given consideration of IAS 8 paragraph 10 when adopting the policy below based on the pooling of interests method.

Transactions involving the acquisition of other group entities under common control are accounted from the date of acquisition by combining the book value of the entities at the date of acquisition.

Any surplus or deficit between the transaction price and the net book value of the assets acquired is transferred to reserves.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

Leasehold improvements	Over the life of the lease
IT	2 to 5 years
Fixtures and fittings	2 to 10 years

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Revenue

Revenue represents consultancy fee income, asset management fee income and other management fee income, receivable at invoiced amounts exclusive of Value Added Tax. Income is measured at the fair value of the consideration received or receivable and represents amounts for services provided in the normal course of business.

Interest income

Interest income is recognised when it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis with reference to the principal outstanding and the rate of interest to be applied.

Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method, less any impairment. Receivables are impaired when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the financial arrangement.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Benefit schemes

Payments to defined contribution pension schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exchange differences

Exchange differences are recognised in the income statement in the year in which they arise.

For the purpose of preparing Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated at the exchange rate prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising on consolidation are, if any, recognised in other comprehensive income and accumulated in equity.

Current tax

The tax currently payable is based on taxable profit for the year. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Due to the cost-plus nature of profit generation within the Company there are no significant areas of judgement or estimation uncertainty.

6. REVENUE

Revenue for the year is derived from UK and European asset management fees and from UK consultancy fees.

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss for the year has been arrived at after charging/(crediting):

	2017 £	2016 £
Salaries	26,298,904	10,665,005
Exchange gains	(139,764)	(173,895)
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements.	45,000	45,000
Fees paid to Deloitte LLP for the audit of the special purpose financial statements which were prepared for the sale of the Logicor Group	3,450,212	
Professional fees relating to the preparation of the Logicor Group for a sale or capital raising (excluding £3,450,212 (2016: £Nil) paid to Deloitte LLP for the audit of the special purpose financial statements which were prepared for the sale of the Logicor Group).	<u>27,992,171</u>	<u>4,821,291</u>

Included in the loss for the year are the exceptional costs related to the preparation of the Logicor Group for either a sale or capital raising and eventual sale of the group to China Investment Corporation. The total costs incurred were £31,442,383 (2016 £4,821,291) in professional fees, including £3,450,212 paid to Deloitte, and £13,843,264 paid in bonuses in relation to the transaction.

The non-audit fees of £3,450,212 payable to Deloitte were in the provision of professional services related to reporting accountant work, tax advisory and audit of special purpose financial statements required as part of the transaction.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 December 2017**

8. DIRECTORS' REMUNERATION

Remuneration in respect of directors was as follows:

	2017	2016
	£	£
Aggregate remuneration comprised:		
Emoluments	4,191,159	740,202
Pension contributions to money purchase pension schemes	19,328	15,392
	<u>4,210,487</u>	<u>755,594</u>

During the year 2 directors (2016: 1) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2017	2016
	£	£
Aggregate remuneration comprised:		
Emoluments	3,052,562	486,629
Pension contributions to money purchase pension schemes	7,056	
	<u>3,059,618</u>	<u>486,629</u>

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 December 2017**

9. SALARIES

The average monthly number of employees (including executive directors) was 108 (2016: 77)

	2017 No. of employees	2016 No. of employees
Senior Management/Finance	37	24
Management/Investment	49	44
Employees/Other	22	9
	<u>108</u>	<u>77</u>
	2017	2016
Aggregate remuneration comprised:	£	£
Wages and salaries	21,923,478	8,467,781
Social security costs	3,236,482	1,428,393
Other benefits	1,138,944	768,831
	<u>26,298,904</u>	<u>10,665,005</u>

From 1 January 2014, the company operated a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £631,801 (2016: £473,735).

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

10. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	2017	2016
	£	£
Current tax	-	-
UK corporation tax credit	-	(88,155)
Under-provision from previous year - UK	-	2,545
Overseas corporation tax charge	60,905	237,838
(Over)/under-provision from previous year - non UK	(106,293)	10,019
Total tax (credit)/charge on loss for the year	(45,388)	162,247

UK Corporation Tax is calculated at 19.25% (2016: 20.00%) of the estimated taxable profit for the year. From 1 April 2017, the UK corporation tax rate was lowered from 20% to 19%.

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below.

	2017	2016
	£	£
Loss on ordinary activities before tax	(44,364,364)	(2,836,574)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(8,540,140)	(567,315)
<i>Effect of:</i>		
Items disallowable for tax purposes	2,862,018	49,258
Depreciation in excess of allowable tax depreciation	149,852	126,814
Impact of overseas tax rate	(102,107)	(16,869)
UK tax losses carried forward	5,193,331	458,093
Overseas tax losses not recognised	437,046	99,702
Minimum tax charge	60,905	-
(Over)/under-provision from prior year	(106,293)	12,564
Total tax (credit)/charge on loss for the year	(45,388)	162,247

No deferred tax asset has been recognised in respect of tax losses carried forward as at 31 December 2017 totalling £30.6m (2016: £0.4m) due to the unpredictability of utilising these losses. Included in unrecognised tax losses are losses of £0.6m that will expire within 5 years and the balance can be carried forward indefinitely.

11. DIVIDENDS

No dividends to shareholders have been paid, declared or proposed in the year.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

12. SUBSIDIARIES

The subsidiaries of the group are as follows:	Incorporated/ acquired	Country	Registered address	% ownership
Logicor Beheer B.V.	23 July 2013	Netherlands	6 th Floor, Suikersilo 17, Halfweg 1165 Netherlands	100
Logicor Management Polska Sp. z o.o.	16 April 2013	Poland	Skaryszewska 7, Warsaw 03-802, Poland	100
Logicor Deutschland GmbH	19 December 2013	Germany	Bockenheimer Landstraße, 13-15, 60325 Frankfurt am Main, Germany	100
Logicor Italia S.R.L.	4 February 2014	Italy	Via Montenapoleone 29, Milan 20121, Italy	100
Logicor España S.L.	4 April 2014	Spain	Calle 7, 5 th Floor, Madrid; 28006, Spain	100
Logicor Gestion SAS	31 October 2014	France	134 Boulevard Haussmann, Paris, 75008, France	100
Logicor Property France SA*	31 October 2014	France	134 Boulevard Haussmann, Paris, 75008, France	100
Logicor Portugal SUL	28 May 2015	Portugal	Rua Castilho, n ^o 5, 1 ^o esq ^o , Sala 13, Lisbon, 1250-066, Portugal	100
Logicor Management Hungary Kft	1 March 2016	Hungary	12 Buday Laszlo, Budapest 1024, Hungary	100

*Indirectly owned through Logicor Gestion SAS

All subsidiaries have been included in the Consolidated Financial Statements. The above percentages show the amounts of ordinary shares held by Logicor Europe Ltd.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

13. PROPERTY, PLANT AND EQUIPMENT

	£ Leasehold improvements	£ Fixtures & fittings	£ IT equipment	£ Total
Cost				
At 1 January 2017	187,294	204,518	3,181,559	3,573,371
Additions	871,031	379,291	686,342	1,936,664
Disposals	(151,268)	(104,520)	(1,377,774)	(1,633,562)
Foreign exchange movement	1,367	7,843	16,166	25,376
At 31 December 2017	908,424	487,132	2,506,293	3,901,849
Depreciation				
At 1 January 2017	134,843	100,364	1,046,235	1,281,442
Depreciation	130,129	65,076	620,067	815,272
Disposals	(142,850)	(81,730)	(494,128)	(718,708)
Foreign exchange movement	918	3,114	13,933	17,965
At 31 December 2017	123,040	86,824	1,186,107	1,395,971
Net book amount at 31 December 2017	785,384	400,308	1,320,186	2,505,878
Net book amount at 31 December 2016	52,451	104,154	2,135,324	2,291,929

	£ Leasehold improvements	£ Fixtures & fittings	£ IT equipment	£ Total
Cost				
At 1 January 2016	151,268	174,297	1,719,351	2,044,916
Additions	36,026	22,890	1,406,086	1,465,002
Foreign exchange movement	-	7,331	56,122	63,453
At 31 December 2016	187,294	204,518	3,181,559	3,573,371
Depreciation				
At 1 January 2016	67,223	49,559	336,335	453,117
Depreciation	66,875	48,923	674,395	790,193
Foreign exchange movement	745	1,882	35,505	38,132
At 31 December 2016	134,843	100,364	1,046,235	1,281,442
Net book amount at 31 December 2016	52,451	104,154	2,135,324	2,291,929
Net book amount at 31 December 2015	84,045	124,738	1,383,016	1,591,799

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

14. TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Trade receivables with affiliated companies	1,200,913	1,865,655
Trade receivables with third parties	5,606	336
Prepayments	714,057	923,239
Accrued income and other receivables from affiliated companies	2,875,883	3,157,786
Other receivables	3,053,249	1,390,760
	<u>7,849,708</u>	<u>7,337,776</u>

All trade receivables are held with affiliated companies which are not within the Logicor Europe Ltd group. All amounts shown under receivables fall due for payment within one year and are non-interest bearing.

The directors consider that the carrying amount of trade and other receivables approximates their fair value. There are no past due or impaired receivable balances, accordingly no provision for doubtful debts is required.

Further details of the Trade receivables with affiliated companies and the Accrued income and other receivables from affiliated companies balances are shown in note 20.

15. TRADE AND OTHER PAYABLES

	2017 £	2016 £
Trade payables with affiliated companies	3,851,017	1,405,505
Trade payables with third parties	4,680,769	385,039
Other payables	5,877,553	3,024,396
Accruals and deferred income	4,979,481	1,179,736
Amounts payable to affiliated companies	2,354,629	12,869,090
	<u>21,743,449</u>	<u>18,863,766</u>

The directors consider that the carrying amount of trade payables approximates to their fair value. Trade payables with affiliated companies and Amounts payable to affiliated companies are repayable on demand and are non-interest bearing.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

16. BORROWINGS

	2017 £	2016 £
Loan payable to Group parent company	27,240,000	-
	<u>27,240,000</u>	<u>-</u>
Loans and accrued interest thereon payable to affiliated companies	41,464,981	-
	<u>41,464,981</u>	<u>-</u>

Loans payable to affiliated companies are loans provided by Eurocor II S.à R.L and Eurocor III S.à R.L. Interest is charged at LIBOR + 3% and both mature on 29 November 2023. The loan payable to the Group parent company is a working capital loan extended by the parent, Logicor Europe Holdings S.à r.l. It is non-interest bearing and repayable on demand. At 31 December 2016 £9,800,000 of this £27,240,000 had been extended to the Company but was included in Amounts payable to affiliated companies of £12,869,090 (note 15). The £9,800,000 had been extended by Logicor Europe Holdings II S.à r.l. On 9 May 2018 the loan of £27,240,000 was assigned from Logicor Europe Holdings II S.à r.l. to Logicor Europe Holdings S.à r.l.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Categorisation of financial instruments:		
Loans and receivables		
Trade and other receivables	4,702,842	7,337,776
Cash and cash equivalents	33,709,935	7,598,642
Receivables	<u>38,412,777</u>	<u>14,936,418</u>
Amortised cost		
Trade and other payables	20,458,215	18,863,766
Borrowings – current	27,240,000	
Borrowings – non-current	41,464,981	
Liabilities	<u>89,163,196</u>	<u>18,863,766</u>

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Group. The Group only transacts with related parties, as such, the credit risk is reduced compared to non-related counterparty risk. The Group continually monitors the underlying tenant credit ratings on behalf of the managed property companies to ensure that they are within the recommended limits to minimise the risk of default and ensure adequate ownership.

Amounts receivable from affiliated companies consists of a large number of customers, who are all related parties, in the real estate industry throughout Europe. Ongoing monitoring and evaluation is performed on the financial condition of accounts receivable to ensure cash is available to pay invoices.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

Market risk

The Group's activities expose it primarily to the financial risks of downturns in the logistics market that could result in the inability of managed property portfolios to meet debt service payments and breach debt covenants. The Group takes appropriate steps to monitor and manage such risks in a variety of ways including:

- actively monitoring the logistics market through research and use of experts;
- continually monitoring the covenants placed on tenants;
- meeting with tenants and inspecting properties;
- setting budgets based on expectation of the market trajectory.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

17. FINANCIAL INSTRUMENTS (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the equity balance.

The capital structure of the Group consists solely of equity (comprising issued capital as disclosed in note 18, share premium, other reserves, profit and loss deficit and foreign currency translation reserve).

The Group is not subject to any externally imposed capital requirements.

18. SHARE CAPITAL

	2017 £	2016 £
Authorised:		
2 ordinary shares of £1	<u>2</u>	<u>2</u>
Issued and fully paid:		
2 ordinary shares of £1	<u>2</u>	<u>2</u>

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

19. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of loss to net cash (decrease)/increase from operating activities:	2017 £	2016 £
Loss for the year	(44,318,976)	(2,998,821)
Adjustments for:		
Tax charges	(45,388)	162,247
Finance costs, net	142,988	1,435
Depreciation	815,272	790,193
Loss on disposal of fixed assets	870,916	
Operating cash flows before movements in working capital	(42,535,188)	(2,044,946)
Increase in trade and other receivables	(511,932)	(3,559,876)
Increase in trade and other payables	12,861,216	12,837,582
Cash (used in)/generated by operations	(30,185,904)	7,232,760
Tax paid	(363,541)	(262,886)
Net cash (decrease)/increase from operating activities	(30,549,445)	6,969,874
Cash and cash equivalents		
As at 31 December	2017 £	2016 £
Cash and bank balances	33,709,935	7,598,642
Bank overdraft	33,709,935	7,598,642

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its associates are disclosed below. All related party transactions are conducted on an arm's length basis in accordance with the relevant agreements in place between the group companies and related parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Trading transactions

During the year, group companies entered into the following transactions with related parties who are not members of the group. Amounts outstanding at the balance sheet date are also disclosed:

2017

Total Group related party transactions

	Trading in the period to 31 December 2017 £	Trade receivables with affiliated companies £	Trade payables with affiliated companies £	Accrued income & other receivables from affiliated companies £	Amounts payable to affiliated companies & borrowings £	Balance at 31 December 2017 £
Total Consultancy fees	1,507,868	1,068,532		1,031,435	(239,024)	1,860,943
Total Asset Management fees	22,425,143	128,980	(12,140)	1,449,548	(1,937,827)	(371,439)
Total Other Management fees	992,659	3,401	(3,110,374)			(3,106,973)
Total Other income	37,857					
Total income	24,963,527	1,200,913	(3,122,514)	2,480,983	(2,176,851)	(1,617,469)
Total Recharge of costs	(964,643)		(728,503)	394,900		(333,603)
Total Interest & loan principal payable	(136,682)				(68,704,981)	(68,704,981)
Total Other Payables					(177,778)	(177,778)
Total Group related party transactions	23,862,202	1,200,913	(3,851,017)	2,875,883	(71,059,610)	(70,833,831)

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS (continued)

The related parties that the Group traded with during 2017 and held balances with as at 31 December 2017 were as follows:

Aralog Inversiones y Desarrollo S.L.	Logicor (Curve) WE Zwei GmbH
Arrow Avignon EURL	Logicor (Ellipsis) S.à r.l
Arrow Dax EURL	Logicor (Ferrari) Holdco B.V.
Arrow France Isle D'Abeau SNC	Logicor (Hattrick) B.V.
Arrow France Lille SNC	Logicor (Husarian I) SP. z o.o.
Arrow France Strasbourg SNC	Logicor (Leontos 1) B.V.
Arrow Grenoble EURL	Logicor (Leontos 2) B.V.
Arrow Holding XXI EURL	Logicor (Leontos 3) B.V.
Arrow Le Havre I EURL	Logicor (Lima 1) B.V.
Arrow Le Havre II EURL	Logicor (Lima 2) B.V.
Arrow Macon EURL	Logicor (Loren) Bingen GmbH
Arrow Orleans SCI	Logicor (Loren) Carvin SNC
Arrow Vetry I EURL	Logicor (Loren) Corbas SNC
Arrow Vetry II EURL	Logicor (Loren) Duisberg GmbH
Astral (Riyadhstraat) BVBA	Logicor (Loren) Frankfurt S.À R.L
Blackstone Group Spain SLU	Logicor (Loren) Garonor II SAS
Blackstone Property Management Limited	Logicor (Loren) Garonor SNC
Brackmills Limited	Logicor (Loren) Kassel GmbH
Branston Investment S.à r.l	Logicor (Loren) Libercourt SNC
Cabin Investments II SP. z o.o.	Logicor (Loren) Nuremburg S.À R.L
Cabin Investments SP. z o.o.	Logicor (Loren) Reventin SNC
Camelot Fund	Logicor (Loren) Roissy SNC
Carbon Paddock Wood Ltd.	Logicor (Loren) Senart SNC
Carbon Teesdale Ltd.	Logicor (Loren) Wuppertal S.À R.L
Carbon Willow Properties Ltd.	Logicor (Nashorn 1) B.V.
Carles Industrial SP. z o.o.	Logicor (Nashorn 2) B.V.
Como Development 7 SP. z o.o.	Logicor (Nashorn 3) B.V.
Corridor (Lengfeld) Propco BV	Logicor (President Czech) S.r.o.
Cowley Investment S.à r.l	Logicor (President Polska) SP. z o.o.
DH Logistik Kft	Logicor (River) S.à r.l
Diamond Eight S.à r.l	Logicor (Scorpion) Holdco B.V.
Diamond Nine S.à r.l	Logicor (Shine) Brebieres SCI
Diamond One S.à r.l	Logicor (Shine) Chemnitz S.à r.l
Diamond Seven S.à r.l	Logicor (Shine) Efurt S.à r.l
Diamond Ten S.à r.l	Logicor (Shine) Haiger S.à r.l
Diamond Three S.à r.l	Logicor (Shine) Kirchheimbolanden S.à r.l
Diamond Two S.à r.l	Logicor (Shine) Leipzig S.à r.l
Euro-Business Park Kft	Logicor (Shine) Lyon 2 SNC
Eurocor II S.à r.l	Logicor (Shine) Macon SNC
Eurocor III S.à r.l	Logicor (Shine) Mitry SNC
Eurocor Lux Propco SARL	Logicor (Shine) Muggensturm S.à r.l

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS (continued)

Eurocor Treasuryco Sarl	Logicor (Shine) Nantes SNC
Fusion Industrial SP. z o.o.	Logicor (Shine) Oldenburg S.à r.l
Harbour (Logistics) Bidco Oy	Logicor (Shine) Orleans SNC
Havelock IOM LP	Logicor (Shine) Royce SNC
Imparável Planeta S.A.	Logicor (Shine) Saint Fargeau SNC
Infield House Unit Trust	Logicor (Shine) Saint Vulbas SNC
Inverkip SP. z o.o.	Logicor (Shine) Vetry Holdco SNC
Iris (Rijnsburg) B.V.	Logicor (Shine) Viersen S.à r.l
Iris (Roosendaal) B.V.	Logicor (Shine) Walsrode S.à r.l
Italian Logistics (HoldCo) B.V.	Logicor (Shine) Winsen S.à r.l
Kensington Coignieres Industrial Propco SNC	Logicor (Space) Topco Oy
Kensington France Industrial Propco II SNC	Logicor (Steen) B.V.
Kensington France Industrial Propco SNC	Logicor I SAS
Kensington France Logistics (Amiens) SNC	Logicor Europe Holdings II S.à r.l
Kensington France Logistics (Courlaoux) SNC	Logicor Ferrari (HoldCo) B.V.
Kensington France Logistics (Lésquin) SNC	Logicor Quartz Moissy I S.À R.L
Kensington France Logistics (Ormes) SNC	Logicor Quartz Moissy II S.À R.L
Kensington France Logistics Propco I SNC	Logicor Quartz Saint Witz S.À R.L
Kensington France Logistics Propco II SNC	Logicor Quartz Tigery S.À R.L
Kensington Lille Logistics Propco SNC	Logicor Scorpion (HoldCo) B.V.
Kensington Spain (Yuncos-Peligros) SLU	Logicor South (Gömaringen) B.V.
Kensington Spain Industrial (Aragoneses) SL	Logicor South (Schwaig) B.V.
Kensington Spain Industrial (Barcelona) SL	Logicor Topco S.À R.L
Kensington Spain Industrial (El Prat) SL	Logistic Contractor SRL
Kensington Spain Industrial (Gava) SL	Logistics 101 Limited
Kensington Spain Industrial (Montcada) SL	Loren France Bidco SAS
Kensington Spain Industrial (Villaverde) SL	Max Industrial LP
Kensington Spain Logistics (Aranjuez) SL	Mazer Fund
Kensington Spain Logistics (Argales) SL	Milano Mega Srl
Kensington Spain Logistics (Barcelona) SL	Mona Lisa Fund
Kensington Spain Logistics (Castellbisbal) SL	MPG Artemis LP
Kensington Spain Logistics (Promogrande) SL	Perfectautonomy - Investimentos Imobiliarios, S.A.
Kensington Spain Logistics (Ribaroja) SL	Primitiv Fund
Kensington Spain Logistics (Sant Just Desvern) SL	Proposta Fenomenal S.A.
Kensington Spain Logistics (Vilarodona) SL	Redwood (Light Industrial) Propco S.à r.l
Kensington UK Holdco S.à r.l	Redwood (Logistics 1) Propco S.à r.l
Kensington UK Industrial Propco S.à r.l	Redwood (Logistics 2) Propco S.à r.l
Kensington UK Logistics (Bristol) S.à r.l	Retratosinho Investimentos Imobiliarios S.A.
Leg II Meer BVBA	Rhombus Eight S.à r.l
Lifestyle Logistik Sro	Rhombus Eleven S.à r.l
Log Center Ploiesti SRL	Rhombus Five S.à r.l
LOG. IQ GmbH	Rhombus Four S.à r.l
LOG. IQ Rheine GmbH	Rhombus Fourteen S.à r.l
LOG. IQ Bonen GmbH	Rhombus Nine S.à r.l
LOG. IQ Bremen I GmbH	Rhombus No.3 Limited

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS (continued)

LOG. IQ Dusseldorf GmbH	Rhombus One S.à r.l
LOG. IQ Essen GmbH	Rhombus Seven S.à r.l
LOG. IQ Freystadt GmbH	Rhombus Six S.à r.l
LOG. IQ Gelsenkirchen GmbH	Rhombus Ten S.à r.l
LOG. IQ Gewerbepark GmbH	Rhombus Thirteen S.à r.l
LOG. IQ GmbH	Rhombus Twelve S.à r.l
LOG. IQ Greifath GmbH	Rhombus Two S.à r.l
LOG. IQ Grob-Gerau GmbH	Sasinter Kft
LOG. IQ Hamburg GmbH	SC Almera New Capital Investment SRL
LOG. IQ Hamm GmbH	SC Dacian Second SEL
LOG. IQ Lahr GmbH	SCI Camargue Logistics
LOG. IQ Management GmbH	Sigma (Bereny) Propco Kft
LOG. IQ Minden GmbH	Sigma (BMH) Propco Kft
LOG. IQ Neuss GmbH	Sigma (Classic) Propco Kft
LOG. IQ Niederaula GmbH	Sigma (Erfurt) Propco S.à r.l
LOG. IQ Niederaula II GmbH	Sigma (Rattigen) Propco S.à r.l
LOG. IQ Nürnberg I GmbH	Sky (Alcala) Propco SL
LOG. IQ Nürnberg II GmbH	Sky (Aldorf) Propco S.à r.l
LOG. IQ Nürnberg-Hafen GmbH	Sky (Barcelona) Propco SL
LOG. IQ Oberhausen GmbH	Sky (Bedburg) Propco S.à r.l
LOG. IQ Poing GmbH	Sky (Berlin) Propco S.à r.l
LOG. IQ Vaihingen GmbH	Sky (Cologne) Propco S.à r.l
LOG. IQ Wuppertal GmbH	Sky (Haiger) Propco S.à r.l
Logicor (Alovera 1) S.L.	Sky (Harderwijk) Propco BV
Logicor (Alovera 2) S.L.	Sky (Mejorada) Propco SL
Logicor (Atlas 1) S.L.	Sky (Straubing) Propco S.à r.l
Logicor (Atlas 2) S.L.	Sky (Turnhout) Propco BVBA
Logicor (Atlas 3) S.L.	Sky (Venray) Propco BV
Logicor (Clover) Bad Hersfeld GmbH	Tannic Fund
Logicor (Clover) Cergy SNC	Teal New Brackmills S.à r.l
Logicor (Clover) France SNC	Teal New Corby S.à r.l
Logicor (Clover) Nürnberg GmbH	Teal New Darlaston S.à r.l
Logicor (Curve) AC S.L.	Teal New Doncaster S.à r.l
Logicor (Curve) Cabanillas 1 S.L.	Teal New Glasshoughton S.à r.l
Logicor (Curve) Cabanillas 2 S.L.	Teal New Hains Hall S.à r.l
Logicor (Curve) Ciempzuelos I S.L.	Teal New Houghton Main S.à r.l
Logicor (Curve) Ciempzuelos II S.L.	Teal New Huntingdon S.à r.l
Logicor (Curve) Ens GmbH	Teal New Kingston Park Limited
Logicor (Curve) Fontánar S.L.	Teal New Rugeley S.à r.l
Logicor (Curve) France SNC	Teal Voltaic S.à r.l
Logicor (Curve) Germany B.V.	Terminal Real Estate Sweden
Logicor (Curve) Hungary Kft	The Bridge Logistics SA
Logicor (Curve) MK S.à r.l	The Lymedale Park Unit Trust
Logicor (Curve) Netherlands B.V.	Valecorp Limited (A)
	Verona Logistics Srl

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS (continued)

Logicor (Curve) Torija 1 S.L.
Logicor (Curve) Torija 2 S.L.
Logicor (Curve) WE Eins-GmbH

West Gate Kft.
Willebroek Logistics Platform BVBA
Zaventum Properties SA

2016

Total Group related party transactions

	Trading in the period to 31 December 2016 £	Trade receivables with affiliated companies £	Trade payables with affiliated companies £	Accrued income & other receivables from affiliated companies £	Amounts payable to affiliated companies £	Balance at 31 December 2016 £
Total Consultancy fees	1,267,936	62,532	(325,074)	475,503	(280,895)	(67,934)
Total Asset Management fees	18,689,672	1,485,510	(960,068)	2,676,533	(1,778,434)	1,423,541
Total Other Management fees	975,499	315,503	(120,363)	-	-	195,140
Total Other income	30,970	2,110	-	-	-	2,110
Total Income	20,964,077	1,865,655	(1,405,505)	3,152,036	(2,059,329)	1,552,857
Total Recharge of costs	-	-	-	5,750	(838,481)	(832,731)
Total other payables & borrowings	-	-	-	-	(9,971,280)	(9,971,280)
Total Group related party transactions	20,964,077	1,865,655	(1,405,505)	3,157,786	(12,869,090)	(9,251,154)

The related parties that the Group traded with during 2016 and held balances with as at 31 December 2016 were as follows:

Aralog Inversiones y Desarrollo S.L.
Arrow Avignon EURL
Arrow Dax EURL
Arrow France Isle D'Abeau SNC
Arrow France Lille SNC
Arrow France Strasbourg SNC
Arrow Grenoble EURL
Arrow Holding XXI EURL
Arrow Le Havre I EURL
Arrow Le Havre II EURL
Arrow Macon EURL
Arrow Orleans SCI

Logicor (Leontos 3) B.V.
Logicor (Lima 1) B.V.
Logicor (Lima 2) B.V.
Logicor (Loren) Bingen GmbH
Logicor (Loren) Carvin SNC
Logicor (Loren) Corbas SNC
Logicor (Loren) Duisberg GmbH
Logicor (Loren) Frankfurt S.A.R.L.
Logicor (Loren) Garonor II SAS
Logicor (Loren) Garonor SNC
Logicor (Loren) Kassel GmbH
Logicor (Loren) Libercourt SNC

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS (continued)

Arrow Vetry I EURL	Logicor (Loren) Nuremburg S.À R.L
Arrow Vetry II EURL	Logicor (Loren) Reventin SNC
Astral (Riyadhstraat) BVBA	Logicor (Loren) Roissy SNC
Blackstone Group Spain SLU	Logicor (Loren) Senart SNC
Blackstone Property Management Limited	Logicor (Loren) Wuppertal S.À R.L
Brackmills Limited	Logicor (Nashorn 1) B.V.
Branston Investment S.à r.l	Logicor (Nashorn 2) B.V.
Cabin Investments II SP. z.o.o.	Logicor (Nashorn 3) B.V.
Cabin Investments SP. z.o.o.	Logicor (President Czech) S.r.o.
Carbon Paddock Wood Ltd.	Logicor (President Polska) SP. z.o.o.
Carbon Teesdale Ltd.	Logicor (River) S.à r.l
Carbon Willow Properties Ltd.	Logicor (Scorpion) Holdco BV
Carles Industrial SP. z.o.o.	Logicor (Shine) Brebieres SCI
Como Development 7 SP. z.o.o.	Logicor (Shine) Chemnitz S.à r.l
Corridor (Lengfeld) Propco BV	Logicor (Shine) Erfurt S.à r.l
Cowley Investment S.à r.l	Logicor (Shine) Haiger S.à r.l
Dagenham Ltd.	Logicor (Shine) Kirchheimbolanden S.à r.l
DH Logistik Kft	Logicor (Shine) Leipzig S.à r.l
Diamond Eight S.à r.l	Logicor (Shine) Lyon 2 SNC
Diamond Nine S.à r.l	Logicor (Shine) Macon SNC
Diamond One S.à r.l	Logicor (Shine) Mitry SNC
Diamond Seven S.à r.l	Logicor (Shine) Muggensturm S.à r.l
Diamond Ten S.à r.l	Logicor (Shine) Nantes SNC
Diamond Three S.à r.l	Logicor (Shine) Oldenburg S.à r.l
Diamond Two S.à r.l	Logicor (Shine) Orleans SNC
Euro-Business Park Kft	Logicor (Shine) Roye SNC
Fusion Industrial SP. z.o.o.	Logicor (Shine) Saint Fargeau SNC
Garonor SNC Melun 7	Logicor (Shine) Saint Vulbas SNC
Harbour (Logistics) Bidco Oy	Logicor (Shine) Vetry Holdco SNC
Hardwick (Doncaster) Property Company Ltd.	Logicor (Shine) Vetry S.à r.l
Havelock IOM LP	Logicor (Shine) Viersen S.à r.l
Imparável Planeta S.A.	Logicor (Shine) Walsrode S.à r.l
Infield House Unit Trust	Logicor (Shine) Winsen S.à r.l
Inverkip SP. z.o.o.	Logicor (Space)Topco Oy
Iris (Rijnsburg) B.V.	Logicor (Steen) B.V.
Iris (Roosendaal) B.V.	Logicor I SAS
Italian Logistics (HoldCo) B.V.	Logicor Europe Holdings II S.à r.l
Kensington Coignieres Industrial Propco SNC	Logicor Ferrari (HoldCo) B.V.
Kensington France Industrial Propco II SNC	Logicor Oy
Kensington France Industrial Propco SNC	Logicor Quartz Moissy I S.à r.l
Kensington France Logistics (Amiens) SNC	Logicor Quartz Moissy II S.à r.l

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS (continued)

Kensington France Logistics (Courlaoux) SNC	Logicor Quartz Saint Witz S.à r.l
Kensington France Logistics (Lesquin) SNC	Logicor Quartz Tigery S.à r.l
Kensington France Logistics (Ormes) SNC	Logicor Real Estate I Oy
Kensington France Logistics Propco I SNC	Logicor Real Estate II Oy
Kensington France Logistics Propco II SNC	Logicor Real Estate III Oy
Kensington Lille Logistics Propco SNC	Logicor Scorpion (HoldCo) B.V.
Kensington Spain (Yuncos-Peligros) SLU	Logicor South (Gomaringen) B.V.
Kensington Spain Industrial (Aragóneses) SL	Logicor South (Schwaig) B.V.
Kensington Spain Industrial (Barcelona) SL	Logicor Topco S.À R.L
Kensington Spain Industrial (El Prat) SL	Logistic Contractor SRL
Kensington Spain Industrial (Gava) SL	Logistics 101 Limited
Kensington Spain Industrial (Montcada) SL	Max Industrial LP
Kensington Spain Industrial (Villaverde) SL	Mazer Fund
Kensington Spain Logistics (Aranjuez) SL	Milano Mega Srl
Kensington Spain Logistics (Argales) SL	Mona Lisa Fund
Kensington Spain Logistics (Barcelona) SL	MPG Artemis LP
Kensington Spain Logistics (Castellbisbal) SL	Multi Corporation B.V.
Kensington Spain Logistics (Los Canós) SL	Perfectautonomy - Investimentos Imobiliarios S.A.
Kensington Spain Logistics (Promogrande) SL	Primitiv Fund
Kensington Spain Logistics (Ribarroja) SL	Proposta Fenomenal S.A.
Kensington Spain Logistics (Sant Just Desvern) SL	Redwood (Light Industrial) Propco S.à r.l
Kensington Spain Logistics (Vilarodona) SL	Redwood (Logistics 1) Propco S.à r.l
Kensington UK Holdco S.à r.l	Redwood (Logistics 2) Propco S.à r.l
Kensington UK Industrial (Huncoat) S.à r.l	Retratosinho Investimentos Imobiliarios S.A.
Kensington UK Industrial Propco S.à r.l	Rhombus Eight S.à r.l
Kensington UK Logistics (Bristol) S.à r.l	Rhombus Eleven S.à r.l
Leg II Meer BVBA	Rhombus Five S.à r.l
Lifestyle Logistik Sro	Rhombus Four S.à r.l
Log Center Ploiesti SRL	Rhombus Fourteen S.à r.l
LOG. IQ Bönen GmbH	Rhombus Nine S.à r.l
LOG. IQ Brémén I GmbH	Rhombus No.3 Limited
LOG. IQ Dusseldorf GmbH	Rhombus One S.à r.l
LOG. IQ Essen GmbH	Rhombus Seven S.à r.l
LOG. IQ Freystadt GmbH	Rhombus Six S.à r.l
LOG. IQ Gelsenkirchen GmbH	Rhombus Ten S.à r.l
LOG. IQ Gewerbepark GmbH	Rhombus Thirteen S.à r.l
LOG. IQ GmbH	Rhombus Twelve S.à r.l
LOG. IQ Greffrath GmbH	Rhombus Two S.à r.l
LOG. IQ Grob-Gerau GmbH	Rugeley G Park
LOG. IQ Hamburg GmbH	Sasinter Kft
LOG. IQ Hamm GmbH	SC Almera New Capital Investment SRL
LOG. IQ Lahr GmbH	SC Dacian Second SEL
LOG. IQ Minden GmbH	SCI Camargue Logistics
LOG. IQ Neuss GmbH	Sigma (Berény) Propco Kft

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS (continued)

LOG. IQ Niederaula GmbH	Sigma (BMH) Propco Kft
LOG. IQ Niederaula II GmbH	Sigma (Classic) Propco Kft
LOG. IQ Nurnberg I GmbH	Sigma (Erfurt) Propco S.à r.l
LOG. IQ Nurnberg II GmbH	Sigma (Rattigen) Propco S.à r.l
LOG. IQ Nurnberg-Hafen GmbH	Sky (Alcala) Propco SL
LOG. IQ Oberhausen GmbH	Sky (Alsdorf) Propco S.à r.l
LOG. IQ Poing GmbH	Sky (Barcelona) Propco SL
LOG. IQ Rheine GmbH	Sky (Bedburg) Propco S.à r.l
LOG. IQ Vaihingen GmbH	Sky (Berlin) Propco S.à r.l
LOG. IQ Willich GmbH	Sky (Cologne) Propco S.à r.l
LOG. IQ Wuppertal GmbH	Sky (Haiger) Propco S.à r.l
Logicor (Alovera 1) S.L.	Sky (Harderwijk) Propco BV
Logicor (Alovera 2) S.L.	Sky (Mejorada) Propco SL
Logicor (Atlas 1) S.L.	Sky (Straubing) Propco S.à r.l
Logicor (Atlas 2) S.L.	Sky (Turnhout) Propco BVBA
Logicor (Atlas 3) S.L.	Sky (Venray) Propco BV
Logicor (Clover) Bad Hersfeld GmbH	Tannic Fund
Logicor (Clover) Cergy SNC	Teal Corby Ltd.
Logicor (Clover) France SNC	Teal Glasshoughton Ltd.
Logicor (Clover) Nurnberg GmbH	Teal Kingston Park Limited
Logicor (Curve) AC S.L.	Teal New Brackmills S.à r.l
Logicor (Curve) Cabanillas 1 S.L.	Teal New Corby S.à r.l
Logicor (Curve) Cabanillas 2 S.L.	Teal New Darlaston S.à r.l
Logicor (Curve) Ciempzuelos 1 S.L.	Teal New Doncaster S.à r.l
Logicor (Curve) Ciempzuelos II S.L.	Teal New Glasshoughton S.à r.l
Logicor (Curve) Ens GmbH	Teal New Hams Hall S.à r.l
Logicor (Curve) Fontanar S.L.	Teal New Houghton Main S.à r.l
Logicor (Curve) Germany B.V.	Teal New Huntingdon S.à r.l
Logicor (Curve) Holdco BV	Teal New Kingston Park Limited
Logicor (Curve) Hungary Kft	Teal New Rugeley S.à r.l
Logicor (Curve) MK S.à r.l	Teal Rugeley S.à r.l
Logicor (Curve) Netherlands B.V.	Teal Voltaic S.à r.l
Logicor (Curve) Regnbueveien AS	Teal Wakefield 1 Limited
Logicor (Curve) Torija 1 S.L.	Teal Wakefield 2 Limited
Logicor (Curve) Torija 2 S.L.	Terminal Real Estate Sweden
Logicor (Curve) WE Eins GmbH	The Bridge Logistics SA
Logicor (Curve) WE Zwei GmbH	The Lymedale Park Unit Trust
Logicor (Ellipsis) S.à r.l	Valecorp Limited (A)
Logicor (Ferrari) Holdco BV	Verona Logistics Srl
Logicor (Hattrick) B.V.	West Gate Kft
Logicor (Husarian I) SP. z o.o.	Willebroek Logistics Platform BVBA
Logicor (Leontos 1) B.V.	Zaventum Properties SA
Logicor (Leontos 2) B.V.	

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

20. RELATED PARTY TRANSACTIONS (continued)

Remuneration of key management personnel

Key management personnel comprise the senior management team of the Company.

	2017 £	2016 £
Aggregate remuneration comprised:		
Emoluments	4,758,330	1,350,831
Pension contributions to money purchase pension schemes	33,488	27,169
Termination benefits	251,200	
	<u>5,043,018</u>	<u>1,378,000</u>

21. CONTROLLING PARTY INFORMATION

The controlling party up to 29 November 2017 was BRE Europe 6Q S.à r.l, an entity registered in Luxembourg. Copies of the financial statements for BRE Europe 6Q S.à r.l are available from its registered office, 2-4 rue Eugene Ruppert, Luxembourg, L-2453.

On 29 November, Eurologi II S.à r.l became the controlling party. Eurologi II S.à r.l is a company registered in Luxembourg at 2-4 rue Eugene Ruppert, Luxembourg, L-2453. The Logicor Europe Ltd group financial statements are the smallest and largest set of publicly available financial statements into which these financial statements are consolidated. The ultimate parent is China Investment Corporation.

The immediate parent of the Company is Logicor Europe Holdings S.à r.l with registered offices at 2-4 rue Eugene Ruppert, Luxembourg, L-2453.

Logicor Europe LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

22. OPERATING LEASE ARRANGEMENTS

	2017 £	2016 £
Minimum lease payments under operating leases recognised as an expense in the year	2,347,068	1,283,623
	<u>2,347,068</u>	<u>1,283,623</u>

At the balance sheet date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	1,529,473	1,234,577
In the second to fifth years inclusive	3,329,379	593,824
After five years	73,416	67,050
	<u>4,932,268</u>	<u>1,895,451</u>

Operating lease payments represent rentals payable by the group for its office properties and rentals payable on car leases.

Logicor Europe LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGICOR EUROPE LTD

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the parent company's affairs as at 31 December 2017 and of the loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Logicor Europe Ltd (the "Company") which comprise:

- the parent company income statement;
- the parent company statement of changes in equity;
- the parent company statement of financial position;
- the parent company cash flow statement; and
- the related notes 23 to 39.

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.

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.

We are independent of the 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 sufficient and appropriate to provide a basis for our opinion.

Logicor Europe LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGICOR EUROPE LTD (continued)

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Logicor Europe LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGICOR EUROPE LTD (continued)

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: 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.

Report on other legal and regulatory requirements

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 the directors' report have been prepared in accordance with applicable legal requirements.

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

Logicor Europe LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGICOR EUROPE LTD (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Other matters

We have separately reported on the group financial statements of Logicor Europe Ltd for the year ended 31 December 2017.

Philip Doherty

Philip Doherty FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

28 September 2018

Logicor Europe LTD

PARENT COMPANY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Revenue			
Consultancy fees	25	7,513,462	5,710,579
Asset management fees		6,393,075	5,706,300
		<u>13,906,537</u>	<u>11,416,879</u>
Expenses			
Salaries	26	(18,825,321)	(6,252,968)
Professional fees		(29,010,673)	(4,637,977)
Legal fees		(248,101)	(246,913)
Branding and marketing		(397,403)	(244,550)
Office costs		(3,445,802)	(1,375,660)
Travel		(465,105)	(360,995)
IT costs		(1,806,903)	(623,797)
General expenses		(707,049)	(709,393)
Foreign exchange gains		40,569	242,987
Bank charges		(10,022)	(4,832)
Depreciation		(711,413)	(629,979)
Loss on disposal		(864,335)	
		<u>(56,451,558)</u>	<u>(14,844,077)</u>
Operating loss before interest and taxation		(42,545,021)	(3,427,198)
Interest receivable		15,049	15,946
Interest payable		(136,213)	
Loss on ordinary activities before taxation	27	<u>(42,666,185)</u>	<u>(3,411,252)</u>
Taxation for the year on ordinary activities	28		85,610
Loss for the year		<u>(42,666,185)</u>	<u>(3,325,642)</u>

The income statement has been drawn up on the basis that all activities are continuing. There are no other activities of the company to report on and, therefore, a statement of comprehensive income has not been produced.

The notes on pages 49 to 59 form part of these financial statements.

Logicor Europe LTD

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 2017

	Share capital £	Share premium £	Profit and loss deficit £	Total equity £
Balance as at 1 January 2016	2	1,097,599	1,252,537	2,350,138
Loss for the year 2016	-	-	(3,325,642)	(3,325,642)
Total comprehensive loss for the year 2016	-	-	(3,325,642)	(3,325,642)
Balance as at 31 December 2016	2	1,097,599	(2,073,105)	(975,504)
Loss for the year 2017	-	-	(42,666,185)	(42,666,185)
Total comprehensive loss for the year 2017	-	-	(42,666,185)	(42,666,185)
Balance as at 31 December 2017	2	1,097,599	(44,739,290)	(43,641,689)

The notes on pages 49 to 59 form part of these financial statements.

Logicor Europe LTD

PARENT COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

		31 December 2017	31 December 2016
	Note	£	£
ASSETS			
Non-Current Assets			
Property, plant and equipment	30	2,375,331	2,127,309
Investment in Subsidiaries	29	1,229,444	1,229,444
Total Non-Current Assets		3,604,775	3,356,753
Current Assets			
Trade and other receivables	31	11,374,925	4,751,848
Cash and cash equivalents		25,203,649	3,207,295
Corporation tax receivable		88,155	88,155
Total Current Assets		36,666,729	8,047,298
Total Assets		40,271,504	11,404,051
LIABILITIES			
Current Liabilities			
Trade and other payables	32	(15,653,132)	(12,379,555)
Borrowings	33	(27,240,000)	
Total Current Liabilities		(42,893,132)	(12,379,555)
Net Current Liabilities		(6,226,403)	(4,332,257)
Non-Current Liabilities			
Borrowings	33	(41,020,061)	
Total Non-Current Liabilities		(41,020,061)	
Total Liabilities		(83,913,193)	(12,379,555)
Net Liabilities		(43,641,689)	(975,504)
Share capital	37	2	2
Share premium		1,097,599	1,097,599
Profit and loss deficit		(44,739,290)	(2,073,105)
Total Deficit		(43,641,689)	(975,504)

The financial statements and notes thereto were approved and authorised for issue by the Board of Directors on 28 September 2018 and are signed on its behalf by:



Simon Clinton
Director

The notes on pages 49 to 59 form part of these financial statements.

Registered Company Number: 08326708

Logicor Europe LTD

PARENT COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	31 December 2017 £	31 December 2016 £
Net Cash (used in)/generated by operating activities	34	(34,458,879)	4,383,135
Cash flows used in investing activities:			
Incorporation of subsidiary		-	(7,685)
Investment in subsidiary		-	(87,814)
Purchase of property, plant and equipment		(1,867,708)	(1,378,377)
Net cash used in investing activities		(1,867,708)	(1,473,876)
Net cash generated by financing activities		58,322,941	-
Net increase in cash and cash equivalents		21,996,354	2,909,259
Cash and cash equivalents at beginning of year		3,207,295	298,036
Cash and cash equivalents at end of year		25,203,649	3,207,295

The notes on pages 49 to 59 form part of these financial statements.

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2017

23. BASIS OF ACCOUNTING

The separate financial statements of the company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union.

24. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are the same as those set out in note 4 to the consolidated financial statements except as noted below:

Investments

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

25. REVENUE

Revenue for the year is derived from UK consultancy fees and UK asset management fees.

26. SALARIES

The average monthly number of employees (including executive directors) was 54 (2016: 35).

	Year ended 31 December 2017	Year ended 31 December 2016
Senior Management/Finance	22	13
Management/Investment	18	17
Employees/Other	14	5
	<u>54</u>	<u>35</u>
	Year ended 31 December 2017	Year ended 31 December 2016
Aggregate remuneration comprised:	£	£
Wages and salaries	16,005,215	5,142,705
Social security costs	2,142,460	645,100
Other benefits	677,646	465,163
	<u>18,825,321</u>	<u>6,252,968</u>

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

27. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss for the year has been arrived at after charging/(crediting):

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Staff costs	18,825,321	6,252,968
Exchange gains	(40,569)	(242,987)
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	45,000	45,000
Fees paid to Deloitte LLP for the audit of the special purpose financial statements which were prepared for the sale of the Logicor Group	3,450,212	
Professional fees relating to the preparation of the Company for a sale or capital raising (excluding £3,450,212 (2016: £Nil) paid to Deloitte LLP for the audit of the special purpose financial statements which were prepared for the sale of the Logicor Group).	<u>27,992,171</u>	<u>4,821,291</u>

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

28. TAXATION FOR THE YEAR ON ORDINARY ACTIVITIES

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Current tax		
Current year credit	=	(88,155)
Under-provision from prior year	=	2,545
UK corporation tax credit	<u>=</u>	<u>(85,610)</u>

Corporation Tax is calculated at 19.25% (2016: 20.00%) of the estimated taxable profit for the year.

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below.

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

28. TAXATION FOR THE YEAR ON ORDINARY ACTIVITIES (continued)

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Loss on ordinary activities before tax	(42,666,185)	(3,411,252)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(8,213,241)	(682,250)
<i>Effect of:</i>		
Items disallowable for tax purposes:	2,882,962	10,007
Depreciation in excess of capital allowances	136,947	125,995
Prior year under-provision		2,545
UK tax losses not recognised		458,093
UK losses carried forward	5,193,332	
Total tax credit on loss for the year	(85,610)	

No deferred tax asset has been recognised in respect of tax losses carried forward as at 31 December 2017 totalling £27.2m (2016: £0.2m) due to the unpredictability of utilising these losses.

29. INVESTMENT IN SUBSIDIARIES

Details of the company's investments as at 31 December 2017 are set out in note 12 to the consolidated financial statements. The investments in subsidiaries are all stated at cost and no investments have been impaired.

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

30. PROPERTY, PLANT AND EQUIPMENT

	£	£	£	£
Cost	Leasehold improvements	Fixtures & fittings	IT equipment	Total
At 1 January 2017	151,268	113,974	2,750,802	3,016,044
Additions	871,031	342,356	654,321	1,867,708
Disposals	(151,268)	(104,520)	(1,364,297)	(1,620,085)
At 31 December 2017	871,031	351,810	2,040,826	3,263,667
Depreciation				
At 1 January 2017	117,640	70,834	700,261	888,735
Depreciation	111,698	41,472	558,243	711,413
Disposals	(142,850)	(81,730)	(487,232)	(711,812)
At 31 December 2017	86,488	30,576	771,272	888,336
Net book amount at 31 December 2017	784,543	321,234	1,269,554	2,375,331
Net book amount at 31 December 2016	33,628	43,140	2,050,541	2,127,309

	£	£	£	£
Cost	Leasehold improvements	Fixtures & fittings	IT equipment	Total
At 1 January 2016	151,268	113,974	1,372,425	1,637,667
Additions	-	-	1,378,377	1,378,377
At 31 December 2016	151,268	113,974	2,750,802	3,016,044
Depreciation				
At 1 January 2016	67,223	39,357	152,176	258,756
Depreciation	50,417	31,477	548,085	629,979
At 31 December 2016	117,640	70,834	700,261	888,735
Net book amount at 31 December 2016	33,628	43,140	2,050,541	2,127,309
Net book amount at 31 December 2015	84,045	74,617	1,220,249	1,378,911

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

31. TRADE AND OTHER RECEIVABLES

	2017	2016
	£	£
Trade receivables with affiliated companies	1,133,382	242,806
Trade receivables with subsidiary companies	3,064,503	421,192
Accrued income and other amounts receivable from affiliated companies	1,393,151	872,622
Accrued income and other amounts receivable from subsidiary companies	3,470,079	1,200,590
Prepayments	586,766	833,316
Other receivables	1,727,044	1,181,322
	<u>11,374,925</u>	<u>4,751,848</u>

All amounts receivable from affiliated companies are held with affiliated companies which are not subsidiaries of Logicor Europe Ltd.

Further details of the Trade receivables with affiliated companies and the Accrued income and other amounts receivable from affiliated companies balances are shown in note 35.

32. TRADE AND OTHER PAYABLES

	2017	2016
	£	£
Trade payables with affiliated companies	7,699	325,649
Trade payables with third parties	4,428,152	52,809
Other payables	3,538,469	68,511
Accruals and deferred income	4,733,296	1,011,509
Amounts payable to subsidiary companies	2,275,608	510,496
Amounts payable to affiliated companies	669,908	10,410,581
	<u>15,653,132</u>	<u>12,379,555</u>

The directors consider that the carrying amount of trade payables approximates to their fair value.

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

33. BORROWINGS

	2017 £	2016 £
Loan payable to Group parent company	27,240,000	-
Total short-term borrowings	27,240,000	-
Loans and accrued interest thereon payable to affiliated companies	41,020,061	-
Total long-term borrowings	41,020,061	-

Loans payable to affiliated companies are loans provided by Eurocor II S.À R.L and Eurocor III S.À R.L. Interest is charged at LIBOR + 3% and both mature on 29 November 2023. The loan payable to the Group parent company is a working capital loan extended by the parent, Logicor Europe Holdings S.à r.l. It is non-interest bearing and repayable on demand. At 31 December 2016 £9,800,000 of this £27,240,000 had been extended to the Company but was included in Amounts payable to affiliated companies of £12,379,555 (note 32). The £9,800,000 had been extended by Logicor Europe Holdings II S.à r.l. On May 9th 2018 the loan of £27,240,000 was assigned from Logicor Europe Holdings II S.à r.l. to Logicor Europe Holdings S.à r.l.

34. NOTES TO THE CASH FLOW STATEMENT

	2017 £	2016 £
Loss for the year	(42,666,185)	(3,325,642)
Adjustments for:		
Income Tax credit	=	(85,610)
Net Interest receivable	(15,049)	(15,946)
Loss on disposal of fixed assets	864,335	-
Depreciation	711,413	629,979
Operating cash flows before movements in working capital	(41,105,486)	(2,797,219)
Increase in trade and other receivables	(6,608,028)	(2,099,481)
Increase in trade and other payables	13,254,635	9,370,549
Cash (used in)/generated by operations	(34,458,879)	4,473,849
Income taxes paid	-	(90,714)
Net cash (used in)/from operating activities	(34,458,879)	4,383,135

Cash and cash equivalents

	2017 £	2016 £
As at 31 December		
Cash and bank balances	25,203,649	3,207,295

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

35. RELATED PARTY TRANSACTIONS

2017

Logicor Europe LTD

The Company related party transactions comprise the following:

	Trading in the period to 31 December 2017 £	Trade receivables with subsidiary & affiliated companies £	Trade payables with affiliated companies £	Accrued income & other receivables from affiliated companies £	Amounts payable to affiliated companies & borrowings £	Accrued income & other receivables from subsidiary companies £	Amounts payable to subsidiary companies £	Balance at 31 December 2017 £
Total Consultancy fees	7,513,462	4,133,035		1,031,435	(239,024)	3,470,079	(2,275,608)	(6,119,917)
Total Asset Management fees	6,393,075	64,850	(7,699)	361,716	(430,883)			(12,016)
Total income	13,906,537	4,197,885	(7,699)	1,393,151	(669,907)	3,470,079	(2,275,608)	(6,107,901)
Total Interest receivable	15,049							
Total Interest & loan principal payable	(136,213)				(68,260,062)			(68,260,062)
Total other payables								
Total net trading	13,785,373	4,197,885	(7,699)	1,393,151	(68,929,969)	3,470,079	(2,275,608)	(62,152,161)

The related parties that the Company traded with during 2017 and held balances with as at 31 December 2017 were as follows:

Brackmills Limited
Branton Investment S.à r.l.
Carbon Paddock Wood Ltd.
Carbon Teesdale Ltd.
Carbon Willow Properties Ltd.
Cowley Investment S.à r.l.
Diamond Eight S.à r.l.
Diamond Nine S.à r.l.
Diamond One S.à r.l.
Diamond Seven S.à r.l.
Diamond Ten S.à r.l.
Diamond Three S.à r.l.
Diamond Two S.à r.l.
Eurocor II S.à r.l.
Eurocor III S.à r.l.
Eurocor-Lux Propco SARL
Harbour (Logistics) Bidco Oy

Logicor Property France S.à r.l.
Logicor Scorpion (HoldCo) B.V.
Logistics 101 Limited
Max Industrial LP
MPG Artemis LP
Perfectautonomy- Invetimentos Imobiliarios S.A.
Redwood (Light Industrial) Propco S.à r.l.
Redwood (Logistics 1) Propco S.à r.l.
Redwood (Logistics 2) Propco S.à r.l.
Rhombus Eight S.à r.l.
Rhombus Eleven S.à r.l.
Rhombus Five S.à r.l.
Rhombus Four S.à r.l.
Rhombus Fourteen S.à r.l.
Rhombus Nine S.à r.l.
Rhombus No.3 Limited
Rhombus One S.à r.l.

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

35. RELATED PARTY TRANSACTIONS (continued)

Havelock IOM LP	Rhombus Seven S.à r.l
Infield House Unit Trust	Rhombus Six S.à r.l
Italian Logistics (HoldCo) B.V.	Rhombus Ten S.à r.l
Kensington UK Holdco S.à r.l	Rhombus Thirteen S.à r.l
Kensington UK Industrial Propco S.à r.l	Rhombus Twelve S.à r.l
Kensington UK Logistics (Bristol) S.à r.l	Rhombus Two S.à r.l
LOG. IQ GmbH	Teal New Brackmills S.à r.l
Logicor (Curve) MK S.à r.l	Teal New Corby S.à r.l
Logicor (Ellipsis) S.à r.l	Teal New Darlaston S.à r.l
Logicor (River) S.à r.l	Teal New Doncaster S.à r.l
Logicor (Space) Topco Oy	Teal New Glasshoughton S.à r.l
Logicor Beheer B.V.	Teal New Hams Hall S.à r.l
Logicor España S.L.	Teal New Houghton Main S.à r.l
Logicor Europe Holdings II S.à r.l	Teal New Huntingdon S.à r.l
Logicor Ferrari (HoldCo) B.V.	Teal New Kingston Park Limited
Logicor Gestion SAS	Teal New Rugeley S.à r.l
Logicor Italia S.R.L.	Teal Voltaic S.à r.l
Logicor Management Hungary Kft	Terminal Real Estate Sweden
Logicor Management Polska SP. z o.o.	The Lymedale Park Unit Trust
Logicor Portugal SUL	Valecorp Limited (A)

2016

	Trading in the period to 31 December 2016 £	Trade receivables with subsidiary & affiliated companies £	Trade payables with affiliated companies £	Accrued income & other receivables from affiliated companies £	Amounts payable to affiliated companies £	Accrued income & other receivables from subsidiary companies £	Amounts payable to subsidiary companies £	Balance at 31 December 2016 £
Total Consultancy fees	5,710,579	483,724	(325,074)	475,503	(280,895)	1,200,590	(510,496)	1,043,352
Total Asset Management fees	5,706,300	178,164	(575)	397,119	(329,686)	-	-	245,022
Total Other Income	-	2,110	-	-	-	-	-	2,110
Total Income	11,416,879	663,998	(325,649)	872,622	(610,581)	1,200,590	(510,496)	1,290,484
Total Interest receivable	15,946	-	-	-	-	-	-	-
Total Other Payables	-	-	-	-	(9,800,000)	-	-	(9,800,000)
Total net trading	11,432,825	663,998	(325,649)	872,622	(10,410,581)	1,200,590	(510,496)	(8,509,516)

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

35. RELATED PARTY TRANSACTIONS (continued)

The Company has conducted related party transactions in the year and this note is presented in accordance with IFRS. The related parties that the Company traded with during 2016 and held balances with as at 31 December 2016 were as follows:

Blackstone Property Management Limited	Logicor Portugal SUL
Brackmills Limited	Logicor Quartz Moissy I S.à.r.l
Branston Investment S.à.r.l	Logicor Quartz Moissy II S.à.r.l
Carbon Paddock Wood Ltd.	Logicor Quartz Saint Witz S.à.r.l
Carbon Teesdale Ltd.	Logicor Quartz Tigery S.à.r.l
Carbon Willow Properties Ltd.	Logicor Real Estate I Oy
Cowley Investment S.à.r.l	Logicor Real Estate II Oy
Dagenham Ltd.	Logicor Real Estate III Oy
Diamond Eight S.à.r.l	Logicor Scorpion (HoldCo) B.V.
Diamond Nine S.à.r.l	Logistics 101 Limited
Diamond One S.à.r.l	Max Industrial LP
Diamond Seven S.à.r.l	MPG Artemis LP
Diamond Ten S.à.r.l	Multi Corporation B.V.
Diamond Three S.à.r.l	Perfectautonomy- Investimentos Imobiliarios S.A.
Diamond Two S.à.r.l	Redwood (Light Industrial) Propco S.à.r.l
Harbour (Logistics) Bidco Oy	Redwood (Logistics 1) Propco S.à.r.l
Hardwick (Doncaster) Property Company Ltd.	Redwood (Logistics 2) Propco S.à.r.l
Havelock IOM LP	Rhombus Eight S.à.r.l
Infield House Unit Trust	Rhombus Eleven S.à.r.l
Italian Logistics (HoldCo) B.V.	Rhombus Five S.à.r.l
Kensington UK Holdco S.à.r.l	Rhombus Four S.à.r.l
Kensington UK Industrial (Huncoat) S.à.r.l	Rhombus Fourteen S.à.r.l
Kensington UK Industrial Propco S.à.r.l	Rhombus Nine S.à.r.l
Kensington UK Logistics (Bristol) S.à.r.l	Rhombus No.3 Limited
LOG IQ GmbH	Rhombus One S.à.r.l
Logicor (Curve) Ens GmbH	Rhombus Seven S.à.r.l
Logicor (Curve) France SNC	Rhombus Six S.à.r.l
Logicor (Curve) Germany B.V.	Rhombus Ten S.à.r.l
Logicor (Curve) MK S.à.r.l	Rhombus Thirteen S.à.r.l
Logicor (Curve) WE Eins GmbH	Rhombus Twelve S.à.r.l
Logicor (Curve) WE Zwei GmbH	Rhombus Two S.à.r.l
Logicor (Ellipsis) S.à.r.l	Rugeley G Park
Logicor (Loren) Carvin SNC	SCI Camargue Logistics
Logicor (Loren) Corbas SNC	Teal Corby Ltd.
Logicor (Loren) Garonor II SAS	Teal Glasshoughton Ltd.
Logicor (Loren) Garonor SNC	Teal Kingston Park Limited
Logicor (Loren) Libercourt SNC	Teal New Brackmills S.à.r.l
Logicor (Loren) Réventin SNC	Teal New Corby S.à.r.l
Logicor (Loren) Roissy SNC	Teal New Darlaston S.à.r.l
Logicor (River) S.à.r.l	Teal New Doncaster S.à.r.l
Logicor (Space) Topco Oy	Teal New Glasshoughton S.à.r.l
Logicor 1 SAS	Teal New Hams Hall S.à.r.l

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

35. RELATED PARTY TRANSACTIONS (continued)

Logicor Beheer B.V.	Teal New Houghton Main S.à r.l
Logicor Deutschland GmbH	Teal New Huntingdon S.à r.l
Logicor España S.L.	Teal New Kingston Park Limited
Logicor Europe Holdings II S.à r.l	Teal New Rugeley S.à r.l
Logicor Ferrari (HoldCo) B.V.	Teal Rugeley S.à r.l
Logicor Gestion SAS	Teal Voltaic S.à r.l
Logicor Italia S.R.L.	Teal Wakefield 1 Limited
Logicor Management Hungary Kft	Teal Wakefield 2 Limited
Logicor Management Polska SP. z o.o.	Terminal Real Estate Sweden
Logicor Oy	The Lymedale Park Unit Trust
	Valecorp Limited (A)

36. FINANCIAL INSTRUMENTS

	31 December 2017 £	31 December 2016 £
Categorisation of financial instruments:		
Trade and other receivables	9,202,631	4,751,848
Cash and cash equivalents	25,203,649	3,207,295
Receivables	34,406,280	7,959,143
Amortised cost		
Trade and other payables	15,653,132	12,379,555
Borrowings – current	27,240,000	-
Borrowings – non-current	41,020,061	-
Liabilities	83,913,193	12,379,555

The risks for the company are the same as the risks for the group as set out in note 17. As per note 32 the short-term borrowings of £9,800,000 at 31 December 2016 were included in Amounts payable to affiliated companies. This was owed to Logicor Europe Holdings

The capital structure of the company consists solely of equity (comprising issued capital as disclosed in note 37, share premium and profit and loss deficit).

37. SHARE CAPITAL

	31 December 2017 £	31 December 2016 £
Authorised:		
2 ordinary shares of £1	2	2
Issued and fully paid:		
2 ordinary shares of £1	2	2

Logicor Europe LTD

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

38. EVENTS AFTER THE REPORTING YEAR

The financial statements were authorised for issue on 28 September 2018. No post reporting events are present that require adjustment to the financial statements.

39. OPERATING LEASE ARRANGEMENTS

	2017 £	2016 £
Minimum lease payments under operating leases recognised as an expense in the year	<u>1,358,241</u>	<u>553,237</u>

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	770,000	502,932
In the second to fifth years inclusive	<u>2,489,315</u>	<u>502,932</u>
	<u>3,259,315</u>	<u>502,932</u>

Operating lease payments represent rentals payable by the group for its office properties.