Company Number: 08491527

ELQ INVESTORS VI LTD

ANNUAL REPORT

31 December 2017

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2017.

1. Introduction

The principal activity of ELQ Investors VI Ltd (the company) is to undertake investment business. The company holds investments in subsidiary undertakings which hold real estate assets and directly holds investments in joint venture and debt instruments.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System (Federal Reserve Board). In relation to the company, 'group undertaking' means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries, form 'GS Group'. GS Group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

The company primarily operates in a U.S. dollar environment as part of GS Group. Accordingly, the company's functional currency is the U.S. dollar and these financial statements have been prepared in that currency.

2. Financial overview

The financial statements have been drawn up for the year ended 31 December 2017. Comparative information has been presented for the year ended 31 December 2016.

The results for the year are shown in the profit and loss account on page 7. Profit before taxation for the year ended 31 December 2017 was US$27.0 million (31 December 2016: US$32.2 million).

The company had total assets of US$1,530.1 million as at 31 December 2017 (31 December 2016: US$709.9 million).

On 30 June 2017, the company issued 15,000,000 ordinary shares of US$1 each to its parent undertaking, ELQ Holdings (UK) Limited. On 21 December 2017, the company issued a further 70,000,000 ordinary shares of US$1 each to its parent undertaking. As a result, the company's share capital increased from US$233,403,294 to US$318,403,294 as at 31 December 2017.

3. Post balance sheet events

Subsequent to the year end, the following events took place:

In February 2018, the company sold its investment in Artemis Acquisition Germany S.A.R.L. for a total consideration of US$187.2 million. The proceeds from the sale were used to repay loans from group undertakings.

During May 2018 and June 2018, the company received interim dividends of US$82.4 million from its subsidiary undertaking Artemis Acquisition Poland S.A.R.L. The proceeds from the distribution were used to repay loans from group undertakings.

In August 2018, the company was allotted 1,549,300 ordinary shares of €0.01 each in ELQ Lux Holding S.A.R.L. for new investments for a total consideration of US$75.5 million which was funded using loans from group undertakings.

Further, the company is looking at a potential sale of its investment in joint ventures with a carrying value of US$116.0 million as at 31 December 2017 to a third party.

STRATEGIC REPORT (continued)

4. Exchange rate

The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US$ 1.3524 (31 December 2016: £ / US$ 1.2337). The average rate for the year was £ / US$ 1.3020 (31 December 2016: £ / US$ 1.3439).

5. Future outlook

The directors consider that the year end financial position of the company was satisfactory and continue to look for new investment opportunities.

6. Principal risks and uncertainties

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. The company is also exposed to risk of decline in value of its non-financial assets, primarily investments in subsidiary undertakings. The company, as part of a global group, adheres to global risk management policies and procedures. The company's risk management objectives and policies are described in note 24 of the financial statements. The determination by the U.K. to exit the E.U. could affect the manner in which the company conducts its business.

7. Date of authorisation of issue

The strategic report was authorised for issue by the Board of Directors on 14 SEPTEMBER 2018.

ON BEHALF OF THE BOARD

JIM WILTSHIRE
Director

DIRECTORS' REPORT

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

1. Introduction

In accordance with section 414A of the Companies Act 2006, the directors have prepared a strategic report, which contains a review of the company's businesses and a description of the principal risks and uncertainties facing the company. The directors have chosen to make reference to the company's risk management objectives and policies, as well as exposures to market risk, credit risk and liquidity risk in the strategic report, in accordance with section 414C(11) of the Companies Act 2006, that would otherwise have been reported in the directors' report.

2. Dividends

The directors do not recommend the payment of a dividend in respect of the year (31 December 2016: US$nil).

3. Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

4. Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

5. Directors

The directors of the company who served throughout the year and to the date of this report, except where noted, were:

Name	Appointed	Resigned
B. Cabiallavetta		
T. Cannell		
W. T. Gasson		
G. G. Olafson		
N. Somaiya		
J. Wiltshire		
M. Holmes		19 July 2017
R. M. Thomas	19 July 2017	

No director had, at the year end, any interest requiring note herein.

DIRECTORS' REPORT (continued)

6. Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which 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 of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

7. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 14 SEPTEMBER 2018.

ON BEHALF OF THE BOARD

JIM WHITEHEAD
Director

Independent auditors' report to the members of ELQ Investors VI Ltd

Report on the audit of the financial statements

Opinion

In our opinion, ELQ Investors VI Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2017; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Ian Ross (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 September 2018

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2017

	Note	Year ended 31 December 2017 US$	Year ended 31 December 2016 US$
Net revenues	5	98,595,421	46,118,897
Income from shares in group undertakings	6	-	8,158,060
Write down of shares in group undertakings	7	(26,102,714)	-
Interest receivable and similar income	8	4,316,883	4,847,581
Interest payable and similar expenses	9	(14,761,217)	(8,226,786)
Administrative expenses	10	(35,035,040)	(18,660,684)
PROFIT BEFORE TAXATION		27,013,333	32,237,068
Tax on profit	13	(22,858,966)	(828,188)
PROFIT FOR THE FINANCIAL YEAR		4,154,367	31,408,880

The profits of the company are derived from continuing operations in the current and prior years.

The company has no recognised gains and losses other than those included in the profit and loss account for the years shown above and therefore no separate statement of comprehensive income has been presented.

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

as at 31 December 2017

	Note	31 December 2017 US$	31 December 2016 US$
FIXED ASSETS			
Investments	15	615,085,054	267,018,285
CURRENT ASSETS			
Investments	16	305,353,562	340,090,519
Debtors: Amounts falling due within one year	17	7,459,613	1,859,519
Debtors: Amounts falling due after more than one year	18	517,024,521	98,899,184
Cash at bank and in hand		85,153,769	2,038,592
		914,991,465	442,887,814
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	19	(32,049,648)	(5,154,693)
NET CURRENT ASSETS		882,941,817	437,733,121
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	20	(1,125,202,994)	(440,085,165)
PROVISIONS FOR LIABILITIES	14	(19,003,269)	-
NET ASSETS		353,820,608	264,666,241
CAPITAL AND RESERVES			
Called up share capital	21	318,403,294	233,403,294
Profit and loss account		35,417,314	31,262,947
TOTAL SHAREHOLDER'S FUNDS		353,820,608	264,666,241

The financial statements were approved by the Board of Directors on 14 SEPTEMBER 2018 and signed on its behalf by:

JIM WILTSHIRE
Director

The accompanying notes are an integral part of these financial statements.
Company number: 08491527

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Note	Called up share capital US$	Profit and loss account US$	Total shareholder's funds US$
Balance at 1 January 2016		233,403,294	(145,933)	233,257,361
Profit for the financial year		-	31,408,880	31,408,880
Balance at 31 December 2016		233,403,294	31,262,947	264,666,241
Proceeds from shares issued	21	85,000,000	-	85,000,000
Profit for the financial year		-	4,154,367	4,154,367
Balance at 31 December 2017		318,403,294	35,417,314	353,820,608

No dividends were paid in 2017 or 2016.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. GENERAL INFORMATION

The company is a limited liability company and is incorporated and domiciled in England and Wales. The address of its registered office is Peterborough Court, 133 Fleet Street, London, EC4A 2BB, United Kingdom.

The immediate parent undertaking is ELQ Holdings (UK) Ltd, a company incorporated and domiciled in England and Wales.

The ultimate parent undertaking and the parent company of the smallest and largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, or at www.goldmansachs.com/shareholders/.

2. ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention (except as modified in note 2g), and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The following exemptions from disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

(i) IFRS 2 'Share-based Payment' paragraph 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc.;

(ii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv) and IAS 16 'Property, Plant and Equipment paragraph 73(e);

(iii) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;

(iv) IAS 7 'Statement of Cash Flows';

(v) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;

(vi) IAS 24 'Related Party Disclosures' paragraph 17; and

(vii) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

The company is a subsidiary undertaking of Group Inc., a company incorporated within the United States of America, whose consolidated financial statements include the company and are publicly available. As a result the company has elected not to prepare consolidated financial statements as permitted by section 401 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

2. ACCOUNTING POLICIES (continued)

b. Revenue recognition

Net revenues have been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. This includes net revenues from debt investments and investments in joint ventures.

Net revenues from debt investments include accrued interest, changes in fair value and gains and losses on sale of investments.

Net revenues from investments in joint ventures includes changes in fair value and the gains and losses on sale of investments.

c. Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholder. Interim equity dividends are recognised and deducted from equity when paid.

d. Foreign currencies

The company's financial statements are presented in U.S. dollars, which is also the company's functional currency.

Transactions denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in the profit and loss account.

e. Fixed asset investments

Fixed asset investments comprises investments in subsidiary undertakings and is stated at cost less provision for any impairment. Dividends receivable are recognised when the right to receive payment has been established.

f. Cash at bank and in hand

Cash at bank and in hand is highly liquid overnight deposits held in the ordinary course of business.

2. **ACCOUNTING POLICIES (continued)**

g. Financial assets and financial liabilities

(i) Recognition and derecognition

Financial assets are recognised and derecognised using settlement date accounting. Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset. A financial liability is derecognised only when it is extinguished (i.e. when the obligation specified in the contract is discharged, is cancelled or expires).

(ii) Classification and measurement

Financial assets comprise all of the company's current assets (with the exception of tax assets) and financial liabilities comprise all of the company's creditors (with the exception of tax liabilities).

The company classifies its financial assets and financial liabilities into the below categories. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

- **Financial assets and financial liabilities designated at fair value through profit or loss**

  Financial assets designated at fair value through profit or loss comprise debt investments and investments in joint ventures. These investments are designated at fair value as they are managed and their performance is evaluated on a fair value basis. Financial liabilities designated at fair value through profit or loss comprise intercompany financing arrangements. The company has recognised the intercompany multi-currency financing arrangements at fair value where the arrangements contain embedded foreign exchange features.

  Fiinancial assets and financial liabilities designated at fair value through profit or loss are initially recognised at fair value with transaction costs expensed in profit or loss. They are measured in the balance sheet at fair value and all subsequent gains or losses are recognised in the profit and loss account.

- **Loans and receivables and financial liabilities measured at amortised cost**

  Loans and receivables and financial liabilities measured at amortised cost are initially recognised at fair value and are subsequently remeasured at amortised cost, with finance income and expense recognised on an accruals basis. All finance income and expense is recognised in the profit and loss account.

(iii) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is:

(i) currently a legally enforceable right to set off the recognised amounts; and

(ii) intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where these conditions are not met, financial assets and financial liabilities are presented on a gross basis on the balance sheet.

2. ACCOUNTING POLICIES (continued)

h. Current and deferred tax

The tax expense comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary differences that have originated, but not reversed at the balance sheet date, where transactions or events have occurred by that date that will result in an obligation to pay more tax or a right to pay less tax in the future with the following exceptions:

(i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying temporary differences can be deducted.

(ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

a. Fair value measurement

Certain of the company's financial assets include significant unobservable inputs (i.e. level 3). See note 26 for information about the carrying value, valuation techniques and significant inputs of these instruments.

b. Deferred tax

The company has recognised a deferred tax liability (see note 14) which requires judgement in determining the expected tax liabilities and payments in the future at each reporting date. These forecasts require the use of assumptions and estimates. The relevant tax law is considered to determine the tax liability in future years and management exercises judgement for recognition of estimated liabilities.

4. SEGMENTAL REPORTING

The directors manage the company's activities as a single business in the same geographic region and accordingly no segmental analysis has been provided.

5. NET REVENUES

	Year ended 31 December 2017 US$	Year ended 31 December 2016 US$
Net revenues from debt investments	61,724,943	25,244,472
Net revenue from joint ventures	36,870,478	20,874,425
	98,595,421	**46,118,897**

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

The company received no dividend income from subsidiary undertakings in the current year. In the prior year, the company received dividend income of US$8.2 million from its subsidiary undertaking, Encasa Cibeles S.L.

7. WRITE DOWN OF SHARES IN GROUP UNDERTAKINGS

In the current year, the company recorded an impairment of US$26.1 million on Encasa Cibeles S.L, a subsidiary undertaking, as part of the year end assessment of the subsidiary's performance (see note 15). The company recorded no impairments in the prior year.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2017 US$	Year ended 31 December 2016 US$
Interest on long-term loans due to group undertakings (see note 18)	4,316,883	4,847,581
	4,316,883	**4,847,581**

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2017 US$	Year ended 31 December 2016 US$
Interest on long-term loans due from group undertakings (see note 20)	14,761,217	8,226,786
	14,761,217	**8,226,786**

10. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2017 US$	Year ended 31 December 2016 US$
Management fees charged by group undertakings	37,080,047	16,875,465
Foreign exchange (gains) / losses	(3,216,754)	1,333,854
Legal and professional fees	1,186,998	446,349
Other expenses / (income)	(15,251)	5,016
	35,035,040	**18,660,684**

The auditors' remuneration for the current year of £20,000 (US$27,048) (31 December 2016: £15,000 (US$20,158)) has been borne by a group undertaking.

11. STAFF COSTS

As in the prior year, the company has no employees. All persons involved in the company's operations are employed by group undertakings. The charges made by these group undertakings for all services provided to the company are included in management fees charged by group undertakings (see note 10).

12. DIRECTORS' EMOLUMENTS

	Year ended 31 December 2017 US$	Year ended 31 December 2016 US$
Aggregate emoluments	10,094	10,830
Company pension contributions to money purchase schemes	60	63
	10,154	**10,893**

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. This total only includes the value of cash and benefits in kind, and does not include the value of equity awards in accordance with the provisions of schedule 5 of Statutory Instrument 2008/410. Directors also receive emoluments for non qualifying services which are not required to be disclosed. The directors' emoluments were borne by group undertakings in the current and prior periods.

Seven directors are members of a defined contribution pension plan. All directors have been granted Group Inc. shares in respect of long-term incentive schemes during the year. No directors have exercised options during the year.

13. TAX ON PROFIT

	Year ended 31 December 2017 US$	Year ended 31 December 2016 US$
Current tax:		
U.K. corporation tax	3,953,699	828,188
Adjustments in respect of prior periods	(98,002)	-
Total current tax	**3,855,697**	**828,188**
Deferred tax:		
Overseas taxes on investments in joint ventures	19,003,269	-
Total deferred tax	**19,003,269**	-
Total tax on profit	**22,858,966**	**828,188**

The table below presents a reconciliation between tax on profit and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the year of 19.25% (2016: 20%) to the profit before taxation.

	Year ended 31 December 2017 US$	Year ended 31 December 2016 US$
Profit before taxation	27,013,333	32,237,068
Profit multiplied by the weighted average rate in the U.K. 19.25% (2016: 20%)	5,200,067	6,447,414
Permanent differences	443,888	-
Non-taxable dividend income	-	(1,631,612)
Non-taxable UK gains on investments in joint ventures	(7,097,567)	(4,174,885)
Overseas taxes on investments in joint ventures	19,003,269	-
Non deductible impairment on investments in subsidiary undertakings	5,024,772	-
Non deductible expenses	114,249	44,635
Exchange and other differences	268,290	142,636
Adjustments in respect of prior periods	(98,002)	-
Total tax on profit	**22,858,966**	**828,188**

14. DEFERRED TAX LIABILITY

Deferred tax liability comprises	31 December 2017 US$	31 December 2016 US$
Overseas taxes on investments in joint ventures	**19,003,269**	**-**

The movements in the deferred tax balances were as follows:	**Overseas taxes on investments in joint ventures US$**
At 1 January 2016 and 31 December 2016	-
Charged to the profit and loss account during the year (see note 13)	19,003,269
At 31 December 2017	**19,003,269**

The deferred tax liability recognised in the current year relates to overseas taxes on gains from investments in joint ventures. This includes an adjustment of US$6.9 million in respect of the prior year.

15. FIXED ASSET INVESTMENTS

Fixed asset investments, which are unlisted and stated at cost less provision for any impairment, comprise investments in subsidiary undertakings:

	Cost	Provisions for impairment	Net book value
	$US	$US	$US
At 1 January 2016	233,373,254	-	233,373,254
Additions	33,645,031	-	33,645,031
At 31 December 2016	267,018,285	-	267,018,285
Additions	389,200,423	-	389,200,423
Disposals	(15,030,940)	-	(15,030,940)
Impairments (see note 7)	-	(26,102,714)	(26,102,714)
At 31 December 2017	**641,187,768**	**(26,102,714)**	**615,085,054**

During the year the following key additions took place:

a. The company established Artemis Acquisition Finland Oy and was allotted 1,001 ordinary shares of €2.50 each for a total consideration of US$2,683.

b. The company established Artemis Acquisition Italy S.A.R.L. and was allotted 1,200,000 ordinary shares of €0.01 each for a total consideration of US$12,713.

c. The company established Artemis Acquisition Poland S.A.R.L and was allotted 1,200,003 ordinary shares of €0.01 each, including share premium, for a total consideration of US$197,179,323.

d. The company established Artemis Acquisition Germany S.A.R.L and was allotted 1,200,005 ordinary shares of €0.01 each, including share premium, for a total consideration of US$37,376,357.

e. The company established Artemis Acquisition France S.A.R.L and was allotted 1,200,002 ordinary shares of €0.01 each, including share premium, for a total consideration of US$21,079,463.

f. The company established Artemis Acquisition Netherlands S.A.R.L and was allotted 1,200,001 ordinary shares of €0.01 each, including share premium, for a total consideration of US$34,168,963.

g. The company invested US$12,756,166 to acquire 100% of Artemis Corner Acquisition Korlatolt Felelossegu Tarsasag, a limited liability company.

h. The company invested US$22,944,095 to acquire 100% Central Udvar Acquisition Korlatolt Felelossegu Tarsasag, a limited liability company.

i. The company established Pheasant B.V. and was allotted 1 ordinary share of €1, including share premium, for a total consideration of US$18,748,800.

j. The company made an equity injection of US$37,140,563 into Kingfisher Real Estate B.V.

k. The company made an equity injection of US$7,791,297 into Puffin Real Estate B.V.

Disposals represent distributions received from Encasa Cibeles S.L. during the year of US$15,030,940 which was treated as a return of capital.

15. FIXED ASSET INVESTMENTS (continued)

The subsidiaries over which the company exercises control via ordinary shares held directly by the company at the year end are:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
Encasa Cibeles S.L.[1]	Holds real estate	97.95%	Ordinary shares
Kingfisher Real Estate B.V.[2]	Holds real estate	100%	Ordinary shares
Puffin Real Estate B.V.[2]	Holds real estate	100%	Ordinary shares
Dolomites Funding S.R.L.[3]	Holds loan portfolios	100%	Ordinary shares
Artemis Acquisition Italy S.A R.L.[4]	Holds real estate	100%	Ordinary shares
Artemis Acquisition Poland S.A R.L.[4]	Holds real estate	100%	Ordinary shares
Artemis Acquisition Germany S.A R.L.[4]	Holds real estate	100%	Ordinary shares
Artemis Acquisition France S.A R.L.[4]	Holds real estate	100%	Ordinary shares
Artemis Acquisition Netherlands S.A R.L.[4]	Holds real estate	100%	Ordinary shares
Artemis Acquisition Finland Oy[5]	Holds real estate	100%	Ordinary shares
Artemis Corner Acquisition Korlatolt Felelossegu Tarsasag[6]	Holds real estate	100%	Ordinary shares
Central Udvar Acquisition Korlatolt Felelossegu Tarsasag[6]	Holds real estate	100%	Ordinary shares
Pheasant B.V.[2]	Holds real estate	100%	Ordinary shares

The subsidiaries, over which the company exercises control via ordinary shares held by subsidiary underakings at the year end, are:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
Kiinteistro Oy Opus 1	Holds real estate	100%	Ordinary shares
Kiinteistro Oy Plaza Vivace	Holds real estate	100%	Ordinary shares
Kiinteistro Oy Plaza Allegro	Holds real estate	100%	Ordinary shares

Registered office address at:

[1] Avenida del Talgo, 155, Madrid, Spain, 28023

[2] Strawinskylaan 3127, Atrium Building 8th Floor, Amsterdam, Netherlands, 1077 ZX

[3] Milano (MI) Piazzetta Maurilio Bossi 3, 20121

[4] 2, Rue du Fossé, Luxembourg L-1536, Luxembourg

[5] Fredriksgatan 61 A, Helsinki, Finland, 00100

[6] Andrássy út 100, Budapest, Hungary, 1062

[7] Mannerheiminaukio 1 A, c/o Newsec Asset Management Oy, Helsinki, Finland

16. CURRENT ASSET INVESTMENTS

Current asset investments, which are stated at fair value (see note 25), comprise debt investments and investments in joint ventures.

	31 December 2017	31 December 2016
	US$	US$
Investments in joint ventures	102,294,658	60,064,525
Debt investments at fair value	159,026,733	240,980,999
Debt investments at amortised cost	44,032,171	39,044,995
	305,353,562	**340,090,519**

Investments in joint ventures represents the company's 75% holding in Halstonville Limited's ordinary shares.

Debt investments at fair value include an investment in Windmill Funding Limited of US$145.3 million (31 December 2016: US$228.9 million) and an investment in Halstonville Limited of US$13.7 million (31 December 2016: US$12.0 million).

Halstonville Limited is a limited liability company which holds real estate assets.

Windmill Funding Limited is a special purpose vehicle which holds investments in performing, sub-performing and non-performing residential mortgage loans and issued profit participating notes to the company to transfer 100% of the risks and rewards.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2017	31 December 2016
	US$	US$
Amounts due from group undertakings	6,262,537	840,497
Accrued interest on long-term loans to group undertakings (see note 18)	1,112,595	1,003,146
Group relief receivable	84,481	15,876
	7,459,613	1,859,519

18. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2017	31 December 2016
	US$	US$
Long-term loans due to group undertakings	517,024,521	98,899,184

Long-term loans due to group undertakings comprises the following:

(i) A loan of US$34,629,371 (31 December 2016: US$nil) advanced by the company to Artemis Acquisition Finland Oy, a fellow group undertaking, under the terms of a new loan agreement dated April 2017. The loan is repayable in April 2037.

(ii) A loan of US$190,538,794 (31 December 2016: US$98,899,184) advanced by the company to Kingfisher Real Estate B.V., a fellow group undertaking, under the terms of an existing loan agreement dated September 2016. The loan is repayable in September 2036.

(iii) A loan of US$56,803,950 (31 December 2016: US$nil) advanced by the company to Pheasant B.V., a fellow group undertaking, under the terms of a new loan agreement dated October 2017. The loan is repayable in April 2027.

(iv) A loan of US$13,224,200 (31 December 2016: US$nil) advanced by the company to Artemis Acquisition Italy S.A.R.L., a fellow group undertaking, under the terms of a new loan agreement dated April 2017. The loan is repayable in April 2037.

(v) A loan of US$60,110 (31 December 2016: US$nil) advanced by the company to Artemis Acquisition Poland S.A.R.L., a fellow group undertaking, under the terms of a new loan agreement dated July 2017. The loan is repayable in July 2037.

(vi) A loan of US$116,831,158 (31 December 2016: US$nil) advanced by the company to Artemis Acquisition Germany S.A.R.L., a fellow group undertaking, under the terms of a new loan agreement dated July 2017. The loan is repayable in July 2037. Subsequent to year end the loan was fully repaid.

(vii) A loan of US$32,157,354 (31 December 2016: US$nil) advanced by the company to Artemis Acquisition France S.A.R.L., a fellow group undertaking, under the terms of a new loan agreement dated July 2017. The loan is repayable in July 2037.

(viii) A loan of US$48,072,591 (31 December 2016: US$nil) advanced by the company to Artemis Acquisition Netherlands S.A.R.L., a fellow group undertaking, under the terms of a new loan agreement dated April 2017. The loan is repayable in April 2037.

(ix) A loan of US$939,218 (31 December 2016: US$nil) advanced by the company to Central Udvar Acquisition Korlatolt Felelossedu Tarsasag, a fellow group undertaking, under the terms of a new loan agreement dated October 2017. The loan is repayable in October 2037. Subsequent to year end the loan was fully repaid.

(x) A loan of US$23,767,775 (31 December 2016: US$nil) advanced by the company to Puffin Real Estate B.V., a fellow group undertaking, under the terms of a new loan agreement dated July 2017. The loan is repayable in July 2037.

All the loans are unsecured and carry interest at a variable margin over the applicable currency's overnight interest rate.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2017	31 December 2016
	US$	US$
Amounts due to group undertakings	17,249,654	3,967,137
Accrued interest on long-term loans from group undertakings (see note 20)	12,706,681	741,456
Corporation tax payable	859,564	-
Other creditors	1,233,749	446,100
	32,049,648	**5,154,693**

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2017	31 December 2016
	US$	US$
Long-term loans due from group undertakings	**1,125,202,994**	**440,085,165**

Long-term loans from group undertakings comprises the following:

(i) A loan of US$280,000,000 (31 December 2016: US$280,000,000) advanced by ELQ Holdings (UK) Ltd, under the terms of an existing loan agreement dated October 2013. The loan is unsecured and carries interest at a variable margin over the applicable currency's overnight interest rate. The loan is repayable in January 2062.

(ii) A loan of US$845,202,994 (31 December 2016: US$160,085,165) advanced by Group Inc., under the terms of an existing loan agreement dated December 2016. The loan is unsecured and carries interest at a variable margin over the applicable currency's overnight interest rate. The loan is repayable in December 2065. The balances under this multi currency facility are recognised at fair value.

21. CALLED UP SHARE CAPITAL

At 31 December 2017 and 31 December 2016 share capital comprised:

	31 December 2017		31 December 2016	
	No.	US$	No.	US$
Allotted, called up and unpaid				
Ordinary shares of GBP 1 each	1	2	1	2
Allotted, called up and fully paid				
Ordinary shares of GBP 1 each	10,000	16,348	10,000	16,348
Ordinary shares of EUR 1 each	10,000	13,690	10,000	13,690
Ordinary shares of USD 1 each	318,373,254	318,373,254	233,373,254	233,373,254
		318,403,294		**233,403,294**

On 30 June 2017, the company issued 15,000,000 ordinary shares of US$1 each to ELQ Holdings (UK) Limited, its parent undertaking. On 21 December 2017, the company issued a further 70,000,000 ordinary shares of US$1 each to ELQ Holdings (UK) Limited.

22. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at year end (31 December 2016: US$ nil).

23. RELATED PARTY DISCLOSURES

The company had the following transactions with entities that are not wholly owned within the group:

- The company had joint control, along with a co-investor, of Halstonville Limited, that directly, and via its subsidiaries, makes real estate investments. During the year, the company invested US$ nil (2016: US$19.2 million) in Halstonville Limited. The carrying value of the investment as at 31 December 2017 was US$102.3 million (2016: US$60.0 million), disclosed as investments in joint ventures. In addition, the company had debt investments of US$13.7 million (2016: US$12.0 million) in Halstonville Limited, included within debt investments (see note 16).

- The company held 97.95%, along with a co-investor, in Encasa Cibeles S.L., a subsidiary of the company. During the year, the company recorded an impairment of US$26.1 million on Encasa Cibeles S.L as part of the year end assessment of the subsidiary's performance. In the prior year, the company received US$8.2 million as dividend income. The carrying value of the investment as at 31 December 2017 was US$192.2 million (31 December 2016: US$233.4 million) (see notes 6 and 7).

There are no other related party transactions during the year with non-wholly owned subsidiaries.

24. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

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

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

a. Market risk

Market risk is the risk of loss in value of investments, as well as certain other financial assets and financial liabilities, due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business. Relevant market risks for the company are interest rate risk, currency risk and equity price risk.

The principal market risk of the company is the risk of loss in value of its debt investments and investment in joint ventures. Due to the nature of the investments of the company, market risk is measured using a 10% sensitivity measure. Market risk is determined by estimating the potential reduction in revenue of a 10% decline in the underlying asset value without reflecting the diversification benefits across asset categories or across other risk measures. This would have been a loss of US$30.5 million based on the carrying value of the investments.

Interest rate risk results from exposures to changes in level, slope and curvature of yield curves, volatilities of interest rates and credit spreads. The company's exposure to interest rate risk is not significant as at 31 December 2017 and 31 December 2016.

Currency risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates.

The company's functional currency is the U.S. dollar. At 31 December 2017, the company had net Euro denominated liabilities of US$89.3 million (2016: US$94.6 million).

If currency rates had been 0.5 percent higher and all other variables were held constant, the company's profit before tax for the year ended 31 December 2017 and 31 December 2016 would not have been materially affected. This has been determined assuming that the company's exposure to currency risk at balance sheet date was consistent for the whole year.

The company manages its interest rate and currency risks as part of GS Group's risk management policy.

Equity price and debt investment risk arises from exposures to changes in prices and volatilities of individual investments. The sensitivity analysis below has been determined based on the company's exposure to equity price risk at the balance sheet date. If equity values had been 10 per cent higher/lower, profit before taxation for the year ended 31 December 2017 would increase/decrease by $30.5 million (2016: increase/decrease by $34.0 million) as a result of the changes in fair value.

24. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

b. Credit risk

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the financial assets are secured. The company's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 31 December 2017 and 31 December 2016. As at 31 December 2017, the company had no debtors past due or impaired (31 December 2016: nil).

c. Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties or customers as they fall due. The company manages its liquidity risk in accordance with GS Group's comprehensive and conservative set of liquidity and funding policies to address both company specific and broader industry or market liquidity events.

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets and financial liabilities by category

The table below presents the carrying value of the company's financial assets and financial liabilities by category:

	31 December 2017		
	Designated at fair value	Amortised cost	Total
Financial assets	**US$**	**US$**	**US$**
Investments	261,321,391	44,032,171	305,353,562
Debtors: amounts falling due within one year	-	7,459,613	7,459,613
Debtors: amounts falling due after more than one year	-	517,024,521	517,024,521
Cash at bank and in hand	-	85,153,769	85,153,769
	261,321,391	**653,670,074**	**914,991,465**

	Designated at fair value	Amortised cost	Total
Financial liabilities	**US$**	**US$**	**US$**
Creditors: amounts falling due within one year	-	(31,190,084)	(31,190,084)
Creditors: amounts falling due after more than one year	(845,202,994)	(280,000,000)	(1,125,202,994)
	(845,202,994)	**(311,190,084)**	**(1,156,393,078)**

	31 December 2016		
	Designated at fair value	Amortised cost	Total
Financial assets	**US$**	**US$**	**US$**
Investments	301,045,524	39,044,995	340,090,519
Debtors: amounts falling due within one year	-	1,859,519	1,859,519
Debtors: amounts falling due after more than one year	-	98,899,184	98,899,184
Cash at bank and in hand	-	2,038,592	2,038,592
	301,045,524	**141,842,290**	**442,887,814**

	Designated at fair value	Amortised cost	Total
Financial liabilities	US$	**US$**	**US$**
Creditors: amounts falling due within one year	-	(5,154,693)	(5,154,693)
Creditors: amounts falling due after more than one year	(160,085,165)	(280,000,000)	(440,085,165)
	(160,085,165)	**(285,154,693)**	**(445,239,858)**

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

b. Fair value heirarchy

FRS 101 has a three level fair value hierarchy for disclosure of fair value measurements. The fair value hierarchy prioritises inputs to the valuation techniques used to measure fair value, giving the highest priority to level 1 inputs and lowest priority to level 3 inputs. A financial instrument's level in the fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement.

The fair value hierarchy is as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets to which GS Group has access at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs to valuation techniques are observable, either directly or indirectly.
- Level 3 - One or more inputs to valuation techniques are significant and unobservable.

c. Valuation techniques and significant inputs

Valuation techniques and significant inputs for each level of the fair value hierarchy include:

- Level 1 financial instruments are valued using quoted prices for identical unrestricted instruments in active markets. The company defines active markets for financial instruments based on both average daily trading volume and number of days with trading activity.
- Level 2 financial instruments can be verified to quoted prices, recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g. indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

  Valuation adjustments are typically made to level 2 financial instruments (i) if the financial instrument is subject to transfer restrictions and/or (ii) for other premiums and liquidity discounts that a market participant would require to arrive at fair value. Valuation adjustments are generally based on market evidence.
- Level 3 financial instruments have one or more significant valuation inputs that are not observable. Absent evidence to the contrary, level 3 financial instruments are initially valued at transaction price, which is considered to be the best initial estimate of fair value. Subsequently, the company uses other methodologies to determine fair value, which vary based on the type of instrument. Valuation inputs and assumptions are changed when corroborated by substantive observable evidence, including values realised on sales of financial assets.

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

d. Significant unobservable inputs used in Level 3 fair value measurement

As of 31 December 2017, the company had level 3 financial assets measured at fair value through profit and loss of US$116.0 million (31 December 2016: US$72.1 million). The table below presents the ranges of significant unobservable inputs used to value the level 3 financial assets, and the related weighted averages.

Level 3 financial assets measured at fair value through the profit and loss	**Valuation techniques and significant unobservable inputs**	**Significant unobservable inputs (where a range, weighted average)**	
		As of December 2017	**As of December 2016**
Investments in joint ventures ($102.3 million and $60.1 million of net level 3 assets as of December 2017 and December 2016, respectively)	Market comparable: • Multiples	 9.9x	 9.4x
Debt investments ($13.7 million and $12.0 million of net level 3 assets as of December 2017 and December 2016, respectively)	Discounted cash flows: • Yield • Duration (years)	 8% 0.9	 6.5% - 8% (6.86%) 1.9 - 4.7 (4.1)

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

e. Fair value of financial assets and financial liabilities by level

	31 December 2017			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value	US$	US$	US$	US$
Investments in joint ventures	-	-	102,294,658	102,294,658
Debt investments at fair value	-	145,339,016	13,687,717	159,026,733
	-	**145,339,016**	**115,982,375**	**261,321,391**
Financial liabilities at fair value				
Creditors: amounts falling due after more than one year	-	845,202,994	-	845,202,994
	-	**845,202,994**	**-**	**845,202,994**

	31 December 2016			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value	US$	US$	US$	US$
Investments in joint ventures	-	-	60,064,525	60,064,525
Debt investments at fair value	-	228,940,013	12,040,986	240,980,999
	-	**228,940,013**	**72,105,511**	**301,045,524**
Financial liabilities at fair value				
Creditors: amounts falling due after more than one year	-	160,085,165	-	160,085,165
	-	**160,085,165**	**-**	**160,085,165**

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

f. Level 3 rollforward

The tables below present the changes in fair value for all level 3 financial assets and financial liabilities. Gains and losses arising on level 3 assets are recognised within revenue in the profit and loss account.

	Year ended 31 December 2017		
	Investments in joint ventures	Debt investments at fair value	Total
	US$	US$	US$
Level 3 financial assets at fair value			
Balance, beginning of year	60,064,525	12,040,986	72,105,511
Gain	42,230,133	1,646,731	43,876,864
Balance, end of year	**102,294,658**	**13,687,717**	**115,982,375**

	Year ended 31 December 2016		
	Investments in joint ventures	Debt investments at fair value	Total
	US$	US$	US$
Level 3 financial assets at fair value			
Balance, beginning of year	20,827,391	255,957,028	276,784,419
Gain/(loss)	20,032,660	(400,643)	19,632,017
Purchases	19,204,474	-	19,204,474
Transfers out of level 3	-	(243,515,399)	(243,515,399)
Balance, end of year	**60,064,525**	**12,040,986**	**72,105,511**

During 2017 and 2016, there were no transfers between level 1 and level 2 financial assets and financial liabilities measured at fair value on a recurring basis.

g. Fair value of financial assets and financial liabilities valued using techniques that incorporate unobservable inputs

The fair value of financial assets and financial liabilities may be determined in whole or part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument or based on available observable market data and changing these assumptions will change the resultant estimate of fair value.

The potential impact of using reasonable possible alternative assumptions for the valuation, including significant unobservable inputs, has been quantified as of 31 December 2017, as approximately US$11.0 million (2016: US$19.8 million) for favourable changes and US$ nil (2016: US$6.7 million) for unfavourable changes.

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

h. Fair value of financial assets and financial liabilities not measured at fair value

The company has US$92.6 million (31 December 2016: US$3.9 million) of current financial assets (excluding investments) and US$31.2 million (31 December 2016: US$5.1 million) of current financial liabilities that are not measured at fair value. Given the short-term nature of these instruments, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

Additionally, the company has debt investments carried at amortised cost included within current financial assets of US$44.0 million (31 December 2016: US$39.0 million). These investments have a fair value of US$44.5 million at 31 December 2017 (31 December 2016: US$39.3 million).

The company has US$517.0 million (2016: US$98.9 million) of financial assets and US$280.0 million (2016: US$280.0 million) of financial liabilities due after more than one year that are not measured at fair value and predominantly relate to long-term intercompany borrowings. The interest rate associated with such borrowings is variable in nature and approximates prevailing market interest rates for instruments with similar terms and characteristics. As such, the carrying amount in the balance sheet is a reasonable approximation of fair value.

i. Maturity of financial liabilities

The tables below present the undiscounted cash flows of the company's financial liabilities by contractual maturity including interest that will accrue.

	31 December 2017				
Level 3 financial liabilities at fair value	**1-3 months US$**	**3 months to 1 year US$**	**1-5 years US$**	**5+ years US$**	**Total US$**
Creditors: amounts falling due within one year	31,190,084	-	-	-	31,190,084
Creditors: amounts falling due after one year	-	23,512,368	117,561,839	2,109,035,085	2,250,109,292
Total - on balance sheet	**31,190,084**	**23,512,368**	**117,561,839**	**2,109,035,085**	**2,281,299,376**

	31 December 2016				
Level 3 financial liabilities at fair value	**1-3 months US$**	**3 months to 1 year US$**	**1-5 years US$**	**5+ years US$**	**Total US$**
Creditors: amounts falling due within one year	5,154,693	-	-	-	5,154,693
Creditors: amounts falling due after one year	-	8,348,605	41,743,027	774,731,093	824,822,725
Total - on balance sheet	**5,154,693**	**8,348,605**	**41,743,027**	**774,731,093**	**829,977,418**

26. POST BALANCE SHEET EVENTS

Subsequent to the year end, the following events took place:

In February 2018, the company sold its investment in Artemis Acquisition Germany S.A.R.L. for a total consideration of US$187.2 million. The proceeds from the sale were used to repay loans from group undertakings.

During May 2018 and June 2018, the company received interim dividends of US$82.4 million from its subsidiary undertaking Artemis Acquisition Poland S.A.R.L. The proceeds from the distribution were used to repay loans from group undertakings.

In August 2018, the company was allotted 1,549,300 ordinary shares of €0.01 each in ELQ Lux Holding S.A.R.L. for new investments for a total consideration of US$75.5 million which was funded using loans from group undertakings.

Further, the company is looking at a potential sale of its investment in joint ventures with a carrying value of US$116.0 million as at 31 December 2017 to a third party.