Company Number: 10325840

CASTILE ACQUISITIONS LTD

ANNUAL REPORT

31 DECEMBER 2018

STRATEGIC REPORT

The directors present their strategic report for the 52 week period ended 31 December 2018.

1. Introduction

Castile Acquisitions Ltd (the company) holds a portfolio of non-performing loans secured by real estate assets located in Spain.

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. 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 Euro environment. Accordingly, the company's functional currency is the Euro and these financial statements have been prepared in that currency.

2. Financial overview

The financial statements have been drawn up for the 52 week period ended 31 December 2018. Comparative information has been presented for the 72 week period ended 31 December 2017.

The results for the period are shown in the profit and loss account on page 6. The loss before taxation for the 52 week period ended 31 December 2018 was €15,997,868 (72 week period ended 31 December 2017: €11,849,239).

The company had total assets of €102,378,771 as at 31 December 2018 (31 December 2017: €193,450,776).

3. Exchange rate

The British pound / Euro exchange rate at the balance sheet date was £ / € 1.11 (31 December 2017: £ / € 1.12). The average rate for the period was £ / € 1.13 (period ended 31 December 2017: £ / € 1.15).

4. Future outlook

The directors consider that the period end financial position of the company was satisfactory and do not anticipate any significant change in its activities in the forthcoming year.

5. 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 disclosed in note 19 of the financial statements.

6. Date of authorisation of issue

The strategic report was authorised for issue by the Board of Directors on SEPTEMBER 26, 2019.

ON BEHALF OF THE BOARD

Director
MARK OLIVIER

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 52 week period ended 31 December 2018.

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 52 week period ended 31 December 2018 (2017: €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/herselfaware 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 period and to the date of this report, except where noted, were:

Name

A. Estrada Lopez

J. Wiltshire

M. Olivier

No director had, at the period ended, 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 SEPTEMBER 26, 2019.

ON BEHALF OF THE BOARD

Director
MARK OLIVIER

Report on the audit of the financial statements

Opinion

In our opinion, Castile Acquisitions Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 2018; the Profit and Loss, the Statement of Changes in Equity; 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

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 2018 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 3, 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.

Nick Morrison (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

27 September 2019

PROFIT AND LOSS ACCOUNT

For the 52 week period ended 31 December 2018

	Note	52 week period ended 31 December 2018 €	72 week period ended 31 December 2017 €
Net revenues	4	(10,680,340)	18,962,253
Write down of shares in group undertakings	11	(2,040,997)	-
Interest receivable and similar income	5	120,302	145,699
Interest payable and similar expenses	6	(1,472,961)	(2,561,941)
Administrative expenses	7	(1,923,872)	(4,696,772)
(LOSS)/PROFIT BEFORE TAXATION		(15,997,868)	11,849,239
Tax credit on loss/(expense on profit)	10	2,651,806	(2,305,862)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(13,346,062)	9,543,377

The losses/profits of the company are derived from continuing operations in the current and prior periods.

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

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

BALANCE SHEET

as at 31 December 2018

	Note	31 December 2018 €	31 December 2017 €
FIXED ASSETS			
Investment in subsidiary undertaking	11	6,280,281	4,105,920
CURRENT ASSETS			
Investments	12	67,471,031	149,722,960
Debtors: amounts falling due within one year	13	11,613,928	13,101,009
Debtors: amounts falling due after more than one year	14	13,247,391	6,227,559
Cash at bank and in hand		3,766,140	20,293,329
		96,098,490	189,344,857
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(5,348,299)	(4,384,875)
NET CURRENT ASSETS		90,750,191	184,959,982
TOTAL ASSETS LESS CURRENT LIABILITIES		97,030,472	189,065,902
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16	(56,593,010)	(135,282,378)
NET ASSETS		40,437,462	53,783,524
CAPITAL AND RESERVES			
Called up share capital	17	44,240,147	44,240,147
Profit and loss account		(3,802,685)	9,543,377
TOTAL SHAREHOLDER'S FUNDS		40,437,462	53,783,524

The financial statements were approved by the Board of Directors on SEPTEMBER 26, 2019 and signed on its behalf by:

Director

MARK OLIVIER

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

Company number: 10325840

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Called up share capital	Profit and loss account	Total Shareholder's funds
	€	€	€
Balance at 11 August 2016	-	-	0
Proceeds from shares issued	44,240,147	-	44,240,147
Profit for the financial period	-	9,543,377	9,543,377
Balance at 31 December 2017	44,240,147	9,543,377	53,783,524
Loss for the financial period	-	(13,346,062)	(13,346,062)
Balance at 31 December 2018	44,240,147	(3,802,685)	40,437,462

No dividends were paid in 2018 and 2017.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

1. GENERAL INFORMATION

The company is a private limited company and is incorporated and domiciled in England and Wales. The address of its registered office is Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom.

The immediate parent undertaking is ELQ Investors II Ltd., a limited liability 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 and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (FRS 102) and the Companies Act 2006. The company has early adopted all amendments to FRS 102 (the 'Triennial Review 2017') issued by the Financial Reporting Council (FRC) in December 2017.

The following exemptions from disclosure requirements of FRS102 have been applied in the preparation of these financial statements:

(i) 'Statement of Cash Flows': paragraph 3.17(d) and section 7 Statement of Cash Flows ;

(ii) 'Share-based payment': paragraphs 26.18(b), 26.19 to 26.21 and 26.23;

(iii) 'Related party disclosures': paragraph 33.7;

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 its subsidiary, 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.

The company applies the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted in the EU and retained for reference on the FRC website (www.frc.org.uk), being the version that applied immediately prior to the introduction of IFRS 9), the disclosure requirements of Sections 11 and 12 of FRS 102 and the presentation requirements of paragraphs 11.38A and 12.25B of FRS102.

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 comprises interest income on non-performing loan receivables, measured at amortised cost using the effective interest rate method, net of impairment losses.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

In determining the effective interest rate, management exercises judgement on such matters as the expected life, expected cash flows and the appropriateness of how the cash flows are spread over the expected life.

A financial asset held at amortised cost is assessed at each reporting date to determine whether there is objective

2. ACCOUNTING POLICIES (continued)

b. Revenue recognition (continued)

evidence of impairment. A financial asset or a group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets and that loss event had an impact on the estimated future cash flows of the assets that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss, and interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

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 Euros, which is also the company's functional currency.

Transactions denominated in foreign currencies are translated into Euros at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into Euros 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 investment

Fixed asset investment comprises an investment in a subsidiary undertaking and is stated at cost less provisions 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.

g. Financial assets and financial liabilities

(i) Recognition and derecognition

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 classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

Financial assets and financial liabilities are initially recognised at fair value and subsequently remeasured at amortised cost, with finance income and expense recognised on an accruals basis in the profit and loss account. Included within financial assets as investments are non-performing loan receivables, which are subsequently

2. ACCOUNTING POLICIES (continued)

g. Financial assets and financial liabilities (continued)
remeasured at amortised cost using the effective interest method less provision for impairment.

(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.

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:

- 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 the future reversal of the underlying temporary differences can be deducted.

- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which temporary differences reverse, based on tax rates and laws enacted or substantively 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.

In determining the effective interest rate used in the measurement of the non-performing loan receivables, and the impairment on the non-performing loan receivables, management exercises judgement on such matters as the expected life, expected cash flows and the appropriateness of how the cash flows are spread over the expected life. These expectations are based on prevailing real estate prices, real estate price growth and timing of collections from individual borrowers. These judgements have had the most significant effect on amounts recognised in net revenues and current asset investments.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

4. NET REVENUES

	52 Week Period Ended 31 December 2018	72 Week Period Ended 31 December 2017
	€	€
Interest on non-performing loan receivables	24,077,338	24,436,562
Impairment on non-performing loan receivables	(34,757,678)	(5,474,309)
	(10,680,340)	**18,962,253**

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 Week Period Ended 31 December 2018	72 Week Period Ended 31 December 2017
	€	€
Interest on long-term loan due from group undertakings (see note 14)	120,302	145,699
	120,302	**145,699**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	52 Week Period Ended 31 December 2018	72 Week Period Ended 31 December 2017
	€	€
Interest on long-term loan due to group undertakings (see note 16)	1,472,961	2,561,941
	1,472,961	**2,561,941**

7. ADMINISTRATIVE EXPENSES

	52 Week Period Ended 31 December 2018	72 Week Period Ended 31 December 2017
	€	€
Operating loss is stated after charging/(crediting):		
Loan servicing fees payable	1,782,476	1,022,068
Legal and profesional fees	141,092	3,231,150
Foreign exchange (gains)/losses	304	(2,916)
Other expenses	-	446,470
	1,923,872	**4,696,772**

The auditors' remuneration for the current period of £35,000 (€38,850) (period ended 31 December 2017: £40,000 (€44,800)) has been borne by a group undertaking.

8. STAFF COSTS

As in the prior period, the company has no employees. All persons involved in the company's operations are employed by group undertakings and no costs are borne by the company.

9. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration from the company in the current or prior years and no contributions were made by the company under defined benefit or defined contribution pension schemes. The directors are employed by other group undertakings and their remuneration is borne by those companies and not re-charged. The directors do not consider that more than an incidental amount of their remuneration relates to the qualifying services provided to the company.

10. TAX ON (LOSS)/PROFIT

	52 Week Period Ended 31 December 2018	72 Week Period Ended 31 December 2017
	€	€
UK corporation tax	(2,651,806)	2,305,862
Total current tax	**(2,651,806)**	**2,305,862**

The table below presents a reconciliation between tax on (loss)/profit and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the 52 week period ended 31 December 2018 of 19% (72 week period ended 31 December 2017: 19.46%) to the (loss)/profit before taxation.

	52 Week Period Ended 31 December 2018	72 Week Period Ended 31 December 2017
	€	€
(Loss)/profit before taxation	(15,997,868)	11,849,239
(Loss)/profit multiplied by the weighted average rate in the U.K. of 19% (2017: 19.46%)	(3,039,595)	2,305,862
Non-deductible equity losses on impairment of subsidiary undertakings	387,789	-
Total tax on (loss)/profit	**(2,651,806)**	**2,305,862**

11. FIXED ASSET INVESTMENTS

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

	€
At 11 August 2016	-
Additions during the period	4,105,920
At 31 December 2017	**4,105,920**
Additions during the period	4,215,358
Impairment	(2,040,997)
At 31 December 2018	**6,280,281**

During the period ended 31 December 2018 the following key transactions took place:

- The company performed a conversion to equity of €4,215,358 related to Aragon Acquisitions S.L.

The subsidiary, over which the company exercises control via ordinary shares held directly by the company at the period end, is:

Name of company	Nature of business	Proportional of norminal value held	Class of share held
Aragon Acquisitions S.L.	Holds real estate	80%	Ordinary shares

Registered office address at:

Maria de Molina 6, Madrid, 28006, Spain.

12. INVESTMENTS

	31 December 2018	31 December 2017
	€	€
Opening balance	149,722,960	-
Purchase of financial assets	-	167,941,371
Collections	(68,982,352)	(37,180,664)
Debt for asset purchase agreements	(2,589,237)	-
Interest on non-performing loan receivables	24,077,338	24,436,562
Impairment of non-performing loan receivables	(34,757,678)	(5,474,309)
	67,471,031	**149,722,960**

A debt for asset purchase agreement (DFA) is a negotiated agreement between the non-performing loan borrowers, the company and its subsidiary undertakings. Non-performing loan receivables are derecognised at the agreed sales price under the DFA, and the company recognises a corresponding receivable from its subsidiary undertaking, while the subsidiary undertaking recognises real estate collateral and a corresponding payable to the company.

Collections include sales of €30,259,384 (2017: nil) of loan receivables and a reduction of €5,422,378 (2017: €9.8 million) resulting from foreclosures, whereby the company received cash from the court, who in turn transferred the title of the real estate collateral to the company's subsidiary undertaking, Aragon Acquisitions, S.L.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018	31 December 2017
	€	€
Group relief receivable	2,651,805	-
Amounts due from group undertaking	-	2,022,560
Other debtors	8,962,123	11,078,449
	11,613,928	**13,101,009**

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

	31 December 2018	31 December 2017
	€	€
Long-term loan due from group undertakings	13,048,935	6,139,313
Interest on loan receivable due from group undertakings	198,456	88,246
	13,247,391	**6,227,559**

Long-term loan due from group undertaking represents a long-term facility with Aragon Acquisitions S.L., a subsidiary undertaking. During 2018, the company terminated the existing loan agreemend and entered into a new agreement with a final maturity of 18 January 2038. The loan is unsecured and carries interest at a variable margin over the Euro overnight interest rate.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018	31 December 2017
	€	€
Accrued loan servicing and legal and professional fees	1,114,296	397,439
Corporation tax payable	2,305,862	2,305,862
Amount due to group undertakings	1,928,141	855,250
Other creditors	-	826,324
	5,348,299	**4,384,875**

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

	31 December 2018	31 December 2017
	€	€
Long-term loan due to group undertaking	56,504,202	132,720,437
Interest on loan payable due to group undertaking	88,808	2,561,941
	56,593,010	**135,282,378**

Long-term loan due to group undertaking represents a long-term facility advanced by ELQ Investors II LTD. During the period ended 31 December 2018, the company terminated the existing loan agreement, and entered into a new loan agreement, with a final maturity of 18 January 2038. The loan is unsecured and carries interest at a variable margin over the Euro overnight interest rate.

17. CALLED UP SHARE CAPITAL

At 31 December 2018 and 31 December 2017 share capital comprised:

	31 December 2018		31 December 2017	
	No.	€	No.	€
Ordinary Shares of €1 each	44,240,147	44,240,147	44,240,147	44,240,147
	44,240,147	**44,240,147**	**44,240,147**	**44,240,147**

18. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at period end (31 December 2017: €nil).

19. FINANCIAL RISK 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 risk for the company is interest rate risk.

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 manages its interest rate risk as part of GS Group's risk management policy.

The sensitivity analysis below has been determined based on the company's exposure to interest rate volatility. If interest rates had been 10% lower, loss before taxation for the 52 week period ended 31 December 2018 would have decreased by €0.2 million (72 week period ended 31 December 2017: decreased by €0.2 million)

b. Credit risk

The company's credit risk primarily arises on account of investment in non-performing loan receivables secured by real estate assets in Spain.

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 2018 and 31 December 2017.

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.

20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets and financial liabilities by category

All financial assets and financial liabilities are held at amortised cost:

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

The company's current asset investments comprising non-performing loan receivables are measured at amortised cost. The carrying value of these investments approximate its fair value at 31 December 2018 and 31 December 2017.

Additionally, the company has €15,380,068 (31 December 2017: €33,394,338) of current financial assets and €3,042,437 (31 December 2017: €2,079,013) 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.

The company has €13,247,391 (31 December 2017: €6,227,559) of financial assets and €56,593,010 (31 December 2017: €135,282,378) of financial liabilities due after more than one year that are not measured at fair value and predominantly relate to long-term intercompany loans. The interest rate associated with such loans 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.

20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

c. 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 2018				
	Less than 3 months	3 months to 1 year	1-5 years	5+ years	Total
	€	€	€	€	€
Financial liabilities					
Creditors: amounts falling due within one year	3,042,437	-	-	-	3,042,437
Creditors: amounts falling due after more than one year	-	-	2,911,693	67,134,493	70,046,186
Total	**3,042,437**	-	**2,911,693**	**67,134,493**	**73,088,623**

	31 December 2017				
	Less than 3 months	3 months to 1 year	1-5 years	5+ years	Total
	€	€	€	€	€
Financial liabilities					
Creditors: amounts falling due within one year	2,079,013	-	-	-	2,079,013
Creditors: amounts falling due after more than one year	-	-	12,113,535	216,774,469	228,888,004
Total	**2,079,013**	-	**12,113,535**	**216,774,469**	**230,967,017**