ARUNDEL®

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2018

ARUNDEL ®

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CHAIRMAN'S STATEMENT

The Company is pleased to report its unaudited results for the six month period ended 30 June 2018 ("PE Jun18"). The comparative figures used for the consolidated income statement are the unaudited results for the six months ended 30 September 2017 ("PE Sep17"), being the first six months of the previous accounting period. The comparative figures shown in the consolidated balance sheet are as stated in the last audited balance sheet at 31 December 2017.

Since the acquisition of the RP&C International Group ("RP&C") in late 2016, the Arundel group's activities have been transformed and now comprise:

(i) principal investments in selective assets;
(ii) the financing of investment opportunities from which the Company generates fees and carried interests; and
(iii) the provision of investment advice to various groups which generate fees and investment opportunities.

In furtherance of its plans to expand its financial services business the Company announced, earlier this year, the proposed acquisition of two German groups which, when completed, will result in a significant increase in business from financial services and advisory activities. As part of its transformation from a property investment company to a financial services platform, the Company also announced, on 5 April 2018 its intention to sell its interest in the investment properties in Leipzig (the "Leipzig Properties") with net proceeds to be used to repay a high proportion of the Company's outstanding debt. As a result of that decision the interim results present the Leipzig Properties and associated assets and liabilities as a single line item labelled "Assets (or Liabilities) of disposal group classified as held for sale" in the consolidated balance sheet. Similarly, the net rental income, associated finance costs, fair value movements, associated changes in foreign exchange rates which impact those assets and liabilities together with an estimate of selling costs are shown under a single line in the interim consolidated income statement entitled "Loss for the year from discontinued operations." The Company has made significant progress with the sale of the Leipzig Properties and expects to conclude their disposal during the fourth quarter of 2018.

A significant amount of management time has been expended on the proposed acquisition of the German businesses, the sale of the Leipzig Properties and raising capital for the Company's activities. As a result, the Company has not developed new sources of income and investment as rapidly as desired although it is negotiating several new mandates at present which, if successful, will increase recurrent and transaction fee income during future financial periods. In September 2018 the Company announced that a US institutional investor doubled its shareholding in the Company for which further information is disclosed in note 17 to the attached interim report.

As a consequence of its transformational efforts:

- The Company is reporting a consolidated loss from continuing operations of $5.3 million for PE Jun18 (net loss of $1.1 million – PE Sep17) which reflects non-cash foreign exchange losses in finance charges of $1.1 million (foreign exchange profit of $2.2 million in PE Sep17).
- The Company is also reporting a loss of $8.0 million from discontinued operations (profit of $2.4 million for PE Sep17) reflecting a non cash fair value write-down on the presumed disposal of the Leipzig Properties at carrying value less assumed costs of sale of $7.7 million (PE Sep17 – gain of $0.5 million) and a non cash fair value loss on borrowings of $1.3 million (PE Sep17 – nil).

As a result of these reported losses, total balance sheet equity has decreased by $10.2 million after giving effect to the reduction of $4.2 million in treasury shares following shareholder reinvestment of the par value capital reduction which was paid in January 2018.

The Company's balance sheet as reported does not tell the full story, however. We continue to make progress, albeit slowly, with our acquisition of the land parcel outside of Chennai, India which will further increase equity once the Company is able to reflect the value of its investment under IFRS. As reported earlier, contiguous parcels of undeveloped land outside of major cities in India are extremely difficult to obtain and we are confident that our efforts ultimately will generate significate value for our shareholders. Net assets will increase further once the Company places for cash approximately 2 million shares that were conditionally issued to a shareholder in exchange for a second parcel of land in India. As previously advised, the Company decided not to proceed with acquiring that second parcel of land and the shareholder agreed that the Company could place those shares for cash to relieve it of its obligations. On completion of these transactions, total equity is expected to increase by approximately $24 million at the prevailing market price of the Company's shares. It is also important to remember that the long term development value of the land already today in India is expected to be considerably higher that the initial recognition in the balance sheet.

The Company's financial results are provided in more detail in the management report below.

<u>Update Regarding Acquisition of German Businesses</u>

On 29th March of this year, the Board announced that it had concluded a Heads of Agreement pursuant to which the Company expects to acquire (the "Acquisition") all of the issued and outstanding shares of two German corporations: IMMAC Holding AG ("IMMAC") and HKA Hanseatische Kapitalverwaltung AG ("HKA").

IMMAC and HKA are property investment and fund management groups based in Hamburg, Germany owned by Profunda Vermögen GmbH ("Profunda") which develop and market real estate investment funds for German investors in the fields of healthcare (inpatient care facilities, hospitals and senior residency), other commercial property,(primarily hotels) and energy. HKA and IMMAC are active in the development of funds owning healthcare and other properties in Germany, Austria and Ireland with plans to expand investment funds into energy and real estate in the United States.

Since that announcement, Profunda and Arundel have been negotiating the terms of a definitive agreement with respect to the Acquisition which is conditional, among other things, on (a) receipt of a satisfactory fairness opinion, (b) shareholder approvals, (c) approvals of appropriate regulatory and listing authorities, (d) completion of satisfactory due diligence, and (e) procurement of necessary financing. It was anticipated that an Extraordinary General Meeting of the Company would be held later this year, at which time shareholders would be asked to approve a capital increase of the Company which would empower completion of the Acquisition.

Profunda and Arundel have now agreed that completion of the Acquisition is not feasible prior to the end of 2018 and that both groups would need more time to complete all necessary preparatory and regulatory work. Consequently, it is now contemplated that the Acquisition will be completed sometime during 2019. In the meantime, Arundel, IMMAC and HKA will continue to develop joint marketing activities pursuant to the Joint Venture Agreement between the parties which was concluded and announced earlier this year.

As stated earlier, the Company's focus since the time of acquiring RP&C in 2016 has been on the expansion of its investment banking and fund management business. As part of that process, we must transition from our old business and assets, reduce debt and expand sources of revenue. We regard the Acquisition as an important milestone in that process and we look forward to strengthening our co-operation with Profunda and continuing our discussions in furtherance of that goal.

We look forward to reporting future developments in the months ahead.

Arundel AG

Dr. Volkert Klaucke (Chairman)
Approved by the board: 27 September 2018

Financial results

Total revenue from continuing operations for PE Jun18 was $1.2 million compared to $2.0 million for PE Sep17. As mentioned above, the Company is working on several mandates to increase revenue in future financial periods.

Administrative and marketing expenses for PE Jun18 were $3.2 million (PE Sp17 - $3.0 million) with the increase primarily attributable to one-off expenses, including professional costs incurred in respect of the proposed acquisition of IMMAC and HKA.

Finance costs for PE Jun18 were $2.9 million (PE Sep17 - $2.0 million) which included adverse movement in foreign exchange rates of $1.1 million. Cash finance costs reduced by 8.2% primarily reflecting the impact of negotiating a lower rate of interest on a significant portion of the Group's debt in December 2017.

The Company is reporting a net loss from continuing operations of $5.3 million for PE Jun18 compared to a net loss of $1.1 million for PE Sep17.

The balance sheet

At 30 June 2018 the US dollar was 2.5% stronger against the Euro and 2.3% stronger against sterling compared to 31 December 2017, which had a negative impact on the net carrying values of Euro and sterling denominated assets. This was partially offset by a 1.6% strengthening of the US dollar against the Swiss Franc and the resultant positive impact on the carrying value of Swiss Franc denominated liabilities. The adverse movement on the foreign exchange translation reserve at 30 June 2018 was $1.3 million with an additional charge of $1.1 million recognised through the income statement.

Total assets were $189.8 million at 30 June 2018 compared to $215.5 million at 31 December 2017 with $11.5 million of the reduction attributable to the reduced carrying value of the Leipzig Properties which were stated net of estimated costs to sell. The carrying value of the Leipzig Properties and associated assets are reflected at $149.7 million under the heading "Assets of a disposal group classified as held for sale".

Current assets at 30 June 2018 were $4.6 million compared to $14.5 million at 31 December 2017. Current liabilities at 30 June 2018 were $37.8 million compared to $24.9 million at 31 December 2017. Short term borrowings, included in current liabilities, increased to $30.7 million at 30 June 2018 from $9.0 million at 31 December 2017 primarily because the Group's convertible bonds, reflected at $25.0 million at 30 June 2018, are due to be repaid in March 2019. As a result, the bonds have been transferred from long term to short term borrowings at 30 June 2018. These bonds are expected to be repaid from the net proceeds received on the sale of the Leipzig Properties.

Long term liabilities at 30 June 2018 were $46.2 million compared to $158.1 million at 31 December 2017. The primary reasons for the reduction in long term liabilities are the transfer of $86.4 million of liabilities associated with the Leipzig Properties transferred to "Liabilities of a disposal group classified as held for sale" and the transfer of the convertible bonds to current liabilities as mentioned above.

Cash flow

During PE Jun18 the group used $4.1 million in operating activities compared to $2.8 million for PE Sep17. Net cash generated from investing activities totalled $0.2 million for PE Jun18 ($6.9 million – PE Sep17) and net cash generated used by financing activities totalled $5.2 million for PE Jun18 ($3.1 million – PE Sep17), including $1.7 million used to repay capital to shareholders.

Overall the group decreased its net cash and cash equivalents in PE Jun18 by $9.1 million compared to a net increase of $0.9 million in FY Sep17.

Treasury shares

The Company held 178,648 of treasury at 30 June 2018 with a carrying value of $1.2 million (31 December 2017 – 834,386 shares at $5.4 million). In January 2018 the Company released 857,307 shares from treasury to 75% of shareholders that elected to reinvestment proceeds from the par value capital reduction.

Arundel AG

Approved by the board: 27 September 2018

DIRECTORS

Dr. Volkert Klaucke (Chairman)

Mr. Markus Müller

Dr. Doraiswamy Srinivas (Vice Chairman)

Mr. David Quint

COMPANY SECRETARY

Dr. Doraiswamy Srinivas

EXECUTIVE MANAGEMENT

Dr. Volkert Klaucke (Executive Chairman)

Mr. David Quint (Executive director)

Dr. Doraiswamy Srinivas (Executive director)

Mr. Ralph Beney (Chief Financial Officer)

Mr. Richard Borg (Group Legal Officer)

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REGISTERED NUMBER

CH-020.3.922.903-6

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	NOTE	6 Month Period to 30 June 2018	6 Month Period to 30 September 2017 RESTATED
		$	$
Revenue	5	1,169,467	2,012,022
Administrative and marketing expenses	6	(3,233,329)	(2,961,518)
Net impairment losses on financial assets	11	(368,109)	(317,269)
Other income		154,878	605
Operating loss		(2,277,093)	(1,266,160)
Finance income	7	3,234	2,165,319
Finance costs	8	(2,938,467)	(2,004,425)
Loss before income tax expense		(5,212,326)	(1,105,266)
Income tax expense		(81,829)	(39,954)
Loss for the period from continuing operations		(5,294,155)	(1,145,220)
Discontinued Operations			
(Loss)/profit for the period from discontinued operations	14	(7,991,282)	2,439,879
(Loss)/Profit for the period		(13,285,437)	1,294,659
Attributable to:			
Equity owners of the parent		(12,914,526)	1,181,990
Non-controlling interests		(370,911)	112,669
		$ per share	**$ per share**
Earnings per share from continuing and discontinued operations attributable to the owners during the period/year			
Basic/diluted earnings per share:			
From continuing operations		(0.355)	(0.077)
From discontinued operations		(0.536)	0.164
From (loss)/profit for the period		(0.891)	0.087

The notes on pages 11 to 31 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

	6 Month Period to 30 June 2018 $	6 Month Period to 30 September 2017 $
Profit/(loss) for the period	(13,285,437)	1,294,659
Other comprehensive income/(expense) for period/year		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(1,410,570)	6,348,172
Other comprehensive income/(expense) for the period	(1,410,570)	6,348,172
Total comprehensive income/(expense) for the period	(14,696,007)	7,642,831
Attributable to:		
Equity owners of the parent	(14,372,630)	7,299,997
Non-controlling interests	(323,377)	342,834
	(14,696,007)	7,642,831
Relating to:		
Continued Operations	(5,356,519)	(255,012)
Discontinued Operations	(9,339,488)	7,897,843
	(14,696,007)	7,642,831

The notes on pages 11 to 31 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2018

	NOTE	As at 30 June 2018	As at 31 December 2017
		$	$
ASSETS			
Non-current assets			
Property plant and equipment	9	25,862,950	26,623,711
Investment property	10	-	160,840,429
Other investments		22,295	37,194
Deferred taxation		153,824	308,401
Receivables and prepayments	11	9,430,154	10,237,133
		35,469,223	198,046,868
Current assets			
Receivables and prepayments	11	833,203	1,201,625
Restricted cash	11	-	379,798
Cash and cash equivalents		3,756,736	12,885,139
		4,589,939	14,466,562
Assets of disposal group classified as held for sale	14	149,705,754	-
Total current assets		154,295,693	14,466,562
TOTAL ASSETS		189,764,916	212,513,430
EQUITY			
Capital and reserves			
Share capital	12	147,264,236	147,264,236
Share premium		56,307,636	56,307,636
Equity component of convertible bond		752,049	749,267
Translation reserve		2,384,927	3,747,963
Accumulated losses		(188,425,427)	(175,801,097)
		18,283,421	32,268,626
Treasury Shares		(1,236,870)	(5,441,626)
		17,046,551	26,826,379
Non-controlling interests		2,233,636	2,652,081
TOTAL EQUITY		19,280,187	29,478,460
LIABILITIES			
Non-current liabilities			
Borrowings	13	42,972,093	154,804,036
Deferred taxation		3,229,784	3,312,175
		46,201,877	158,116,211
Current liabilities			
Accruals		1,957,673	4,630,372
Trade and other payables		5,226,546	11,335,147
Borrowings	13	30,663,322	8,953,240
		37,847,541	24,918,759
Liabilities of disposal group classified as held for sale	14	86,435,311	-
Total current liabilities		124,282,852	24,918,759
TOTAL LIABILITIES		170,484,729	183,034,970
TOTAL EQUITY AND LIABILITIES		189,764,916	212,513,430

The notes on pages 11 to 31 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018

	Attributable to equity owners of the parent							
	Share Capital	**Share Premium**	**Treasury Shares**	**Equity Component of Convertible Bond**	**Translation Reserve**	**Accumulated Losses**	**Non-controlling interest**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
As at 31 March 2017 and 1 April 2017	**155,020,972**	**56,307,636**	**(1,784,756)**	**749,267**	**(4,228,478)**	**(179,788,676)**	**2,317,718**	**28,593,683**
Profit for the period	-	-	-	-	-	1,181,990	112,669	1,294,659
Other comprehensive income								
Foreign currency translation - net	-	-	-	-	6,118,007	-	230,165	6,348,172
Total comprehensive income	-	-	-	-	6,118,007	1,181,990	342,834	7,642,831
Equity component of convertible bond	-	-	-	-	-	-	-	-
As at 30 September 2017	**155,020,972**	**56,307,636**	**(1,784,756)**	**749,267**	**1,889,529**	**(178,606,686)**	**2,660,552**	**36,236,514**
(Loss for the period	-	-	-	-	-	(3,488,980)	(33,299)	(3,522,279)
Other comprehensive income								
Foreign currency translation - net	-	-	-	-	1,858,434	-	24,828	1,883,262
Total comprehensive income	-	-	-	-	1,858,434	(3,488,980)	(8,471)	(1,639,017)
Par value capital reduction	(7,756,736)	-	428,187	-	-	-	-	(7,328,549)
Treasury share transactions	-	-	(4,085,057)	-	-	6,294,569	-	2,209,512
As at 31 December 2017 and 1 January 2018	**147,264,236**	**56,307,636**	**(5,441,626)**	**749,267**	**3,747,963**	**(175,801,097)**	**2,652,081**	**29,478,460**
(Loss) for the period	-	-	-	-	-	(12,914,526)	(370,911)	(13,285,437)
Other comprehensive income								
Foreign currency translation - net	-	-	-	-	(1,363,036)	-	(47,534)	(1,410,570)
Total comprehensive income	-	-	-	-	(1,363,036)	(12,914,526)	(323,377)	(14,696,007)
Treasury share transactions	-	-	4,204,756	-	-	290,196	-	4,494,952
Equity component of convertible bond	-	-	-	2,782	-	-	-	2,782
As at 30 June 2018	**147,264,236**	**56,307,636**	**(1,236,870)**	**752,049**	**2,384,927**	**(188,425,427)**	**2,233,637**	**19,280,187**

The notes on pages 11 to 31 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	NOTE	6 Month Period to 30 June 2018	6 Month Period to 30 September 2017
Cash flow from operating activities		$	$
(Loss)/profit for the period		(13,285,437)	1,294,659
Adjustments for:			
-Net foreign exchange (gains) / losses	8	1,098,293	(2,165,052)
- Interest income	7	(3,234)	(267)
- Interest expenses and other finance expenses	8	3,602,043	4,070,767
- Amortisation of debt issue costs	8	556,436	532,036
- Changes in fair value of investment property	10	-	(455,056)
- Loss on adjustment to fair value less costs to sell	10	8,965,369	-
- Allowance for impairment of receivables	11	368,108	317,269
- Depreciation	11	225,178	226,138
- Income tax expense		81,829	39,954
Changes in working capital			
- Trade creditors and other payables		120,290	(221,259)
- Other receivables and prepayments		59,957	(1,447,986)
- Accruals		(2,790,937)	(17,844)
Cash generated by operations		(1,002,105)	2,173,359
Interest paid		(3,196,942)	(5,000,611)
Income tax received		76,448	-
Net cash (used) by operating activities		(4,122,599)	(2,827,251)
Cash flow from investing activities			
Change in restricted cash	11	187,216	6,941,128
New loans made		-	(36,032)
Interest received		3,234	267
Net cash generated by investing activities		190,450	6,905,363
Cash flow from financing activities			
Proceeds from borrowings	13	3,517,093	3,000,000
Repayment of borrowings	13	(7,152,489)	(10,206,503)
Proceeds from sale of shares	12	137,592	4,000,000
Proceeds from sale of investments		-	65,936
Payment of cash element of par value capital reduction	12	(1,692,978)	-
Net cash (used)/generated by financing activities		(5,190,782)	(3,140,567)
Net (decrease)/increase in cash and cash equivalents		(9,122,931)	937,545
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		12,885,139	924,329
Net (decrease)/increase in cash and cash equivalents		(9,122,931)	937,545
Foreign currency translation adjustments		(5,278)	20,711
Cash and cash equivalents at end of period		**3,756,930**	**1,882,585**

The notes on pages 11 to 31 form part of these consolidated financial statements.

1. GENERAL INFORMATION

Arundel AG (the "Company") is domiciled in Switzerland with its registered office at Bleicherweg 66, CH-8002, Zürich and is the ultimate parent company of the Arundel Group (the "Group"). The Company is an investment holding company. The Group is focused on investment and financing activities in Europe, the USA and India.

The Company is listed on the SIX Swiss Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim condensed consolidated financial statements have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These condensed interim financial statements for the half year reporting period ended 30 June 2018 have been prepared in accordance with Accounting Standard IAS 34 *Interim Financial Reporting*.

The interim report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 31 December 2017 and any public announcements made by the Group during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial period end and corresponding interim reporting period, except for changes in policy necessitated by the adoption of new standards as set out below.

Comparative information presented is that included in the last set of interim condensed consolidated financial statements issued by the Group to 30 September 2017 rather than the period to 30 June 2017. During 2017 the Group reverted to a 31 December financial year end as this is a more common practice in the business in which the group operates. The Group is not exposed to seasonal variations in its operations and no significant transactions occurred during the period to 30 September 2017, as such it represents a comparable six month period. Additionally, as the Group did not prepare financial information for the six month period ended 30 June 2017, no valuations of investment property were performed as at this date.

Comparative information in the consolidated income statement and consolidated statement of comprehensive income have been restated in order to be consistent with the presentation of certain items as discontinued operations in 2018 as detailed in Note 14.

Adoption of new standards and interpretations

A number of new or amended standards became applicable for the current reporting period. After assessment the group concluded that there are no financial impacts on the application and did not make retrospective adjustments as a result of adopting these standards, however the following revised accounting policies have been introduced as a result of the adoption *IFRS 15 – Revenue from Contracts with Customers* and *IFRS 9 – Financial Instruments* from 1 January 2018:

Revenue

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

1) Investment management and advisory agreements

The Group has a number of contracts in place with customers for the provision of various goods and services such as management and consultancy services and the provision of office facilities. These all specify fixed consideration and timing. Revenue is recognised in accordance with the fulfillment of the performance obligations inherent within the contract with customers. Where the contract specifies the provision of specific goods or services over time, revenue is allocated evenly over this period to recognise their provision equally and ensure that the revenue is recognised in the accounting period in which the services are rendered. Should the transaction price be variable or be dependent upon the outcome of future events, the Group will estimate this be calculating the single most likely amount in a range of possible consideration amounts.

2.1 Basis of preparation (Continued)

2) Investment banking revenue

The Group will from time to time enter into contracts with customers for investment banking services. Such contracts will generally include a fee based on a successful conclusion of a specific transaction and may also include a non-refundable retainer fee. The retainer will generally be recognised on execution of a mandate whilst the success fee will only be recognised once the transaction has completed.

Impact of adoption

The Group fully applied IFRS15 retrospectively using the practical expedient in paragraph C5 (c) of IFRS 15, under which the Group does not disclose the amount of consideration to be allocated to the remaining performance obligations or an explanation of when the Group expects to recognize that amount as revenue for all reporting periods presented before the date of initial application.

The adoption of IFRS 15 had no impact on reported amounts due to the nature and timing of revenue recognised by the Group. Additional disclosures required by the standard related to the nature, timing and disaggregation of revenue are included in Note 5.

Financial Instruments

Classification of financial assets and liabilities

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit and loss)
- those to be measured at amortised cost

Financial liabilities continue to be held at amortised cost. The Group does not hold financial liabilities for trading purposes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit and loss.

Subsequent measurement of debt instruments depends upon how group's business model for managing the asset and the cash flow characteristics of the asset. The three categories into which debt instruments are classified is as follows:

- Amortised cost – assets that are held for the collection of contractual cash flows where those cash flows represent solely the payments of principal and interest are measured at amortised cost. Impairment losses are presented as a separate line in the statement of profit and loss if applicable.
- Fair value through other comprehensive income (FVOCI) – assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at FVOCI. Impairment losses are presented as a separate line in the statement of profit and loss.
- Fair value through profit and loss (FVPL) – assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

Subsequent measurement of all equity instruments is to fair value. Changes in the fair value of equity instruments are shown within other gains/losses in the statement of profit and loss as applicable. The group does not hold financial assets at fair value through other comprehensive income.

2.1 Basis of preparation (Continued)

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables the Group applies the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impact of adoption

The application of IFRS 9 had no financial impact due to the nature of financial assets and liabilities held by the group. The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

The Group has performed an analysis of expected credit losses under the new forward looking model of IFRS 9 (See Note 11).

New standards not yet adopted

The following new standards have been issued but are not effective for the financial period ended 30 June 2018 and have not been early adopted:

IFRS 16, 'Leases' substantially changes the financial statements as the majority of leases will become on-balance sheet liabilities with corresponding right of use assets on the balance sheet. The standard replaces IAS 17 Leases and is effective January 1, 2019. Early application is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers. It is not anticipated that the standard will have a material impact on the financial statements of the Group.

There are no other new standards or amendments which are currently expected to have a material impact on the financial statements of the Group.

3.1 Financial risk factors

The Group's financial and other risk management is unchanged from that disclosed in the Annual Financial Statements for the period ended 31 December 2017. See Note 11 for consideration of credit risk and expected credit losses arising from the implementation of IFRS 9.

3.2 Fair value estimation

The table below provides disclosure of fair value measurements at 30 June 2018 and 31 December 2017 by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 30 June 2018	**NOTE**	**Level 1**	**Level 2**	**Level 3**
Assets		$	$	$
Investment property - discontinued	10	-	-	149,430,288
Other investments		22,295	-	-
Borrowings - discontinued	14	-	86,124,143	-

As at 31 December 2017	**NOTE**	**Level 1**	**Level 2**	**Level 3**
Assets		$	$	$
Investment property - discontinued	10	-	-	160,840,429
Other investments		37,194	-	-

There were no transfers between levels in the period ended 30 June 2018.

4. FOREIGN EXCHANGE RATES

	Balance Sheet		Income and Cash Flow Statement (average)	
	As at 30 June 2018 $	As at 31 December 2017 $	Period ended 30 June 2018 $	Period ended 30 September 2017 $
GBP	0.75706	0.73992	0.727221	0.77299
SGD	1.36290	1.33750	1.32676	1.37635
INR	68.445	63.8508	65.7009	64.38092
CHF	0.99016	0.97432	0.966982	0.97360
EUR	0.85445	0.83344	0.826479	0.88031

5. REVENUE

	6 month period to 30 June 2018 Total segment revenue $	6 month period to 30 September 2017 Total segment revenue $
Investment management and advisory	1,169,467	2,012,022
Total continued operations	1,169,467	2,012,022
Investments in government tenanted property – Discontinued operations	3,783,150	5,053,812
Total	4,953,617	7,065,834

As detailed in Note 2.1, the Group has adopted IFRS 15 – Revenue from contracts with customers from 1 January 2018. Revenue received in the discontinued "Investments in government tenanted property" segment is recognised in accordance with IAS 17 and is exempt from the requirements of IFRS 15. Consequently all revenue reported as continuing by the Group within these is derived from the "Investment management and advisory" segment.

Nature of services provided by the Group

Investment management and advisory services:

The Group provides investment management and advisory services to customers with a focus on investment in India, the US and Europe. The Group earns fee income from the provision of these services which generally accrues over time. The group has a number of contracts in place with customers for the provision of these services which specify fixed consideration for services provided, revenue is recognised in accordance with fulfilment of the performance obligations over time.

Investment banking:

The Group provides specialist investment banking services to public and private companies. The Group earns fee income from the provision of these services, generally on a success basis, any such revenue would be transferred at a point in time.

5. REVENUE (Continued)

In addition, the Group has a contract with a customer which entitles it to a share of fee income due to a third party fund manager. The performance obligations in relation to this contract were fulfilled at inception of the contract. The Group has estimated the revenue to be received by calculating the most likely outcome of the consideration amount likely to be received. As at 30 June 2018, a trade receivable of $1.25 million is held in relation to this contract which remains unchanged from the receivable reflected at 31 December 2017. The receivable is not expected to be monetised before 2020. No fee income in relation to investment banking services was recognised in the period to 30 June 2018.

Principal investments:

The Group owns real estate assets in Germany and the UK and has conditionally acquired real estate assets in India for development. The Group plans to make further investments in real estate and other selective assets as attractive opportunities arise. The Group expects to earn cash income and or capital appreciation through these principal investments.

Disaggregation of revenue

In the following table, revenue is disaggregated by the nature of services provided and timing of revenue recognition. As stated above all revenue is recognised within the investment management and advisory segment.

	6 month period to 30 June 2018 $	6 month period to 30 September 2017 $
Nature of services provided		
- Investment management and advisory services	1,169,467	1,012,022
- Investment banking	-	1,000,000
	1,169,467	2,012,022
Timing of revenue recognition		
- Transferred over time	1,169,467	2,012,022
- Transferred at a point in time	-	-
	1,169,467	2,012,022

Contract balances

The following table provides information about receivables from contracts with customers.

	As at 30 June 2018 $	As at 31 December 2017 $
Non-current trade receivables (Note 11)	1,250,000	1,250,000
Current trade receivables (Note 11)	252,717	193,495
	1,502,717	1,443,495

As at 30 June 2018 and 31 December 2017 the Group does not have any contract assets as defined by IFRS 15. The Group has unconditional rights to the receipt of the revenue which is not contingent upon anything other than the passing of time as all performance obligations have been met. The non-current receivable of $1.25 million has variable consideration as it is based on the value of fees payable to a third party fund manager. The Group will update its assessment of revenue at each reporting date.

6. ADMINISTRATIVE EXPENSES

	6 month period to 30 June 2018 $	6 month period to 30 September 2017 RESTATED $
Professional fees and other costs	807,926	813,254
Property rent and maintenance	241,039	220,052
Third party commissions	25,000	55,000
Depreciation	225,179	226,138
Sundry expenses	779,820	572,944
Staff costs	1,154,366	1,074,130
	3,233,329	2,961,518

7. FINANCE INCOME

	6 month period to 30 June 2018 $	6 month period to 30 September 2017 RESTATED $
Bank interest and other finance income	3,234	267
Foreign exchange movements	-	2,165,052
	3,234	2,165,319

8. FINANCE COSTS

	6 month period to 30 June 2018 $	6 month period to 30 September 2017 RESTATED $
Interest on notes	805,229	786,825
Interest on mortgages	15,642	18,134
Interest on other loans	820,925	1,015,561
Amortisation of debt issue costs	74,104	73,767
Other borrowing expenses	124,274	110,138
Foreign exchange movements	1,098,293	-
	2,938,467	2,004,425

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land $	Freehold Buildings $	Fixtures and Fittings $	Vehicles $	Total $
Period ended 30 June 2018					
Opening net book amount	9,712,797	16,811,865	42,306	56,743	26,623,711
Additions	-	-	71,379	-	71,379
Disposals	-	-	(14,478)	-	(14,478)
Depreciation charge	-	(206,061)	(9,390)	(9,727)	(225,178)
Foreign exchange movement	(219,971)	(372,513)	-	-	(592,484)
Closing net book amount	9,492,826	16,233,291	89,817	47,016	25,862,950
At 30 June 2018					
Cost	9,492,826	16,917,999	151,929	77,819	26,640,573
Accumulated depreciation	-	(684,708)	(62,112)	(30,803)	(777,623)
Net book amount	9,492,826	16,233,291	89,817	47,016	25,862,950

	Freehold Land $	Freehold Buildings $	Fixtures and Fittings $	Vehicles $	Total $
Period ended 31 December 2017					
Opening net book amount	9,013,702	15,887,204	58,009	71,334	25,030,249
Additions	-	-	10,587	-	10,587
Disposals	-	-	-	-	-
Depreciation charge	-	(297,013)	(26,290)	(14,591)	(337,894)
Foreign exchange movement	699,095	1,221,674	-	-	1,920,769
Closing net book amount	9,712,797	16,811,865	42,306	56,743	26,623,711
At 31 December 2017					
Cost	9,712,797	17,290,512	95,027	77,819	27,176,155
Accumulated depreciation	-	(478,647)	(52,721)	(21,076)	(552,444)
Net book amount	9,712,797	16,811,865	42,306	56,743	26,623,711

At 30 June 2018, the Group does not believe that any impairment of the asset has occurred and continues to hold the freehold property at the independent appraised value on acquisition less amortisation and depreciation in accordance with the appropriate accounting policies.

10. INVESTMENT PROPERTY

	As at 30 June 2018 $	**As at 31 December 2017 $**
Beginning of period/year	160,840,429	143,711,456
Net gains/(losses) on fair value adjustment	-	(356,980)
Net change in fair value due to exchange differences	(3,698,568)	17,485,953
Loss on re-measurement to fair value less costs to sell (Note 14)	(7,711,573)	-
Transferred to disposal group classified as held for sale (Note 14)	(149,430,288)	-
End of period/year	-	160,840,429

On 5 April 2018 the Company announced its intention to seek a purchaser for the Group's investment properties in Leipzig, Germany. As a result all assets and liabilities which will be disposed of in this transaction have been re-classified as at 30 June 2018 to a disposal group held for sale (See Note 14).

In accordance with IFRS 5, an adjustment to the valuation of the investment property has been made in order that it is carried at the lower of carrying value and fair value less costs to sell. An independent valuation of the investment properties was performed by Botta Management AG as at 30 June 2018 and 31 December 2017. A discounted cash flow method was used to calculate the market value assuming a 10 year calculation period and a terminal value (with the exception of the Records Bureau for which a 30 year calculation period was used).

This resulted in a gross capital valuation as set out below.

Country	Segment	Valuation (EUR/USD)	Valuation technique	Rental value (EUR/USD)	Discount rate %	Capitalisation rate for terminal value
Germany	Investments in Government tenanted properties	133,940,000/ 156,755,808 (31 Dec 2017 – 134,050,000/ 160,840,429)	Discounted cash flow	6,250,000/ 7,562,201 (Dec 2017 – 6,250,000/ 7,499,375)	3.3/4.3% (Dec 2017 – 3.4/4.3%)	4.3/5.0% (Dec 2017 – 4.4/5.3%)

The fair value of the investment properties was reduced by 4.7% to take account of estimated costs to sell and other expenses, which represents an average rate for similar property sales. This resulted in a net valuation of $149,430,288 (€127,680,000) as at 30 June 2018 (December 2017 - $160,840,429 (€134,050,000), and a loss on re-measurement of $7,711,573 (€6,370,000) (See Note 14).

11. RECEIVABLES AND PREPAYMENTS

	As at 30 June 2018 $	As at 31 December 2017 $
Non-current		
Other receivables and prepayments – related party	3,502,500	3,590,767
Other receivables and prepayments – third party	7,193,461	7,581,949
Provision made for impairment of receivables	(1,265,807)	(935,582)
	9,430,154	10,237,133
Current		
Other receivables and prepayments – third party (including trade receivables)	833,203	1,201,625
	833,203	1,201,625
Total Receivables and prepayments	**10,263,357**	**11,438,758**
Restricted cash*	-	379,798
Total	**10,263,357**	**11,818,556**

* - Restricted cash shown under assets of disposal group classified as held for sale (See Note 14).

Non-current related party receivables and prepayments:

Non-current related party receivables as at 30 June 2018 and 31 December 2017 relate to a loan of €2,000,000 and accrued interest due from Ridgemont Holdings Limited ("Ridgemont") which is indirectly owned by David Quint Jnr. The principal and interest are due to be repaid in March 2020. The loan is secured by Ridgemont's 5.1% interest in the Leipzig investment properties. This loan may be renegotiated or assigned as part of the sale of the properties detailed in Note 14.

Non-current third party receivables and prepayments:

Included within third party receivables are payments made to third parties for potential development land related to the ECR Property in India. As at 30 June 2018 these total $5,943,461 (2017: $6,331,949), the movement since December 2017 relates to foreign exchange. Additionally included is a balance of $1,250,000 in relation to Group's fee sharing arrangement with a third party fund manager (See Note 5).

Current third party receivables and prepayments:

Included within third party current receivables are trade receivables of $252,717 (2017: $193,495), taxation receivable of $316,303 (2017: $450,415) and sundry receivables and prepayments of $264,183 (2017: $557,715).

Impairment of financial assets

The group has two types of assets that are subject to the expected credit loss model:

- Trade receivables and contract assets arising from revenue within the investment and management advisory segment
- Debt instruments carried at amortised cost

While cash and cash equivalents and other debtors such as taxation receivable are subject to the impairment requirements of IFRS 9, the identified impairment loss was considered immaterial.

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The loss allowances are based on assumptions about risk of default and expected loss rate, the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

11. RECEIVABLES AND PREPAYMENTS (continued)

As at 30 June 2018, the group considers the credit risk on trade receivables and contract assets to be very low and consequently the period over which expected loss was considered was limited to 12 months. Following this assessment, no impairment has been recognised.

Debt instruments carried at amortised cost

The credit risk on the loan made in respect of investments in development rights in India is considered to be nil as the Group holds collateral in excess of the value of the loans made.

The Group has assessed the loan to Ridgemont mentioned above to represent a non-performing asset under IFRS 9. This loan is secured against the 5.1% minority holding of Ridgemont in USI Verwaltungszentrum Leipzig Limited & Co.KG. Due to revaluations of this holding as at 30 June 2018 the value of this holding is significantly lower than the valuation of the loan made and accrued interest. As such, allowance has been made for the lifetime expected loss.

	Related Parties
	$
Opening loss allowance as at 1 January 2018 (calculated under IFRS 9)	935,582
Increase in allowance recognised in profit or loss during the period	353,461
Impact of foreign exchange rates	(23,236)
Closing loss allowance as at 30 June 2018	1,265,807

12. SHARE CAPITAL

	30 June 2018	**31 December 2017**
	$	**$**
Authorised, allotted, called up and fully paid:		
Equity interests:		
15,115,164 Ordinary shares of CHF 9.00 each	147,264,236	147,264,236

At the Annual General Meeting on 19 September 2017 shareholders approved the payment of a par value capital reduction to shareholders equivalent to CHF 0.50 per share. The reduction was recorded in the commercial register on 12 December 2017 and as such reflected in the consolidated financial statements for the period ended 31 December 2017. The transaction completed on 10 January 2018. 72.9% of shareholders elected to be paid in the form of additional shares of the Company at a price of CHF 6.43 and a conversion ratio of 1 share for every 12.86 existing shares. The Company used 857,307 treasury shares and a CHF 1,597,908 cash payment to meet this obligation.

At the Annual General Meeting on 12 June 2018 no dividend or capital distribution was proposed in relation to the shortened nine month accounting period ended 31 December 2017.

As at 30 June 12018, the Group held 178,648 treasury shares (31 December 2017 – 834,386 shares).

12. SHARE CAPITAL (continued)

Treasury Shares	June 2018 Shares	Dec 2017 Shares	June 2018 $	Dec 2017 $
	178,648	834,386	1,236,870	5,441,626

An analysis of the movement in treasury shares in the period ended 30th June 2018 and period ending 31 December 2017 is as follows:

	No of Treasury Shares	$	Average price per share $
As at 31 March 2017	247,772	1,784,756	7.20
Receipt of shares in settlement of obligations from former shareholders	1,083,034	7,395,204	6.82
Treasury shares issued on conversion of debt	(496,420)	(3,310,147)	6.66
Adjustment to par value of treasury shares	-	(428,187)	-
As at 31 December 2017	834,386	5,441,626	6.52
Receipt of shares in settlement of obligations from former shareholders	64,690	381,122	5.89
Allocation of shares on completion of par value capital reduction	(857,307)	(5,487,891)	(6.40)
Shares returned to treasury	160,575	1,055,551	6.57
Sale of shares to third parties	(23,696)	(153,538)	(6.48)
As at 30 June 2018	178,648	1,236,870	6.92

13. BORROWINGS

	30 June 2018 $	31 December 2017 $
Non-current		
Bonds	-	24,337,759
Facilities	953,689	85,425,809
Other loans	42,018,404	45,040,468
	42,972,093	154,804,036
Current		
Bonds	24,499,270	-
Facilities	270,144	3,803,240
Other loans	5,893,908	5,150,000
Total current borrowings	30,663,322	8,953,240
Total borrowings	73,635,415	163,757,276

13. BORROWINGS (continued)

Total borrowings are guaranteed by the parent company of the Group and other subsidiary companies. There are various pledges and covenants included in the loan agreements of the Group which are regularly reviewed and tested to ensure compliance.

Transfer to liabilities of disposal group classified as held for sale

As at 30 June 2018, all borrowings which will be disposed of in the transaction detailed in Note 14 have been transferred to a disposal group classified as held for sale. This represents the facilities secured against the Leipzig properties (Senior, Junior and Subordinated loans) which will be repaid as part of the transaction (See Note 14).

Bonds

In the period ended 30 June 2018, CHF 0.5 million ($0.5 million) of convertible bonds were issued to third parties, bringing the total in issue as at 30 June 2018 to CHF 25.0 million. The equity component relating to the conversion option was valued and recorded in equity (CHF 2,593). The bonds are due in March 2019 and are expected to be repaid from the net proceeds derived from the sale of investment properties.

Other Loans

On 29 March 2018 Arundel Inc. entered into a loan agreement with a third party for $3 million, the loan will be pay annual interest of 6.25% and is repayable the earlier of 30 June 2019 or upon the sale of the Leipzig properties.

On 19 January 2018 and 12 March 2018, the Group made early repayments totaling $4 million against a loan facility of $15 million from a minority shareholder due for payment on 31 December 2028. Additionally, on 29 March 2018 the group repaid $1.15 million guaranteed secured notes issued by a subsidiary.

14. NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND OTHER TRANSACTIONS

On 5 April 2018, the Company announced its intention to seek a purchaser for the Group's German investment properties in Leipzig (the "Leipzig Properties") subject to satisfactory terms and conditions. The decision was taken in order to substantially de-leverage the balance sheet in preparation for the proposed acquisition of two German businesses and to release funds to repay convertible bonds which mature in March 2019. The Company expects the sale of the Leipzig Properties to be completed before the end of 2018. As a result, the assets and liabilities related to the Leipzig Properties have been presented as a disposal group held for sale as at 30 June 2018.

Assets of disposal group classified as held for sale:

	30 June 2018 $	31 December 2017 $
Investment property	149,430,288	-
Restricted cash	189,469	-
Receivables and prepayments	85,803	-
Cash and cash equivalents	194	-
	149,705,754	-

As detailed in Note 10, upon transfer to the disposal group classified as held for sale, adjustment was made to the valuation of the investment property to the lower of its carrying value of fair value less costs to sell.

14. NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND OTHER TRANSACTIONS (continued)

The fair value of the investment property was determined to be €133.94 million as at 30 June 2018, costs to sell and other expenses of 4.7% were deducted from this as this represents an average rate for similar sales. As such, a fair value less costs to sell of €127.63 million ($149.43m) was derived as at 30 June 2018.

The carrying value of the Leipzig Properties, cash and cash equivalents, restricted cash and receivables as at 30 June 2018 identified within the disposal group is considered to represent fair value.

Liabilities of disposal group classified as held for sale:

	30 June 2018 $	31 December 2017 $
– Senior Loan	58,519,125	-
– Junior Loan	6,362,873	-
– Subordinated Loan	21,242,465	-
Borrowings	86,124,463	-
Accruals	310,848	-
	86,435,311	-

As detailed in Note 13, upon transfer to the disposal group classified as held for sale, adjustment was made to the valuation of borrowings to the lower of its carrying value and fair value. In order to calculate this, future cash flows were discounted using rates between 2.50% and 3.00%. This resulted in an adjusted loss on re-measurement of $1,253,796.

The carrying value accruals as at 30 June 2018 identified within the disposal group is considered to represent fair value.

As at 30 June 2018 a cumulative translation adjustment in relation to the disposal group of $0.8m is included within the translation reserve, this will be recycled as a credit to the income statement upon disposal.

Discontinued operations

The results of the Group's German investment properties have been treated as discontinued operations as they represent a significant segment of the business. An analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group is as follows:

14. NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND OTHER TRANSACTIONS (continued)

	Period ended 30 June 2018 $	Period ended 30 September 2017 $
Operating cash flows	1,680,901	3,139,405
Investing cash flows	187,216	6,932,838
Financing cash flows	(1,867,426)	(10,070,235)
Net movement in cash in period	(6)	2,008
Cash and cash equivalents at beginning of period	206	(1,800)
Net (decrease)/increase in cash and cash equivalents	(6)	2,008
Foreign currency translation adjustments	(6)	(109)
Cash and cash equivalents at end of period	194	99

	Period ended 30 June 2018 $	Period ended 30 September 2017 $
Revenue	3,782,150	5,053,812
Net loss from fair value adjustments on investment properties	-	455,056
Administrative expenses	(366,098)	(349,399)
Finance income	-	-
Finance costs	(2,442,965)	(2,719,590)
Loss on re-measurement to fair value less costs to sell on investment property	(7,711,573)	-
Loss on re-measurement to fair value less costs to sell on borrowings	(1,253,796)	-
Taxation	-	-
Gain/(loss) for the year from discontinued operations	(7,991,282)	2,439,879
Attributable to:		
Equity owners of the parent	(7,620,371)	2,327,210
Non-controlling interests	(370,911)	112,669
	(7,991,282)	2,439,879

15. RELATED PARTY TRANSACTIONS

In January 2018, Board members and management elected to be paid proceeds of the par value capital reduction as follows:

- Dr Srinivas and Usha Kumar elected to be paid the proceeds in additional shares of the Company. As a result, 24,681 shares were transferred increasing their aggregate holding of shares in the Company to 9.99%. Dr Srinivas and Usha Kumar are due a further 90,818 shares pending approval of the UK regulatory authorities for the aggregate holding to exceed 10%.
- David and Kathy Quint elected to receive CHF 23,819 and 114,482 additional shares in the Company as part of the par value capital reduction transaction.
- Ralph Beney elected to receive 39,111 additional shares in the Company as part of the par value capital reduction transaction.
- Richard Borg elected to receive CHF 29,992 and 18,657 additional shares in the Company as part of the par value capital reduction transaction.

16. SEGMENT INFORMATION	Continued Operations				Discontinued	
	Investments in Development Rights (India)	Investment Management and Advisory (UK/US)	Head Office and Reconciling Central Costs	Total Continued Operations	Investments in Government Tenanted Property (Germany)	Total
Period ended 30 June 2018	**$**	**$**	**$**	**$**	**$**	**$**
Revenue (Note 5)	-	1,169,467	-	1,169,467	3,783,150	4,952,617
Loss on re measurement to fair value – investment property (Note 10)	-	-	-	-	(7,711,573)	(7,711,573)
Loss on re measurement to fair value – borrowings (Note 13)	-	-	-	-	(1,253,796)	(1,253,796)
(Loss)/profit after tax	**(164,501)**	**(368,867)**	**(4,760,787)**	**(5,294,155)**	**(7,991,282)**	**(13,285,437)**
Assets						
Investment property (Note 10)	-	-	-	-	149,430,288	149,430,288
Property, plant and equipment (Note 9)	-	-	25,862,950	25,862,950	-	25,862,950
Other receivables (Advance development rights payments) (Note 11)	5,943,458	-	-	5,943,458	-	5,973,458
Deferred taxation	-	153,824	-	153,824	-	153,824
Trade receivables (Note 11)		1,250,000	-	-	-	1,250,000
Restricted cash (Note 11)	-	-	-	-	189,469	189,469
Other receivables	-	-	-	-	85,803	85,803
Cash and cash equivalents	25,884	2,486,655	1,244,197	3,756,736	194	3,756,930
Segment assets for reportable segments	**5,969,342**	**3,890,479**	**27,107,147**	**36,966,968**	**149,705,754**	**186,672,722**
Of which are non-current assets:						
Liabilities						
Total borrowings (Note 13)	9,000,000	-	64,635,414	73,635,414	86,124,463	159,759,877
Deferred taxation	-	-	3,299,784	3,299,784	-	3,229,784
Accruals	-	-	-	-	310,848	310,848
Trade and other payables	-	2,731,532	1,235,014	3,966,546	-	3,966,546
Other payables – promissory note	-	-	1,260,000	1,260,000	-	1,260,000
Segment liabilities for reportable segments	**9,000,000**	**2,731,532**	**70,360,212**	**82,091,744**	**86,435,311**	**168,527,055**

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Investment advisory income is derived from a number of external customers worldwide. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

16. SEGMENT INFORMATION - RESTATED

	Continued Operations				Discontinued	
	Investments in Development Rights (India)	**Investment Management and Advisory (UK/US)**	**Head Office and Reconciling Central Costs**	**Total Continued Operations**	**Investments in Government Tenanted Property (Germany)**	**Total**
Period ended 30 September 2017	**$**	**$**	**$**	**$**	**$**	**$**
Revenue (Note 5)	-	2,012,022	-	2,012,022	5,053,812	7,065,834
Net gain on fair value movement on investment property (Note 10)	-	-	-	-	455,056	455,056
(Loss)/profit after tax	**(267,916)**	**310,501**	**(1,102,635)**	**(1,145,220)**	**2,439,879**	**1,294,659**
Assets						
Investment property (Note 10)	-	-	-	-	158,228,454	158,228,454
Property, plant and equipment (Note 9)	-	-	26,487,596	26,487,596	-	26,487,596
Other receivables (Advance development rights payments) (Note 11)	6,190,429	-	-	6,190,429	-	6,190,429
Deferred taxation	-	306,850	-	306,850	-	306,850
Trade receivables (Note 11)	-	1,000,000	-	1,000,000	-	1,000,000
Restricted cash (Note 11)	-	-	-	-	549,058	549,058
Cash and cash equivalents	92,913	-	1,789,572	1,882,485	100	1,882,585
Segment assets for reportable segments	**6,283,342**	**1,306,850**	**28,277,168**	**35,867,360**	**158,777,612**	**194,644,972**
Of which are non-current assets:	-	-	26,487,596	184,716,150	158,228,454	184,716,150
Liabilities						
Total borrowings (Note 13)	9,000,000	-	56,749,262	65,749,262	87,075,941	152,825,203
Deferred taxation	-	-	3,337,220	3,337,220	-	3,337,220
Contingent liability	-	605,000	-	605,000	-	605,000
Accruals	-	1,200,000	-	1,200,000	-	1,200,000
Trade and other payables	-	3,452,861	-	3,452,861	-	3,452,861
Other payables – promissory note	-	-	1,260,000	1,260,000	-	1,260,000
Segment liabilities for reportable segments	**9,000,000**	**5,257,861**	**61,346,482**	**75,604,343**	**87,075,941**	**162,680,284**

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Investment advisory income is derived from a number of external customers worldwide. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

16. SEGMENT INFORMATION - RESTATED

	Continued Operations				Discontinued	
	Investments in Development Rights (India)	**Investment Management and Advisory (UK/US)**	**Head Office and Reconciling Central Costs**	**Total Continued Operations**	**Investments in Government Tenanted Property (Germany)**	**Total**
Period ended 31 December 2017	**$**	**$**	**$**	**$**	**$**	**$**
Revenue (Note 5)	-	2,936,138	-	2,938,138	6,914,896	9,851,034
Net loss on fair value movement on investment property (Note 10)	-	-	-	-	(356,980)	(356,980)
(Loss)/profit after tax	**(391,965)**	**2,654**	**(3,258,568)**	**(3,647,879)**	**1,420,259**	**(2,227,620)**
Assets						
Investment property (Note 10)	-	-	-	-	160,840,429	160,840,429
Property, plant and equipment (Note 9)	-	-	26,623,711	26,623,711	-	26,623,711
Other receivables (Advance development rights payments) (Note 11)	6,331,949	-	-	6,331,949	-	6,331,949
Deferred taxation	-	308,401	-	308,401	-	308,401
Trade receivables (Note 11)	-	1,250,000	-	1,250,000	-	1,250,000
Restricted cash (Note 11)	-	-	-	-	379,798	379,798
Cash and cash equivalents	84,494	1,595,383	11,205,056	12,884,933	206	12,885,139
Segment assets for reportable segments	**6,416,443**	**3,153,784**	**37,828,767**	**47,398,994**	**161,220,433**	**208,619,427**
Of which are non-current assets:	-	-	26,623,711	187,464,140	160,840,429	187,464,140
Liabilities						
Total borrowings (Note 13)	9,000,000	-	66,919,941	75,949,941	87,837,355	163,757,276
Deferred taxation	-	-	3,312,175	3,312,175	-	3,312,175
Trade and other payables	-	2,746,597	-	2,746,597	-	2,746,597
Accrual re: litigation	-	2,000,000	-	2,000,000	-	2,000,000
Provision for par value capital reduction	-	-	7,328,550	7,328,550	-	7,328,550
Other payables – promissory note	-	-	1,260,000	1,260,000	-	1,260,000
Segment liabilities for reportable segments	**9,000,000**	**4,746,597**	**78,820,666**	**92,567,263**	**87,837,335**	**180,404,598**

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Investment advisory income is derived from a number of external customers worldwide. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

16. SEGMENT INFORMATION (CONTINUED)

Reportable segments' assets are reconciled to total assets as follows:

Period ended	**30 June 2018 $**	**31 December 2017 $**
Total reportable segment assets	186,672,722	208,619,427
Other investments	22,295	37,194
Receivables and prepayments (Note 11)	3,069,899	3,856,809
Total assets per balance sheet	189,764,916	212,513,430

Reportable segments' liabilities are reconciled to total liabilities as follows:

Period ended	**30 June 2018 $**	**31 December 2017 $**
Total reportable segment liabilities	168,527,055	180,404,598
Accruals and other payables	1,957,674	2,630,372
Other payables	-	-
Total liabilities per balance sheet	170,484,729	183,034,970

17. SUBSEQUENT EVENTS

On 13 September 2018 the Company received $2,000,000 from an existing shareholder, which is not a related party, in exchange for 534,760 of the Company's shares. The shareholder has agreed a) not to sell any of its aggregate shareholding for at least 12 months from the date of the aforementioned purchase and b) to re-invest any capital distributions declared by the Company into additional shares for a period of two years from the date of the aforementioned purchase.

On 29 March 2018 the Company announced that it had concluded a heads of agreement pursuant to which the Company expects to acquire all of the issued and outstanding shares of two German companies: IMMAC Holding AG ("IMMAC") and HKA Hanseatische Kapitalverwaltung AG ("HKA"). The Company stated that the merger was not expected to occur before the fourth quarter of 2018. The Company continues to make progress in its negotiations with the owner of IMMAC and HKA and both parties continue towards concluding a transaction. However, the merger is now not expected to occur until later in 2019 whilst both parties reorganise and develop their respective businesses in a manner contemplated at the outset of the negotiations.

18. BOARD APPROVAL

The unaudited consolidated financial statements on pages 6 to 31 are subject to approval and have been authorised by the board of directors on 27 September 2018 and were signed on its behalf by:

Dr. Volkert Klaucke
Chairman

Date: 27 September 2018

Dr. Doraiswamy Srinivas
Vice Chairman

Date: 27 September 2018