

Waystone Management (UK) Limited
DMS FCM Salamanca Global Property Fund 1
Director's Report and Consolidated Financial Statements
For the period 1 June 2018 to 30 November 2019

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019

General Information

COMPANY AND HEAD OFFICE

DMS FCM Salamanca Global Property Fund 1
2nd Floor
20-22 Bedford Row
Holborn
London WC1R 4EB
United Kingdom

INDEPENDENT AUDITOR

Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG
(Authorised and regulated by the Financial
Conduct Authority)

AUTHORISED CORPORATE DIRECTOR ('ACD')

Waystone Management (UK) Limited *
2nd Floor
20-22 Bedford Row
Holborn
London WC1R 4EB
United Kingdom
(Authorised and regulated by the Financial
Conduct Authority)

DEPOSITARY

Citibank Europe Plc, UK Branch
Citigroup Center
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

DIRECTORS OF THE ACD

C. O'Donnell (appointed on 16 December 2019)
T. K. Madigan (appointed on 7 February 2020)
S. P. White (appointed on 7 February 2020)
N. C. White (appointed on 5 March 2020)
A. M. Berry (appointed on 30 April 2020)
R. E. Wheeler (appointed in 12 July 2022)

FUND ACCOUNTANT

JTC Fund Solutions (Guernsey) Limited ***
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 2HT

G.L. Brooks (resigned on 7 February 2020)
C.T. Finch (resigned on 5 March 2020)
B. Primrose (resigned on 5 March 2020)
S. Anderson (resigned on 7 February 2020)
S. Chaudhri (resigned on 7 February 2020)
N. C. White (resigned on 4 September 2020)

INVESTMENT ADVISOR

Salamanca Group Advisors (appointed 11 May 2017)
3 Burlington Gardens
Mayfair
London W1S 3EP
United Kingdom

Previously:

FF & P CM Salamanca LLP
50 Berkeley Street
London W1J 8HA
United Kingdom

REGISTRAR AND TRANSFER AGENT

JTC Fund Solutions (Guernsey) Limited **
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 2HT

* Name changed from DMS Investment Management Services (UK) Limited to Waystone Management (UK) Limited effective 22 March 2021.

** JTC Fund Solutions (Guernsey) Limited ceased to act as Registrar and Transfer Agent effective 24 October 2018.

*** JTC Fund Solutions (Guernsey) Limited ceased to act as Fund Accountants effective 16 July 2020.

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Statement of the Authorised Status of the Company

The DMS FCM Salamanca Global Property Fund 1 (the "Company") is an open-ended investment company with variable capital established in the United Kingdom pursuant to an authorisation order of the Financial Conduct Authority (FCA) on 7 June 2005 and is a qualified investor scheme under the terms of the rules contained in Chapter 8 of the Collective Schemes sourcebook published by the FCA as part of their Handbook of rules made under the Financial Services and Markets Act 2000 (the "FCA Rules").

The Company is incorporated with registration number IC000391 and shareholders are not liable for the debts of the Company.

The base currency of the Company is pounds sterling.

The Head Office of the Company is 2nd Floor, 20-22 Bedford Row, Holborn, London WC1R 4EB and this is also the address for service of notices or other documents required or authorised to be served on the Company.

The Company's closure was completed on 18 September 2020. More details are given in the "Post Period End Review" section of the Authorised Corporate Director's report.

Basis of Reporting

These consolidated and Company financial statements are for the period 1 June 2018 to 30 November 2019 and represent the results of the DMS FCM Salamanca Global Property Fund 1 (the "Company") and its subsidiary Baltray S.a.r.l. ("Baltray") with an adjustment to market value (where available) for each of the investments held by Baltray (together, the "Group").

These consolidated and Company financial statements have been prepared on a break-up basis as described in Note 2b.

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Statement of the Authorised Corporate Director's Responsibilities

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes sourcebook as issued and amended by the Financial Conduct Authority require the ACD to prepare consolidated financial statements which give a true and fair view of the state of affairs of the Company and of the net revenue and the net capital gains or losses on the property of the Company for that period.

In preparing those consolidated financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for financial statements of Authorised Funds issued by the Investment Association (previously the Investment Management Association);
- follow generally accepted accounting principles and applicable United Kingdom accounting standards;
- keep proper accounting records, which enable it to demonstrate that the consolidated financial statements as prepared comply with the above requirements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the scheme will continue in operation; and
- make judgments and estimates that are reasonable and prudent.

The ACD is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company, prepared in accordance with the Instrument of Incorporation, the Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes sourcebook. The ACD is also responsible for taking all reasonable steps to prevent and detect fraud and other irregularities.

Director's Statement

The Authorised Corporate Director's Report and consolidated and Company financial statements for the period ended 30 November 2019 were signed by the ACD:

Waystone Management (UK) Limited



30 September, 2022

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Report of the Depositary to the Shareholders

Statement of Depositary's Responsibilities

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Depositary's Report to Shareholders

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and

(iii) has, otherwise, ensured the proper operation of the Company.

Giving consideration to these activities, the Depositary did not note any particular areas of concern.



CITIBANK EUROPE PLC, UK BRANCH

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

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ACD's Report for the period 1 June 2018 to 30 November 2019

Waystone Management (UK) Limited, the Authorised Corporate Director ("ACD"), is pleased to present the ACD's final report for the period ended 30 November 2019.

Company Information

DMS FCM Salamanca Global Property Fund 1 (the "Company") is an investment company with variable capital under Regulation 12 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).

Waystone Management (UK) Limited, the ACD, is the sole director of the Company.

With effect from 21 July 2014, the ACD has been appointed on behalf of the Company as the legal person responsible for managing the Company in accordance with the AIFM Directive (Alternative Investment Fund Managers Directive 2011/61/EUR of the European Parliament and Council of 8 June 2011 as amended from time to time) and the Alternative Investment Fund Managers regulations 2013.

The Company had no employees during the period ended 30 November 2019.

Shareholders

Shares of the Company have no par value. Under FRS 102, The Financial Reporting Standard ("FRS 102") applicable in the UK and Republic of Ireland and the Statement of Recommended Practice ("SORP") for authorised funds, the shares of the Company are puttable instruments. The net assets attributable to the shares of the Company will at all times equal the net asset value ("NAV") of the Company. Shareholders are not liable for the debts of the Company.

Advisors

The advisors to the Company are listed under the general information page.

DMS FCM Salamanca Global Property Fund 1 (the "Company")

Investment Objective and Policy

The Company aimed to achieve capital growth through investment in a diversified portfolio of real estate assets in global emerging economies. Typical assets of the Company included but were not limited to, land, real estate developments, shares, investment properties and joint ventures. The Company invested across a spectrum of property sectors including, but not limited to, residential, retail, commercial, logistics, industrial and leisure. The Company sought to generate capital growth. Income received less expenses was reinvested. This was treated as a distribution for tax purposes.

Review of Investment Activities during the Accounting period

As at 30 November 2019, the Company held 7.17% of Ecocil in Brazil. The Company's ownership of Ecocil was diluted due to its inability to participate in Ecocil debenture financing. More details are given in the "Post Period End Review" section of the Authorised Corporate Director's report.

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ACD's Report continued

Post Period End Review

Winding-up

Shareholders will be aware that the Company is predominantly invested in a residential developer called Ecocil Incorporações S.A. ("Ecocil"). This company operates in Natal, Brazil, and is generally considered to be one of Brazil's best residential developers. However, shareholders may also be aware of the material political and economic headwinds experienced throughout Brazil which in recent periods have impacted the Brazilian currency and the value of the Company's holding in Ecocil. Despite some excellent management by Ecocil in difficult recessionary conditions, from the advice received, the ACD believed it would still be a number of periods before there is a sustained recovery in the Brazilian economy sufficient to optimise any exit of the Company's holding in Ecocil.

In such circumstances the ACD would normally wait for a sustained recovery in the market. However, given the Company's small minority shareholding in Ecocil and the length of time that will be required to dispose of this remaining asset in Brazil as well as the Company's relatively low liquidity coupled with the ongoing cost structure of both the Company and its sub structures (relative to its size), the ACD has, in consultation with Investment Advisor, been reviewing the future of the Company. With the input of Investment Advisor, and only after consultation with the Company's Depositary, the ACD has concluded that once other minority investments Premier Four AD and Salokin Ltd are fully exited, it would be no longer in shareholders' best interests for the Company to remain in operation. This conclusion follows extensive consideration of alternative options for the Company, including its merger to a more appropriate vehicle to hold the Ecocil investment, but unfortunately, no such option has proved workable for all investors.

In the letter issued on 21 September 2018, the ACD informed shareholders of its decision to commence the winding-up of the Company as well as to change the annual accounting period end from 31 May 2019 to 30 November 2019 subject to the completion of the required regulatory process with the FCA. The extension of the accounting period end was requested to combine the usual annual audit with the required winding-up audit of the Company.

The letter to the Institutional Class shareholders has also noted that, where the shareholders requested and the ACD agreed, the ACD would distribute in-specie the remaining investment in Ecocil including any residual cash during the Company's winding-up process. Should any of the Institutional Class shareholders decide not to take up the in-specie distribution proposal, the ACD will need to dispose of their proportionate holding in Ecocil. However, given the ACD will be attempting the sale at the bottom of Brazilian economic cycle, it is likely to be difficult for the ACD to find a potential buyer quickly or it is likely that the sale will result in a loss of value for the shareholder.

The Class B shareholders were notified in the letter that before the commencement of the Company's winding-up the Class B shares will be closed and as a result the holdings in the Class B shares will be redeemed in full. The closure of the Class B share class was completed on 24 October 2018.

The FCA authorised the ACD to commence the winding-up of the Company with effect from 25 October 2018. The Company's prospectus was subsequently updated to reflect its winding-up state as well as to note the change to the accounting period end.

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ACD's Report continued

Ecocil 5-period Strategy Plan

All Ecocil investors have approved the 5-period strategy plan that was proposed by the Investment Advisor and Ecocil management to strengthen the company and ensure its future sustainability and growth. The plan included the proposal for the restructure of the company's debt arrangements and thus sought to raise USD 10m from Ecocil investors by offering a subscription to a debenture with Ecocil warrants attached. Following presentation of the 5-period strategy plan, selected Ecocil investors took up their rights to participate in debenture financing but the Company could not participate due to insufficient liquidity available resulting in a dilution to the Company's shareholding in Ecocil. Therefore, with effect from 13 November 2018 the Company's ownership in Ecocil was 7.17%, and as such Ecocil valuation reflected in these financial statements is based on the Company's 7.17% shareholding in Ecocil.

RG Salamanca FIP I Closure

The changes to the Brazilian tax regulation laws that came into effect from 2017 meant that investors would no longer enjoy the reduced withholding tax rate benefits by investing in Ecocil via the FIP funds, i.e. the capital gains on investment value will now be subject to withholding tax with or without the FIP fund in place. The Investment Advisor had therefore initiated the streamlining of the Company's investment into Ecocil by removing the FIP from the sub structure of the Company – an exercise which was completed on 9 March 2018. The closure of the FIP meant that the investment in Ecocil was now held by the Company directly.

Salokin Ltd Rental Guarantees Distribution / Exit from Salokin Ltd

The development of the underlying property of Salokin's investee company Jasna was completed in June 2014 and the property was sold at the end of October 2014 at a net gain to the Company. On 8 March 2018, the Company received the last payment of EUR 66,500 in relation to the release of the remaining rental guarantees retention monies pertaining to the sale of Jasna property.

As no further investment projects were to be pursued, it was decided by the company's management to close Salokin and Jasna down. The residual cash currently available at both Salokin and Jasna will be used up to settle the companies' outstanding tax liabilities as well as to cover their closure costs. No further distributions are therefore expected to be made to the investors from Salokin or Jasna. The Company's holding in the investment is therefore valued at nil in these financial statements.

A combination of Salokin and Jasna upcoming closures, no further distributions due to the Company as well as the need to close the Company down as soon as possible has led the ACD to take the decision to exit the investment in Salokin. This took place on 5 March 2020 when the Company transferred its shareholding to Mermaid (MCI) Capital Investments Limited.

Premier Four AD Disposal

The Company's investment in Premier Four AD was sold for EUR 275,000 on 13 September 2018.

Baltray Sarl Closure

The Company's subsidiary Baltray Sarl was closed on 21 December 2018. Before the subsidiary's closure was completed, on 14 November 2018, the shareholding held by Baltray Sarl in the remaining Ecocil and Salokin investments was transferred to the Company. This transfer was arranged against the repayment of the remaining intercompany loans and the interest accrued on them. The residual balance of the intercompany loans and the interest accrued on them remaining after the transfer of shareholding in Ecocil and Salokin to the Company was converted to Baltray Sarl share premium account.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

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ACD's Report continued

Ecocil In-specie Distribution into a Jersey Private Fund

The Investment Advisor has identified and launched a vehicle, a limited partnership in the form of a Jersey Private Fund, that is able to hold Ecocil shares for the Company's shareholders as well as for other external Ecocil investors opting for the in-specie distribution of Ecocil shares for a period of years at much reduced cost.

The first and the second in-specie transfers to the Jersey Private Fund involving the move of the other external investors in Ecocil were completed on 18 March 2019 and 15 October 2019, respectively.

The Company's first in-specie transfer of its shareholders, who initially opted in for the in-specie distribution, was completed on 25 February 2020. The three remaining shareholders exited the Company by way of their shareholding transfer on 11 September 2020. The Company's last investor, who their shareholding was transferred to, was in-specie transferred to the Jersey Private Fund on 18 September 2020 marking the completion of the Company's closure.

Name Change

Host Capital Limited, the Authorised Corporate Director of the Company, was acquired by DMS Governance in August 2019, and as such has changed its name to DMS Investment Management Services (UK) Limited with effect from 7 February 2020 (the "Effective Date"). In order to ensure consistency with the change of name of the ACD, the name of the Company has also changed to DMS FCM Salamanca Global Property Fund 1 from the effective date.

The ACD has gone through a further rebrand that has resulted in its name changing to Waystone Management (UK) Limited on 22 March 2021. Given the Company's imminent closure, it has been decided not to change its name this time.

Registered Office and Web-site Change

The registered office of the ACD and the Company has changed to 2nd Floor, 20-22 Bedford Row, Holborn, London, WC1R 4EB, United Kingdom from the effective date.

The information in respect of the ACD and the Company that was previously available at www.dmsgovernance.com will be now available at www.waystone.com.

The ACD Directors Change

The below noted ACD Director appointments and resignations took place on 16 December 2019, 7 February 2020, 5 March 2020, 30 April 2020, 4 September 2020 and 12 July 2022:

C. O'Donnell appointed on 16 December 2019
T. K. Madigan appointed on 7 February 2020
S. P. White appointed on 7 February 2020
N. C. White appointed on 5 March 2020
A. M. Berry appointed on 30 April 2020
R. E. Wheeler appointed on 12 July 2022
S. Anderson resigned on 7 February 2020
G. L. Brooks resigned on 7 February 2020
S. Chaudhri resigned on 7 February 2020
B. Primrose resigned on 5 March 2020
C. T. Finch resigned on 5 March 2020
N. C. White resigned on 4 September 2020

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ACD's Report continued

Data Protection

General Data Protection Regulation came into force on 25 May 2018, and the ACD has clarified personal data protection policies and has implemented appropriate organisational and security measures and can these be viewed at the ACD's website www.waystone.com.

Important Notification to Shareholders

The current dilution levy threshold is EUR 50,000. For an up to date threshold, please refer to the latest Prospectus.

Any large redemptions by a shareholder may attract a material dilution levy in order to reflect the estimated exit price in advance of an orderly sale.

Regulatory Disclosure

This document has been issued by the ACD (authorised and regulated by the Financial Conduct Authority).

Past performance is not necessarily a guide to future performance. The value of the shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any references in this report to other investments held within an Investment Company with Variable Capital ("ICVC") should not be read as a recommendation to the investor to buy and sell the same, but are included as illustration only.

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Portfolio Statement for the period ended 30 November 2019

	Open Market Value £000	% of Total Net Assets %
Investments in property development companies:		
Ecocil Incorporações S.A.	3,135	99.67%
Salokin Ltd.	-	-
Premier Four AD	-	-
Portfolio of Investments	3,135	99.67%
Net other assets	10	0.33%
Total net assets	3,145	100.00%

Investment	% Interest
Ecocil Incorporações S.A. ("Ecocil") a Brazilian property development company*	7.17%

* The Company's interest in Ecocil was held through Baltray S.a.r.l.'s 26.9% investment in RG Salamanca FIP 1 (Brazil). RG Salamanca FIP 1 (Brazil) owned 34.3% of Ecocil, therefore creating an indirect interest of the Company in Ecocil of 9.27%. The closure of RG Salamanca FIP 1 (Brazil) on 9 March 2018 resulted in the investment in Ecocil being held directly by the Company.

With effect from 13 November 2018, the Company's direct interest in Ecocil is 7.17%. The Company's shareholding in Ecocil was diluted as a result of the Company's inability to participate in Ecocil's debenture financing due to insufficient liquidity available.

The Ecocil valuation included in these financial statements is based on the valuation as at 31 May 2018. This was the most up to date valuation available at the time of preparation.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

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Comparative Table

Changes in net asset per share

Period ended	Institutional	Institutional B*	Standard B*	Institutional	Standard B*
30 November 2019	GBP	GBP	GBP	EUR	EUR
Reporting currency	GBP	GBP	GBP	GBP	GBP
Opening net asset value per share	43.31	-	-	51.60	-
Return before operating charges ¹	(4.94)	-	-	(5.89)	-
Operating charges ²	(1.68)	-	-	(2.00)	-
Return after operating charges ³	(6.62)	-	-	(7.89)	-
Closing net asset value per share⁴	36.69	-	-	43.71	-
*After direct transaction cost of ⁵	-	-	-	-	-
Performance					
Return after charges ⁶					
Other information					
Closing net asset value	45,861.16	-	-	3,099,560.93	-
Closing number of shares	125,000.00	-	-	7,090,978.62	-
Operating Charges (%) ⁷	3.10%	-	-	3.10%	-
Direct transaction cost (%) ⁸	0.00%	-	-	0.00%	-
Prices					
Highest share price ⁹	60.92	-	-	72.59	-
Lowest share price ⁹	51.56	-	-	61.43	-

*The share classes redeemed on 24 October 2018.

Notes

1. Calculated as the "Return after operating charges" plus "operating charges".
2. The Operating Charges show the relevant operating expenses for the reporting period, excluding performance fees, expressed by reference to the average number of shares in issue during the period.
3. Calculated as the "closing net asset value per share" minus the "opening net asset value per share".
4. The net asset value per share is different to the published net asset value at 12 noon as a result of additional values which may not have been known, and therefore only estimated at the last pricing point of the period.
5. Total direct transaction costs of purchasing and selling an investment asset expressed by reference to the average of the number of shares in issue at each valuation point during the period. The impact of transaction cost related to the selling of an investment asset was not reduced by dilution levy charged to the redeeming investors where applicable.
6. Calculated as the "return after operating charges" per share divided by the "opening net asset value per share."
7. The Operating Charges show the relevant annualised operating expenses for the reporting period as a single percentage of the average net asset value over the same period and are indicative of costs that are applied on an ongoing basis.
8. The Transaction Charges show the relevant cost of purchasing and selling an investment asset for the reporting period as a single percentage of the average net asset value over the same period. The impact of transaction cost related to the selling of an investment asset was not reduced by dilution levy charged to the redeeming investors where applicable.
9. The highest and lowest price from the published Net Asset Value.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Comparative Table continued

Changes in net asset per share

Year ended	Institutional	Institutional B	Standard B	Institutional	Standard B
31 May 2018	GBP	GBP	GBP	EUR	EUR
Reporting currency	GBP	GBP	GBP	GBP	GBP
Opening net asset value per share	55.66	31.36	34.33	66.26	25.05
Return before operating charges ¹	(7.71)	(5.21)	(5.92)	(10.68)	(4.59)
Operating charges ²	(4.66)	(1.89)	(1.83)	(3.98)	(1.04)
Return after operating charges ³	(12.35)	(7.10)	(7.75)	(14.66)	(5.64)
Closing net asset value per share⁴	43.31	24.26	26.58	51.60	19.41
*After direct transaction cost of ⁵	-	-	-	-	-
Performance					
Return after charges ⁶	(22.19%)	(22.64%)	(22.58%)	(22.13%)	(22.51%)
Other information					
Closing net asset value	54,133	1,831	13,940	3,658,717	2,101
Closing number of shares	125,000.00	7,546.84	52,447.41	7,090,978.62	10,822.01
Operating Charges (%) ⁷	4.90%	4.91%	4.90%	4.90%	4.90%
Direct transaction cost (%) ⁸	0.00%	0.00%	0.00%	0.00%	0.00%
Prices					
Highest share price ⁹	84.01	47.33	51.82	100.01	37.81
Lowest share price ⁹	61.32	34.35	37.63	73.06	27.49

Notes

1. Calculated as the "Return after operating charges" plus "operating charges".
2. The Operating Charges show the relevant operating expenses for the reporting period, excluding performance fees, expressed by reference to the average number of shares in issue during the period.
3. Calculated as the "closing net asset value per share" minus the "opening net asset value per share".
4. The net asset value per share is different to the published net asset value at 12 noon as a result of additional values which may not have been known, and therefore only estimated at the last pricing point of the period.
5. Total direct transaction costs of purchasing and selling an investment asset expressed by reference to the average of the number of shares in issue at each valuation point during the period. The impact of transaction cost related to the selling of an investment asset was not reduced by dilution levy charged to the redeeming investors where applicable.
6. Calculated as the "return after operating charges" per share divided by the "opening net asset value per share."
7. The Operating Charges show the relevant annualised operating expenses for the reporting period as a single percentage of the average net asset value over the same period and are indicative of costs that are applied on an ongoing basis.
8. The Transaction Charges show the relevant cost of purchasing and selling an investment asset for the reporting period as a single percentage of the average net asset value over the same period. The impact of transaction cost related to the selling of an investment asset was not reduced by dilution levy charged to the redeeming investors where applicable.
9. The highest and lowest price from the published Net Asset Value.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Comparative Table continued

Changes in net asset per share

Year ended	Institutional	Institutional B	Standard B	Institutional	Standard B
31 May 2017	GBP	GBP	GBP	EUR	EUR
Reporting currency	GBP	GBP	GBP	GBP	GBP
Opening net asset value per share	71.67	40.43	44.25	85.32	32.29
Return before operating charges ¹	(11.02)	(6.24)	(6.83)	(13.12)	(4.99)
Operating charges ²	(4.99)	(2.82)	(3.08)	(5.94)	(2.25)
Return after operating charges ³	(16.01)	(9.07)	(9.91)	(19.06)	(7.24)
Closing net asset value per share⁴	55.66	31.36	34.33	66.26	25.05
*After direct transaction cost of ⁵	-	-	-	-	-
Performance					
Return after charges ⁶	(22.34%)	(22.43%)	(22.42%)	(22.34%)	(22.42%)
Other information					
Closing net asset value	67,571	2,639	21,057	4,698,311	3,099
Closing number of shares	125,000.00	8,414.96	61,322.32	7,090,978.62	12,370.30
Operating Charges (%) ⁷	5.77%	5.77%	5.77%	5.77%	5.77%
Direct transaction cost (%) ⁸	0.00%	0.00%	0.00%	0.00%	0.00%
Prices					
Highest share price ⁹	96.57	54.48	59.63	114.96	43.51
Lowest share price ⁹	79.02	44.58	48.80	94.07	35.60

Notes

1. Calculated as the "Return after operating charges" plus "operating charges".
2. The Operating Charges show the relevant operating expenses for the reporting period, excluding performance fees, expressed by reference to the average number of shares in issue during the period.
3. Calculated as the "closing net asset value per share" minus the "opening net asset value per share".
4. The net asset value per share is different to the published net asset value at 12 noon as a result of additional values which may not have been known, and therefore only estimated at the last pricing point of the period.
5. Total direct transaction costs of purchasing and selling an investment asset expressed by reference to the average of the number of shares in issue at each valuation point during the period. The impact of transaction cost related to the selling of an investment asset was not reduced by dilution levy charged to the redeeming investors where applicable.
6. Calculated as the "return after operating charges" per share divided by the "opening net asset value per share."
7. The Operating Charges show the relevant annualised operating expenses for the reporting period as a single percentage of the average net asset value over the same period and are indicative of costs that are applied on an ongoing basis.
8. The Transaction Charges show the relevant cost of purchasing and selling an investment asset for the reporting period as a single percentage of the average net asset value over the same period. The impact of transaction cost related to the selling of an investment asset was not reduced by dilution levy charged to the redeeming investors where applicable.
9. The highest and lowest price from the published Net Asset Value.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Alternative Investment Fund Manager's Directive

In accordance with the Alternative Investment Fund Manager's Directive (the 'Directive'), the ACD in its capacity as Alternative Investment Fund Manager ('AIFM') is required to disclose specific information in relation to the following aspects of the Company's management:

Leverage and Borrowing

Leverage is defined as any method by which the Company increases its exposure through borrowing or the use of derivatives.

'Exposure' is defined in two ways – 'Gross method' and 'Commitment method' – and the Company must not exceed maximum exposures under both methods.

The ACD is required to calculate and monitor the level of leverage of the Company, expressed as a ratio between the exposure of the Company and its Net Asset Value (Exposure/NAV), under both the Gross method and the Commitment method.

'Gross method' exposure is calculated as the sum of all positions of the Company (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

'Commitment method' exposure is also calculated as the sum of all positions of the Company (both positive and negative), but after netting off derivative and security positions as specified by the Directive.

For the "Gross method", the following has been excluded:

- the value of any cash and cash equivalents which are highly liquid investments held in the local currency of the Company that are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value and which provide a return no greater than the rate of the 3-month high quality government bond;
- cash borrowings that remain in cash or cash equivalents as defined above and where the amounts of that payable are known.

The maximum level of leverage for the Company expressed as a ratio of the Company's total exposure to its Net Asset Value:

- (a) under the Gross method is 1.1:1; and
- (b) under the Commitment method is 1.1:1.

The total amount of leverage calculated as at 30 November 2019 is as follows:

Gross method 0.98:1;
Commitment method 0.99:1.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Alternative Investment Fund Manager's Directive continued

Liquidity

The Company is managed so that the liquidity profile of the Company is aligned with the requirement to meet redemption requests from Shareholders on each Dealing Day. In normal circumstances, redemption requests will be processed as set out in paragraph 4.5.4 of the Company's Prospectus. However, in exceptional circumstances, if there is insufficient liquidity to meet redemption requests, the ACD may start deferral of redemption requests or may ultimately need to temporarily suspend dealing in the Company.

The ACD has other tools to deal with temporary liquidity constraints in relation to the Company. The Company may, in accordance with provisions of its Prospectus, borrow cash to meet redemptions within the limits stated in paragraph 4.4.

To manage and monitor liquidity risk, the ACD maintains liquidity risk management policies and procedures. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate liquidity limits for the Company and periodic stress testing of the liquidity risk of the Company under both normal and exceptional liquidity conditions to ensure that anticipated redemption requests can be met.

Risk Management Profile

Please refer to Note 15, Risks of Financial Instruments on pages 37 to 39, where the current risk profile of the Company and the risk management systems employed by the ACD to manage those risks, are set out.

Remuneration

The ACD is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the Directive. The fixed remuneration paid by the ACD to its staff in respect of all funds that it manages in the period ended 30 November 2019 was £1,122,897 and was shared amongst 12 members of staff. All 12 ACD staff members were fully or partially involved in the activities of the Company. The ACD did not pay any variable remuneration. The ACD staff remuneration is established with reference to the market remuneration of each equivalent position and is not linked to the performance of the Company or any other alternative investment fund the ACD is the AIFM of. None of the ACD's staff actions had a material impact on the risk profile of the Company. As at 30 November 2019 the ACD managed 31 funds.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Independent Auditor's Report

Disclaimer of opinion

We were engaged to audit the financial statements of DMS FCM Salamanca Global Property Fund 1 (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 30 November 2019, which comprise the Consolidated Statement of Total Return, the Consolidated Statement of Change in Net Assets Attributable to Shareholders, the Statement of Total Return for the Company, the Statement of Changes in Net Assets Attributable to Shareholders of the Company, the Consolidated Balance Sheet, the Balance Sheet of the Company, the Consolidated Statements of Cash Flows, the Statement of Cash Flows of the Company and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Included in the Group's Investments as shown in the Consolidated Balance Sheet is an amount of £3,135,000 in relation to an investment in Ecocil Incorporações S.A., (a Brazilian property development company) that has not been recorded at its fair value as at 30 November 2019. The Authorised Corporate Director has not procured a valuation for the investment as at the reporting date, as required by Financial Reporting Standard 102 to determine the fair value of the investment as at that date. The Authorised Corporate Director has instead recorded the investment at its previous fair value as at 31 May 2018. We were therefore unable to obtain sufficient appropriate audit evidence to confirm the amounts recorded for the investments in the Consolidated and Company Balance Sheets and the unrealised gain and losses on investments in the Consolidated Statement of Total Return and the Statement of Total Return for the Company. As a result of this matter, we were unable to determine whether any adjustments were necessary to these amounts.

Emphasis of Matter — basis of preparation of the financial statements

We draw attention to note 3(f) to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, the Authorised Corporate Director (the 'ACD') has completed the process of winding up the Company. Accordingly, the Authorised Corporate Director has prepared the financial statements on a break-up basis. Our opinion is not modified in respect of this matter.

Opinions on other matters prescribed by Collective Investment Schemes sourcebook

Arising from the matter described in the basis for disclaimer of opinion section of our report:

- we have not been given all the information and explanations which are necessary for the purposes of our audit.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Independent Auditor's Report continued

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion:

- the information given in the Authorised Corporate Director's Report which comprises information in the inside front cover, the authorised status and structure of the Company, the investment objective and policy investment managers report, portfolio statement and summary of material portfolio changes, is consistent with the financial statements.

Matters on which we are required to report by exception

Arising from the matter described in the basis for disclaimer of opinion section of our report:

- we were unable to determine whether proper accounting records have been kept.

We have nothing to report in respect of the following matters where the Collective Investment Schemes sourcebook requires us to report to you if, in our opinion:

- the financial statements are not in agreement with those accounting records.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines 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 Authorised Corporate Director is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Group and the Company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019

Independent Auditor's Report continued

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.512 of the Collective Investment Schemes sourcebook. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

The logo for Grant Thornton UK LLP, featuring the company name in a cursive script on a light yellow background.

Marcus Swales
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Finsbury Square, London

30 September, 2022

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Financial Statements

Consolidated Statement of Total Return

For the period ended 30 November 2019

		The Group			
		For the period 01.06.18 to 30.11.19		For the year ended 31.05.18	
		£000	£000	£000	£000
	Note				
Income					
Net capital losses	4		(419)		(896)
Revenue	5	-		59	
Expenses	6	(145)		(211)	
Interest payable	6	-		(13)	
Net expense before taxation		(145)		(165)	
Taxation	7	-		-	
Net expense after taxation			(145)		(165)
Total loss before distributions			(564)		(1,061)
Change in net assets attributable to					
			(564)		(1,061)

Consolidated Statement of Changes in Net Assets Attributable to Shareholders

For the period ended 30 November 2019

		The Group			
		For the period 01.06.18 to 30.11.19		For the year ended 31.05.18	
		£000	£000	£000	£000
Opening net assets attributable to shareholders					
			3,731		4,795
Shareholder transaction					
Amounts receivable on issue of shares		-		-	
Amounts payable on cancellation of shares		(20)		(4)	
Net change from transactions with shareholders			(20)		(4)
Change in net assets attributable to shareholders from investment			(564)		(1,061)
Closing net assets attributable to shareholders			3,145		3,731

The accompanying notes are an integral part of these financial statements

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Financial Statements continued

Statement of Total Return for the Company

For the period ended 30 November 2019

	Note	The Company	
		For the period 01.06.18 to 30.11.19	For the year ended 31.05.18
		£000	£000
Income			
Net capital losses	4	(419)	(998)
Revenue	5	-	125
Expenses	6	(145)	(187)
Net expense before taxation		(145)	(62)
Taxation	7	-	-
Net expense after taxation		(145)	(62)
Total loss before distributions		(564)	(1,060)
Distributions		-	-
Change in net assets attributable to shareholders		(564)	(1,060)

Statement of Changes in Net Assets Attributable to Shareholders of the Company

For the period ended 30 November 2019

	The Company	
	For the period 01.06.18 to 30.11.19	For the year ended 31.05.18
	£000	£000
Opening net assets attributable to shareholders	3,731	4,795
Shareholder transaction		
Amounts receivable on issue of shares	-	-
Amounts payable on cancellation of shares	(20)	(4)
Net change from transactions with shareholders	(20)	(4)
Change in net assets attributable to shareholders from investment	(564)	(1,060)
Closing net assets attributable to shareholders	3,145	3,731

The accompanying notes are an integral part of these financial statements

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Financial Statements continued

Balance Sheet

as at 30 November 2019

		The Group	
		For the period ended	For the year ended
		30.11.19	31.05.18
Note		£000	£000
Assets			
Fixed Assets			
	Investments	3,135	3,751
	Current Assets		
	Debtors	-	4
	Cash and bank balances	56	50
	Total current assets	<u>56</u>	<u>54</u>
	Total assets	<u>3,192</u>	<u>3,805</u>
Liabilities			
	Creditors	(46)	(75)
	Total liabilities	<u>(46)</u>	<u>(75)</u>
	Net assets attributable to shareholders	<u>3,145</u>	<u>3,731</u>

The accompanying notes are an integral part of these financial statements

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Financial Statements continued

Balance Sheet

as at 30 November 2019

		The Company	
		For the period ended	For the year ended
		30.11.19	31.05.18
Note		£000	£000
Assets			
Fixed Assets			
	Investments	3,135	3,786
Current Assets			
	Debtors	-	-
	Cash and cash equivalents	56	16
	Total current assets	<u>56</u>	<u>16</u>
	Total assets	<u>3,192</u>	<u>3,803</u>
Liabilities			
	Creditors	(46)	(72)
	Total liabilities	<u>(46)</u>	<u>(72)</u>
	Net assets attributable to shareholders	<u>3,145</u>	<u>3,731</u>

The accompanying notes are an integral part of these financial statements

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Financial Statements continued

Consolidated Statement of Cash Flows

For the period ended 30 November 2019

	Note	The Group	
		For the period ended	For the year ended
		30.11.19	31.05.18
		£000	£000
Net cash flows from operating activities	13	(214)	(293)
Cash flows from investing activities			
Proceeds from sale of investments		243	-
Loss on sale of investments		(1)	-
Dividends received		-	59
Net cash flows from investing activities		242	59
Cash flows from financing activities			
Net amounts received on issue of shares		-	-
Net amounts paid on cancellation of shares		(20)	(4)
Interest paid		-	(13)
Net cash flows from financing activities		(20)	(17)
Net decrease in cash and bank balances		8	(251)
Effect of exchange rate changes on cash and cash equivalents		(3)	8
Cash and bank balances at the beginning of the period		51	291
Cash and bank balances at the end of the period		56	51

The accompanying notes are an integral part of these financial statements

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Financial Statements continued

Statement of Cash Flows of the Company

For the period ended 30 November 2019

	Note	The Company	
		For the period ended 30.11.19	For the year ended 31.05.18
		£000	£000
Net cash flows from operating activities	13	(217)	(218)
Cash flows from investing activities			
Proceeds from sale of investments		243	-
Loss on sale of investments		(1)	-
Dividends received		-	-
Net cash flows from investing activities		<u>242</u>	<u>-</u>
Cash flows from financing activities			
Net amounts paid on cancellation of shares		(20)	(4)
Net cash flows from financing activities		<u>(20)</u>	<u>(4)</u>
Net decrease in cash and bank balances		5	(222)
Effect of exchange rate changes on cash and cash equivalents		35	(2)
Cash and bank balances at the beginning of the period		<u>16</u>	<u>239</u>
Cash and bank balances at the end of the period		<u>56</u>	<u>16</u>

The accompanying notes are an integral part of these financial statements

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1

Audited Report for the Period Ending 30 November 2019

Notes to the Financial Statements

1. General Information

The Company was incorporated and authorised by the Financial Conduct Authority (“FCA”) on 7 June 2005 with registration number IC000391. The Company held 100% of a Luxembourg based holding company Baltray S.a.r.l (“Baltray” or the “subsidiary”) until it was liquidated on 21 December 2018. The Group financial statements consolidate the results of the Company and the subsidiary, Baltray, with an adjustment to market value (where available) for each of the investments held by the subsidiary.

At 20 December 2013, Host Capital Investment Funds ICVC converted from an umbrella fund with a single sub-fund, namely, HC FCM Salamanca Global Property Fund 1, to a single stand-alone scheme. At 20 December 2013 the name of the Company changed to HC FCM Salamanca Global Property Fund 1. The name of the Company has further changed to DMS FCM Salamanca Global Property Fund 1 on 7 February 2020.

On 20 December 2013, the Company issued an updated Instrument of Incorporation and an updated Prospectus to incorporate the changes as a result of the new structure of the company.

With effect from 22 July 2014, the ACD has been appointed on behalf of the Company as the legal person responsible for managing the Company in accordance with the AIFM Directive (Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 as amended from time to time) and The Alternative Investment Fund Managers Regulations 2013.

The Company had no employees during the period ended 30 November 2019 (2018: No employees).

2. Basis of Preparation

a) Statement of Compliance

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and in accordance with the Statement of Recommended Practice “Financial Statements of UK Authorised Funds”, issued by the Investment Association, (previously the Investment Management Association), (the “IA SORP”) in May 2014.

These financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments.

b) Basis of presentation

The consolidated and Company financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, if available, and have been prepared on a break-up basis.

The consolidated and Company's balance sheet comprises cash and cash equivalents, short term receivables and short term payables whose carrying values approximate fair value. The valuation of the Company's investment in Ecocil has been reflected at 31 May 2018 Ecocil valuation as this was the most up to date valuation available at the time of these financial statements' preparation. Therefore, there is no impact of adopting the break-up basis of accounting on these financial statements as at 30 November 2019.

c) Functional and presentation currency

The consolidated and Company financial statements are presented in Great Britain Pound (“GBP”), which is the functional currency of the Company.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019

Notes to the Financial Statements continued

2. Basis of Presentation continued

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertaking made up to 30 November 2019. All intra group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. A subsidiary undertaking is an entity over which the Company has the power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

An acquired subsidiary undertaking is subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary undertaking, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary undertaking prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary undertaking are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Company's accounting policies.

Baltray Sarl subsidiary was liquidated on 21 December 2018.

3. Significant Accounting Policies

a) Basis of valuation of investments

The Company's subsidiary had investments in associates and was also party to joint venture arrangements. In accordance with paragraph 14.4B as per Section 14, Investments in Associates, and paragraph 15.9B as per Section 15, Investments in Joint Ventures of FRS 102, the Company's investments in associates and joint ventures were treated as investments at fair value through profit or loss.

Prior to the liquidation of the Company's subsidiary on 21 December 2018, the shareholding in Ecocil investment was transferred to the Company. The valuation of the Company's investment in Ecocil has been reflected at 31 May 2018 Ecocil valuation. Changes in the value of investments are included in the consolidated and Company statement of total return and added to or deducted from the brought forward carrying values as appropriate. Further details are disclosed in Note 8 on page 32.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019

Notes to the Financial Statements continued

b) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments, with contractual maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

c) Revenue and expenses

Interest is accounted for on an accrual basis using the effective interest method. All expenses, other than those relating to the purchase and sale of investments, are charged against revenue.

d) Taxation

Provision is made for any taxation liability arising in respect of the income recognised in the accounting year. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

e) Exchange rates

The values of assets and liabilities have been converted into GBP at the exchange rates prevailing at 12:00 noon on the last business day of the period. Transactions denominated in foreign currencies are translated at the rate of exchange prevailing on these dates.

f) Going concern

The Company's wind-up was completed on 18 September 2020, therefore these 30 November 2019 financial statements have been prepared on a break-up basis.

g) Distribution policy

When appropriate the Company distributes any surplus revenue as an accumulation. Distributions are based only on the Company's own revenues.

h) Allocation of income and expenses between different share classes

All income and expenses are recognised in the statement of total return on an accrual basis. Income and expense as well as realised and unrealised gains and losses are allocated to each share class pro rata to the value of net assets of each class in which the income, expense, gain or loss is recognised.

i) Shareholders' funds

All shares issued by the Company provide the investors with the right to require redemption for cash at the value proportionate to the investors' share in the Company's net assets at the redemption date. In accordance with FRS 102, The Financial Reporting Standard ("FRS 102") applicable in the UK and Republic of Ireland, such instruments meet with the definition of puttable instruments. The shares of the Company do not meet the criteria of an equity instrument under FRS 102 and are classified as a financial liability.

j) Currency hedging

The currency exposure of EUR and GBP investors may be hedged to reduce currency risk. Any gains and losses on any hedging are allocated to the relevant share class.

k) New accounting standards not yet adopted

There are no new or amended standards that have not been adopted that have significant impact on these consolidated financial statements.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019

Notes to the Financial Statements continued

3. Significant Accounting Policies continued

l) Dilution levy

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. The dilution levy may be charged where the scheme property of a fund is in continual decline or in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

A dilution levy will not be applied where the total value of subscriptions received prior to the dealing date exceeds the total value of redemptions for the relevant dealing point or If in exceptional circumstances the Company has in excess of 25% of its assets in uncommitted cash, no Dilution Levy will be applied.

A dilution levy of £Nil was charged during the period ended 30 November 2019 (2018: £Nil).

m) Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 102 and the SORP requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

A key judgement relates to the estimated fair value of the investments. All investments are measured at fair value using underlying property valuations as reported/provided by an independent property surveyor and/or an accountant as appropriate. The valuation of the Company's investment in Ecocil has been reflected in these financial statements at 31 May 2018 Ecocil valuation as this was the most up to date valuation available at the time of these financial statements' preparation.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019

Notes to the Financial Statements continued

4. Net Capital Losses On Investments And Foreign Currency Translation

The net capital gains/(losses) on investments and foreign currency translation during the period:

	The Group	
	For the period 01.06.18 to 30.11.19 £000	Year ended 31.05.18 £000
Unrealised (loss)/gain on investments during the period	(374)	622
Realised loss on investments during the period	-	(51)
Net foreign currency exchange losses	(45)	(1,467)
Net losses on investments and foreign currency translation	(419)	(896)

	The Company	
	For the period 01.06.18 to 30.11.19 £000	Year ended 31.05.18 £000
Unrealised losses on investments during the period	(374)	(2,129)
Net foreign currency exchange loss/(gain)	(45)	1,131
Net losses on investments and foreign currency translation	(419)	(998)

5. Revenue

	The Group	
	For the period 01.06.18 to 30.11.19 £000	Year ended 31.05.18 £000
Loan interest and dividend income	-	59
	-	59

	The Company	
	For the period 01.06.18 to 30.11.19 £000	Year ended 31.05.18 £000
Loan interest and dividend income	-	125
	-	125

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019

Notes to the Financial Statements continued

6. Expenses

	The Group		The Company	
	For the period 01.06.18 to 30.11.19 £000	Year ended 31.05.18 £000	For the period 01.06.18 to 30.11.19 £000	Year ended 31.05.18 £000
ACD				
ACD's service charge	(28)	(116)	(28)	(116)
	(28)	(116)	(28)	(116)
Depository				
Depository's fees	-	(15)	-	(15)
	-	(15)	-	(15)
Other expenses				
Investment advisor's fees	-	(36)	-	(36)
Investment advisor's performance fees	(8)	68	(8)	60
Audit fees	(7)	(28)	(7)	(28)
Accounting & administration	(19)	(22)	(19)	(16)
General fees	(2)	(3)	(2)	(3)
Non-audit - tax advisory and modelling fees	1	(5)	1	(1)
Professional fees	(78)	(25)	(78)	(11)
Domiciliation & company secretarial fees	(3)	(4)	(3)	-
Loan reclassification fees	-	(3)	-	(3)
Other taxes	(5)	(9)	(5)	(5)
Typesetting fees	2	(2)	2	(2)
Regulatory fees	2	(11)	2	(11)
	(116)	(80)	(116)	(56)
Total expenses	(145)	(211)	(145)	(187)
Interest payable	-	(13)	-	-

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019

Notes to the Financial Statements continued

6. Expenses continued

ACD's service charge and Fund Accountant fees

The ACD receives an annual management charge for managing the Company at a percentage rate per annum of the value of the property of the Company accruing daily and payable out of the property of the Company. The current percentage rate of the periodic charge is 0.25%.

The ACD will apply a minimum annual fee of £150,000 and will deduct from this fee the charges of the Fund Accountant (10 basis points or £35,000 whichever the higher for the period) and pay this monthly in arrears.

The annual management charges will be treated as an income charge and will be accrued daily and payable monthly in advance.

Investment advisor's fee

The investment advisor receives 2% p.a. of NAV paid monthly in arrears.

In addition, the investment advisor is entitled to a performance fee of 20% of the net profit (i.e. net = after the deduction of all project related expenses) which is generated by each project subject to a minimum IRR of 12.5% being achieved for the relevant project.

The performance fee on the Company's investment stakes in Premier 4 and 33.2% Salokin that were acquired in a related party transaction from the European Residential Property Fund ("the ERPF") at a discount to their valuation at acquisition is, to avoid any conflicted interest, based on profit measured against the higher valuation at acquisition of these investments instead of the lower investment cost to the Company.

In respect of the Standard B and the Institutional B share classes (which comprise of former ERPF investors who took up the offer to reinvest in the Company in the course of the ERPF's termination), net profit for the purposes of performance fee calculation is measured based on the original cost (and data) of acquisition by the ERPF. This net profit calculation is relevant for the performance fee on Premier 4 and 33.2% of Salokin projects which were acquired by the Company from the ERPF. For all other projects the performance fee for the Standard B and Institutional B share classes is calculated on the same basis as for all other share classes.

Depositary's fee

As payment for the services it performs, the Depositary is entitled to receive a fee from the Company (plus VAT thereon where applicable).

The remuneration is an annual fee based on the NAV of the Company, and will be 0.05%, subject to a minimum fee of £25,000 per annum. The remuneration is calculated and accrued daily and is paid monthly in advance on the last business day of the month. The rates of the Depositary fee may be increased up to a maximum of 0.20% of the NAV of the Company.

The Depositary is also entitled to receive other fees from the Company related to custody services in accordance with its customary charges.

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Notes to the Financial Statements continued

7. Taxation

	The Group		The Company	
	For the period 01.06.18 to 30.11.19	Year ended 31.05.18	For the period 01.06.18 to 30.11.19	Year ended 31.05.18
	£000	£000	£000	£000
Total tax charge for the period	-	-	-	-

Factors affecting current tax charge for the period

Tax applying the statutory domestic income tax rate and the deferred tax debit/(credit) for the period are reconciled as follows:

	The Group		The Company	
	For the period 01.06.18 to 30.11.19	Year ended 31.05.18	For the period 01.06.18 to 30.11.19	Year ended 31.05.18
	£000	£000	£000	£000
Net expense before tax	(145)	(165)	(145)	(62)
Total return multiplied by tax rate for authorised funds of 20% (2018: 20%)	(28)	(33)	(28)	(12)
Effects of:				
Unused overseas losses	14	16	-	-
Unused UK tax losses	14	16	28	12
Current tax charge for the period	-	-	-	-

Deferred tax

The Company has not recognised a deferred tax asset in respect of unutilised tax losses. These are not expected to be utilised in the foreseeable future unless the nature of the Company's revenue or capital gains changes. At the period end there is a potential deferred tax asset of £571,595 (2018: £542,684)

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Notes to the Financial Statements continued

8. Investments

	The Group	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Ecocil Incorporações S.A.	3,135	3,509
Salokin Ltd.	-	-
Premier Four AD	-	241
Investments	3135	3,750

	The Company	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Ecocil Incorporações S.A.	3,135	3,786
Investments	3,135	3,786

Baltray Sarl

As noted in the ACD's report on page 8, on 14 November 2018, the remaining intercompany loans together with the interest accrued on them were repaid to the Company by way of transfer from Baltray Sarl to the Company of its shareholding in Ecocil and Salokin. The residual balance of the intercompany loans and the interest accrued on them remaining after the transfer of Baltray Sarl's shareholding in Ecocil and Salokin to the Company have been converted to Baltray Sarl share premium account. The subsidiary was liquidated on 21 December 2018.

Ecocil Incorporações S.A.

On 9 March 2018, when the closure of RG Salamanca FIP 1 ("the FIP") was completed, the value of the Company's 26.98% holding in the FIP was derived from the value of the FIP's investee company, Ecocil, after deduction of the net liabilities of the FIP. The FIP held 34.3% interest in Ecocil resulting in an indirect overall interest of 9.27% for the Company. The FIP closure on 9 March 2018 resulted in the Company now holding the investment in Ecocil directly.

With effect from 13 November 2018, the Company's direct interest in Ecocil is 7.17%. The Company's shareholding in Ecocil was diluted as a result of the Company's inability to participate in Ecocil's debenture financing due to insufficient liquidity available.

It is May 2018 valuation of Ecocil that has been reflected in these financial statements. The 2018 valuation was used because it provides a more appropriate set of assumptions and reflection of conditions that existed as at 30 November 2017 and therefore the investment's value and because the in-specie distribution of the shareholders into the Jersey Private Fund as a part of the Company's winding-up was to be also effected at this valuation.

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Notes to the Financial Statements continued

9. Cash and Bank Balances

Cash and bank balances comprise the following:

	The Group	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Cash balances		
Sterling balances	1	5
Euro balances	55	45
Total cash and cash equivalents	<u>56</u>	<u>50</u>

	The Company	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Cash balances		
Sterling balances	1	5
Euro balances	55	11
Total cash and cash equivalents	<u>56</u>	<u>16</u>

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Notes to the Financial Statements continued

10. Debtors

	The Group	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Due within one year		
Prepaid expenses	-	4
Total debtors	<u>-</u>	<u>4</u>

	The Company	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Due within one year		
Prepaid expenses	-	-
Total debtors	<u>-</u>	<u>-</u>

11. Creditors

	The Group	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Due within one year		
Accruals	(46)	(75)
Total creditors	<u>(46)</u>	<u>(75)</u>

	The Company	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Due within one year		
Accruals	(46)	(72)
Total creditors	<u>(46)</u>	<u>(72)</u>

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Notes to the Financial Statements continued

12. Share Capital

When appropriate the Company distributes any surplus revenue as an accumulation. Distributions are based only on the Company's own revenues. There is no accumulation of income or distributions payable for the period as expenses have exceeded income.

During the winding-up of the Company, the ACD has successfully sold or distributed in-specie, as requested by the shareholders, the remaining investment of the Company proportionally to the shareholders' respective interests in the Company. The cash balance held by the Company will be used to settle the winding-up expenses. Any residual cash remaining after the settlement of the winding-up expenses will be distributed to the shareholders proportionally.

Apart from the annual management charge, investment advisor's fee, renewal commission, gains and losses on forward currency contracts and share class set up fees, all other expenses and income are allocated pro rata across share classes according to their NAV.

The currency exposure of Euro and GBP investors may be hedged to reduce currency risk. Gains and losses on any hedging are allocated to the relevant share class.

13. Net Cash Flow From Operating Activities

	The Group	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Total loss before distributions	(564)	(1,061)
Net losses on investments	1	(622)
Net foreign currency exchange losses	374	1,467
Loan interest and dividend income	-	(59)
Interest paid	-	13
Impairments	-	-
Decrease/(increase) in debtors	4	-
Increase/(decrease) in creditors	(29)	(29)
Net cash flow used in operating activities	(214)	(293)

	The Company	
	Period ended	Year ended
	30.11.19	31.05.18
	£000	£000
Total loss before distributions	(564)	(1,060)
Net losses on investments	(1)	2,129
Net foreign currency exchange (gains)/losses	374	(1,131)
Loan interest and dividend income	-	(125)
Interest paid	-	-
Decrease/(increase) in debtors	-	-
Increase/(decrease) in creditors	(26)	(32)
Net cash flow used in operating activities	(217)	(218)

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Notes to the Financial Statements continued

14. Reconciliation of Movement in Shares

Share Class:	Institutional GBP
Opening number of shares	125,000.000
Shares created	-
Shares cancelled	-
Closing number of shares	125,000.000

Share Class:	Institutional B GBP
Opening number of shares	7,546.840
Shares created	-
Shares cancelled	7,546.840
Closing number of shares	-

Share Class:	Standard B GBP
Opening number of shares	49,869.481
Shares created	-
Shares cancelled	49,869.481
Closing number of shares	-

Share Class:	Institutional EUR
Opening number of shares	7,090,978.624
Shares created	-
Shares cancelled	-
Closing number of shares	7,090,978.624

Share Class:	Standard B EUR
Opening number of shares	10,822.008
Shares created	-
Shares cancelled	10,822.008
Closing number of shares	-

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Notes to the Financial Statements continued

15. Risks of Financial Instruments

The Group's activities expose it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk. The ACD reviews (and agrees with the Depositary) policies for managing the risks as summarised below. These policies as detailed below have remained unchanged since the beginning of the year to which these consolidated financial statements relate.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

Market risk comprises market price risk, currency risk and interest rate risk.

(i) Market price risk

Market price risk is the risk that value of the investments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

There is no price risk as a result of the underlying investments being in private companies.

As at 30 November 2019, the Group's investments listed by geographical location was as follows:

	2019		2018	
	£000	% of NAV	£000	% of NAV
Assets				
Real estate investments				
Brazil	3,135	99.67	3,509	94.06
Cyprus	-	-	-	-
Bulgaria	-	-	241	6.46
Total	3,135	99.67	3,750	100.52

In order to meet the Group's investment objective, the Investment Advisor applies a disciplined investment and risk management approach. When the Group's real estate investments reach over €200 million, certain restrictions will apply. At 30 November 2019 and 31 May 2018, the Group's investment had not reached €200 million.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Group investing in financial instruments and entering into transactions which are denominated in currencies other than the functional currency.

The assets held by the Group are predominantly denominated in Brazilian Real. The ACD monitors the level of the Euro and GBP based investors' exposure to the local currency of the Group's net assets. The Group may hedge the exposure by use of derivatives such as forward currency contracts, if the estimated benefits of reduction in the currency risk are deemed to outweigh the related cost and cash flows consumed. As at 30 November 2019 and 31 May 2018, there was no such hedging of currency risk exposure.

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Notes to the Financial Statements continued

15. Risks of Financial Instruments continued

a) Market risk continued

(ii) Currency risk continued

The Group's exposure to foreign exchange movements as at 30 November 2019 and 31 May 2018 was as follows:

	Currency	2019 £000	2018 £000
Investments	BRL	3,135	3,509
Bank balances	BRL	-	-
		3,135	3,509
Investments	EUR	-	241
Debtors	EUR	-	3
Bank balances	EUR	55	39
Creditors	EUR	(46)	(75)
		9	208

The foreign currency transactions of underlying investments may indirectly expose the Group to currency risk. This risk is monitored and managed by the ACD. The ACD may try to mitigate these risks by investing in forward currency contracts but there can be no assurance that such strategies will be implemented, or if implemented, will be effective. As a result of this indirect exposure the above currency exposure may not fully indicate the total effect of the foreign currency exposure of the Group.

If the value of pounds Sterling was to increase or decrease by 1%, the NAV would increase or decrease by £31,454 (2018: £37,307) if all other variables remained constant.

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no interest bearing financial instruments except for cash at banks which are subject to normal market related short-term interest rates. Therefore the Group is not exposed to significant interest rate risks. The cash balance at year end does not represent the Group's exposure to interest rate risk during the reporting period.

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Notes to the Financial Statements continued

15. Risks of Financial Instruments continued

b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. It arises from debtors, cash, bank balances and money market funds (see not 9 and 10).

The following table details the Group's exposure to credit risk (excluding the investments and prepaid expenses) as at 30 November 2019 and 31 May 2018:

	2019 £000	2018 £000
Cash and bank balances	56	50
Total	56	50

The Company's bank balances are held by an associate of Citibank Europe plc, UK Branch (the "Depository") and are subject to the Depository's variable credit rates. As at 30 November 2019, the credit rating of the Depository is A (2018: A) as determined by Fitch.

No borrowing facilities were available to the Company as at 30 November 2019 and 31 May 2018.

Other than outlined above there was no other significant concentration of credit risk to counterparties at the reporting date.

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities. The Group's indirect investment in property is not readily realisable and therefore exposes the Group to liquidity risk. Investors may be restricted in switching or cashing in their investment until cash flows become available.

The Company's redemption policy allows for daily redemptions. Redemption notices received by the Company are processed at 12 noon the following business day (the "Dealing Day"). If redemption notices are received which account or more than 10% of the NAV on any Dealing Day, such notices are dealt with on the basis that the earliest redemption notice received is redeemed first.

When redemption notices are received that take the redemptions above 10% of the NAV (or 2.5% of the NAV for single redemption notices) on any Dealing Day, the ACD may defer their request to cash in their shares until a Dealing Day on which it can do so in full without prejudicing the other shareholders.

With the Company entering winding-up with effect from 25 October 2018, its normal business has ceased and investor dealing permanently stopped.

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Notes to the Financial Statements continued

16. Fair Value Measurements Recognised in the Group and Company Balance Sheets

Fair values

In the opinion of the ACD there is no material difference between the book values and the fair values of the other financial assets and liabilities.

The Company has adopted “Amendments to FRS 102 Fair value hierarchy disclosures”, which establishes a hierarchy to be used to estimate the fair value of investments that are publicly traded or whose fair value can be reliably measured if they are not publicly traded. The levels of the hierarchy are as follows:

- (1) Fair value based on a quoted price for an identical instrument in an active market.
- (2) Fair value based on a valuation technique using observable market data.
- (3) Fair value based on a valuation technique that relies significantly on non-observable market data and will include values not primarily derived from observable market data.

Assets	The Group		The Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Level 1				
Investments	-	-	-	-
Total level 1	-	-	-	-
Level 2				
Investments	-	-	-	-
Total level 2	-	-	-	-
Level 3				
Investments	3,135	3,751	3,135	3,786
Total level 3	3,135	3,751	3,135	3,786
Total	3,135	3,751	3,135	3,786

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

There were no transfers between levels during the period/year.

The carrying value of all financial assets and liabilities not at fair value approximate their realised value.

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Notes to the Financial Statements continued

16. Fair Value Measurements Recognised in the Group and Company Balance Sheets continued

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within level 3 between the beginning and the end of the reporting period.

	The Group		The Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Investments	3,751	4,605	3,786	3,261
Total gains and losses:				
Included within net capital losses	(616)	(3,954)	(651)	(4,105)
Balance as at 30 November 2019 / 31 May 2018	3,135	3,751	3,135	3,786

17. Contingent Liabilities

There were no contingent liabilities as at 30 November 2019 or as at 31 May 2018.

18. Related Party Transactions

Waystone Management (UK) Limited, the ACD, is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Company. During the period/year fees of £56,712 (2018: £116,000) were paid to the ACD.

Waystone Management (UK) Limited also acts as principal on all transactions of shares in the Company. The aggregate monies received through subscriptions and paid through redemptions are disclosed in the statement of movements in shareholders' funds.

The Company was advised by Salamanca Group Advisers Limited ("SGA") ("Investment Advisor, "IA"). During the year fees of £Nil (2018: £36,000) were paid to the investment advisor. Performance fees payable for the year were £Nil (2018: £68,800). The performance fees are payable to the Investment Advisor.

Up until 11 May 2017, the Company was advised by FF&P CM Salamanca LLP ("FF&P"), a joint venture between Salamanca Group Cyprus Ltd ("SGC") and Fleming Family & Partners Capital Management LLP. In April 2017, the Company consented to FF&P CM Salamanca LLP assigning its position as investment advisor to Salamanca Group Advisers Limited, and on 11 May 2017 such assignment took effect.

The Company held a 26.98% shareholding in RG SALAMANCA I FUNDO DE INVESTIMENTO EM PARTICIPACOES FIP I ("RG Salamanca FIP I"), that owned 34.34% of Ecocil. RG Salamanca FIP I was administered and managed by OLIVEIRA TRUST SERVICER ("Administrator"), and has until 9 March 2018 retained RG Salamanca Consultoria Empresarial Ltda ("RG Salamanca") as a specialized consultant company to assist the Administrator in the exercise of its functions. RG Salamanca is a subsidiary of SGC.

The Investment Advisor proposed the Ecocil investment to the ACD and the Investment Committee in a letter of recommendation dated 1 December 2008. In the first paragraph of the letter "Related parties", the Investment Advisor clearly discloses the fact that SGC through their stake in RG Salamanca have an active role in managing RG Salamanca FIP I. The letter mentions that neither SGC nor the Investment Advisor will benefit financially from the purchase of the asset in question, other than from the benefits associated with performing their roles as Investment Advisor to the Company and RG Salamanca FIP I respectively. The Investment Advisor has waived their performance fee on this investment to avoid fees on fees for investors. The investment was then discussed at length during the 3 December 2008 IC meeting, and the

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019**Notes to the Financial Statements** continued**19. Events After The Reporting Date****Winding-up**

Shareholders will be aware that the Company is predominantly invested in a residential developer called Ecocil Incorporações S.A. ("Ecocil"). This company operates in Natal, Brazil, and is generally considered to be one of Brazil's best residential developers. However, shareholders may also be aware of the material political and economic headwinds experienced throughout Brazil which in recent years have impacted the Brazilian currency and the value of the Company's holding in Ecocil. Despite some excellent management by Ecocil in difficult recessionary conditions, from the advice received, the ACD believes it will still be a number of years before there is a sustained recovery in the Brazilian economy sufficient to optimise any exit of the Company's holding in Ecocil.

In such circumstances the ACD would normally wait for a sustained recovery in the market. However, given the Company's small minority shareholding in Ecocil and the length of time that will be required to dispose of this remaining asset in Brazil as well as the Company's relatively low liquidity coupled with the ongoing cost structure of both the Company and its sub structures (relative to its size), the ACD has, in consultation with Investment Advisor, been reviewing the future of the Company. With the input of Investment Advisor, and only after consultation with the Company's Depositary, the ACD has concluded that once other minority investments Premier Four AD and Salokin Ltd are fully exited, it would be no longer in shareholders' best interests for the Company to remain in operation. This conclusion follows extensive consideration of alternative options for the Company, including its merger to a more appropriate vehicle to hold the Ecocil investment, but unfortunately, no such option has proved workable for all investors.

In the letter issued on 21 September 2018, the ACD informed shareholders of its decision to commence the winding-up of the Company as well as to change the annual accounting period end from 31 May 2019 to 30 November 2019 subject to the completion of the required regulatory process with the FCA. The extension of the accounting period end was requested to combine the usual annual audit with the required winding-up audit of the Company.

The letter to the Institutional Class shareholders has also noted that, where the shareholders requested and the ACD agreed, the ACD would distribute in-specie the remaining investment in Ecocil including any residual cash during the Company's winding-up process. Should any of the Institutional Class shareholders decide not to take up the in-specie distribution proposal, the ACD will need to dispose of their proportionate holding in Ecocil. However, given the ACD will be attempting the sale at the bottom of Brazilian economic cycle, it is likely to be difficult for the ACD to find a potential buyer quickly or it is likely that the sale will result in a loss of value for the shareholder.

The Class B shareholders were notified in the letter that before the commencement of the Company's winding-up the Class B shares will be closed and as a result the holdings in the Class B shares will be redeemed in full. The closure of the Class B share class was completed on 24 October 2018.

The FCA authorised the ACD to commence the winding-up of the Company with effect from 25 October 2018. The Company's prospectus was subsequently updated to reflect its winding-up state as well as to note the change to the accounting period end.

DMS FCM SALAMANCA GLOBAL PROPERTY FUND 1
Audited Report for the Period Ending 30 November 2019**Notes to the Financial Statements** continued**19. Events After The Reporting Date** continued**Winding-up** continued**Ecocil 5-Year Strategy Plan**

All Ecocil investors have approved the 5-year strategy plan that was proposed by the Investment Advisor and Ecocil management to strengthen the company and ensure its future sustainability and growth. The plan included the proposal for the restructure of the company's debt arrangements and thus sought to raise USD 10m from Ecocil investors by offering a subscription to a debenture with Ecocil warrants attached. Following presentation of the 5-year strategy plan, selected Ecocil investors took up their rights to participate in debenture financing but the Company could not participate due to insufficient liquidity available resulting in a dilution to the Company's shareholding in Ecocil. Therefore, with effect from 13 November 2018 the Company's ownership in Ecocil is 7.17%, and as such Ecocil valuation reflected in these financial statements is based on the Company's 7.17% shareholding in Ecocil.

RG Salamanca FIP I Closure

The changes to the Brazilian tax regulation laws that came into effect from 2017 meant that investors would no longer enjoy the reduced withholding tax rate benefits by investing in Ecocil via the FIP funds, i.e. the capital gains on investment value will now be subject to withholding tax with or without the FIP fund in place. The Investment Advisor had therefore initiated the streamlining of the Company's investment into Ecocil by removing the FIP from the sub structure of the Company – an exercise which was completed on 9 March 2018. The closure of the FIP meant that the investment in Ecocil was now held by the Company directly.

Salokin Ltd Rental Guarantees Distribution / Exit from Salokin Ltd

As no further investment projects were to be pursued, it was decided by the company's management to close Salokin and Jasna down. The residual cash currently available at both Salokin and Jasna will be used up to settle the companies' outstanding tax liabilities as well as to cover their closure costs. No further distributions are therefore expected to be made to the investors from Salokin or Jasna. The Company's holding in the investment is therefore valued at nil in these financial statements.

A combination of Salokin and Jasna upcoming closures, no further distributions due to the Company as well as the need to close the Company down as soon as possible has led the ACD to take the decision to exit the investment in Salokin. This took place on 5 March 2020 when the Company transferred its shareholding to Mermaid (MCI) Capital Investments Limited.

Premier Four AD Disposal

The Company's investment in Premier Four AD was sold for EUR 275,000 on 13 September 2018.

Baltray Sarl Closure

The Company's subsidiary Baltray Sarl was closed on 21 December 2018. Before the subsidiary's closure was completed, on 14 November 2018, the shareholding held by Baltray Sarl in the remaining Ecocil and Salokin investments was transferred to the Company. This transfer was arranged against the repayment of the remaining intercompany loans and the interest accrued on them. The residual balance of the intercompany loans and the interest accrued on them remaining after the transfer of shareholding in Ecocil and Salokin to the Company was converted to Baltray Sarl share premium account.

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Notes to the Financial Statements continued

19. Events After The Reporting Date continued

Ecocil In-specie Distribution into a Jersey Private Fund / Ultimate Sale

The Investment Advisor has identified and launched a vehicle, a limited partnership in the form of a Jersey Private Fund, that is able to hold Ecocil shares for the Company's shareholders as well as for other external Ecocil investors opting for the in-specie distribution of Ecocil shares for a period of years at much reduced cost.

The first and the second in-specie transfers to the Jersey Private Fund involving the move of the other external investors in Ecocil were completed on 18 March 2019 and 15 October 2019, respectively. The Company shareholders' in-specie transfer, who opted in for the in-specie distribution, was completed on 25 February 2020.

The Company's first in-specie transfer of its shareholders, who initially opted in for the in-specie distribution, was completed on 25 February 2020. The three remaining shareholders exited the Company by way of their shareholding transfer on 11 September 2020. The Company's last investor, who their shareholding was transferred to, was in-specie transferred to the Jersey Private Fund on 18 September 2020 marking the completion of the Company's closure.