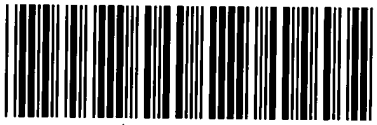
DIRECTORS' REPORT AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

FOR

BROOKSET 7 RESIDENTIAL LIMITED

TUESDAY



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BROOKSET 7 RESIDENTIAL LIMITED

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FOR THE YEAR ENDED 31 MARCH 2018

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BROOKSET 7 RESIDENTIAL LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

Directors:	S A J Nahum E M Sawyer
Registered office:	4th Floor Millbank Tower 21-24 Millbank London SW1P 4QP
Registered number:	09486206 (England and Wales)
Independent auditors:	Gerald Edelman 73 Cornhill London EC3V 3QQ

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

The company has not prepared a strategic report on the basis that the company qualifies as a small company under section 414B of the Companies Act 2006.

Principal activity
The principal activity of the company in the year under review was that of investment in real estate.

Directors
S A J Nahum has held office during the whole of the period from 1 April 2017 to the date of this report.

Other changes in directors holding office are as follows:

E M Sawyer was appointed as a director on 25 September 2018.

P C O'Driscoll ceased to be a director on 25 September 2018.

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Going concern
Having reviewed the company's financial forecasts and expected future cash flows, and assuming continuing financial support will be provided to the company by its ultimate parent undertaking Hightower Investments Corp, the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of signing of these financial statements. The directors have therefore continued to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2018.

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

E M Sawyer - Director

Date: 7/12/2018

Opinion

We have audited the financial statements of Brookset 7 Residential Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Statement of Financial Position 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Stephen Coleman ACA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman
Chartered Accountants
Statutory Auditor
73 Cornhill
London
EC3V 3QQ

Date: 7/12/15

BROOKSET 7 RESIDENTIAL LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover		108,860	101,194
Administrative expenses		(47,515)	(68,706)
Operating profit	4	61,345	32,488
Interest receivable and similar income		13	22
		61,358	32,510
Interest payable and similar expenses		(209,024)	(209,024)
Loss before taxation		(147,666)	(176,514)
Tax on loss	5	-	-
Loss for the financial year		(147,666)	(176,514)

The notes form part of these financial statements

BROOKSET 7 RESIDENTIAL LIMITED (REGISTERED NUMBER: 09486206)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investment property	6		3,680,000		3,680,000
Current assets					
Debtors	7	20,409		11,251	
Cash at bank		28,538		26,741	
		48,947		37,992	
Creditors					
Amounts falling due within one year	8	1,264,590		1,108,913	
Net current liabilities			(1,215,643)		(1,070,921)
Total assets less current liabilities			2,464,357		2,609,079
Creditors					
Amounts falling due after more than one year	9		2,938,112		2,935,168
Net liabilities			(473,755)		(326,089)
Capital and reserves					
Called up share capital	10		1		1
Retained earnings			(473,756)		(326,090)
Shareholders' funds			(473,755)		(326,089)

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 7/12/2018 and were signed on its behalf by:

E M Sawyer - Director

The notes form part of these financial statements

1. Statutory information

Brookset 7 Residential Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 09486206 and the registered office address is 4th Floor, Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "the Financial Reporting Standard applicable in the UK and republic of Ireland" (FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company, Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold and leasehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Going Concern

The directors have prepared these financial statements on a going concern basis, notwithstanding that there is a deficiency of assets as at 31 March 2018 amounting to £473,755 (2017: £326,089), the validity of which is dependent on the continued support of the company's parent undertaking and ultimate controlling parties. The financial statements do not include any adjustments that would result from discontinuance of their financial support. On this basis, the directors consider that it is appropriate for the financial statements to be prepared on the going concern basis.

Turnover

Turnover represents rent and similar charges received from investment property, and is shown net of VAT and other sales related taxes.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2. **Accounting policies - continued**

Financial instruments
The company has elected to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the companies statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, which including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. **Accounting policies - continued**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non- current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

3. **Employees and directors**

There were no employees during the year apart from the directors.

4. **Operating profit**

The operating profit is stated after charging:

	2018	2017
	£	£
Auditors' remuneration	2,500	2,500

5. **Taxation**

Analysis of the tax charge
No liability to UK corporation tax arose for the year ended 31 March 2018 nor for the year ended 31 March 2017.

6. **Investment property**

	Total
	£
Fair value	
At 1 April 2017 and 31 March 2018	3,680,000
Net book value	
At 31 March 2018	3,680,000
At 31 March 2017	3,680,000

The directors consider the above to reflect the fair value. No revaluation of investment property is provided in the current year

7. **Debtors: amounts falling due within one year**

	2018	2017
	£	£
Trade debtors	6,095	-
Amounts owed by associates	3,329	135
Other debtors	10,985	11,116
	20,409	11,251

8. **Creditors: amounts falling due within one year**

	2018	2017
	£	£
Trade creditors	9,405	7,195
Amounts owed to associates	1,244,525	1,088,445
Other creditors	10,660	13,273
	1,264,590	1,108,913

9. **Creditors: amounts falling due after more than one year**

	2018	2017
	£	£
Other Loan	2,944,000	2,944,000
Unamortised Loan Fees	(5,888)	(8,832)
	2,938,112	2,935,168

The loan is secured by a fixed charge over the company's investment properties.

10. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
1	Ordinary share capital	1	1	1

11. Related party disclosures

The company has taken the exemption available in FRS 102 "Related Party Disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Included within creditors due after more than one year is a loan due to TFB (Mortgages) Designated Activity Company, a company under common control, of £2,944,000 (2017: £2,944,000). During the year, interest at a rate of 7% totalling £206,080 (2017: £206,080), was charged on the balance due to TFB (Mortgages) Designated Activity Company which has been included in the Income Statement.

Included within creditors due within one year are amounts payable to TFB (Mortgages) Designated Activity Company of £1,244,525 (2017: £1,088,445) There are no specific terms of interest or repayment attached to this amount.

Included within debtors due within one year is an amount payable by Aldersgate Investments Limited of £0 (2017: £135), a company under common control.

The immediate parent company is Brookset 7 Limited and the ultimate parent company is Hightower Investments Corp.

The registered address for both Brookset 7 Limited and Hightower investments Corp is 2nd Floor, O'Neal Marketing Associates Building, P O Box 3174, Wickham's Cay II, Road Town, Tortola, British Virgin Islands.