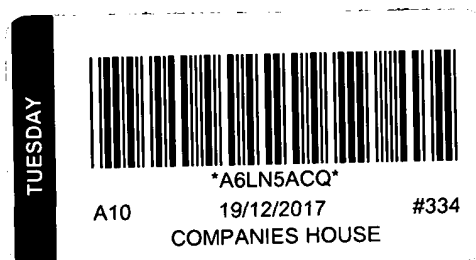


DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
FOR
BROOKSET 15 RESIDENTIAL LIMITED



BROOKSET 15 RESIDENTIAL LIMITED

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BROOKSET 15 RESIDENTIAL LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

Directors:

S A J Nahum
P C O'Driscoll

Registered office:

4th Floor
Millbank Tower
21-24 Millbank
London
SW1P 4QP

Registered number:

09489249 (England and Wales)

Independent auditors :

Gerald Edelman
73 Cornhill
London
EC3V 3QQ

BROOKSET 15 RESIDENTIAL LIMITED

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their annual report and financial statements for the year ended 31 March 2017.

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

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

S A J Nahum
P C O'Driscoll

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 2017.

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

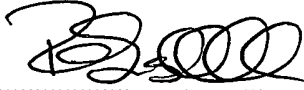
The auditors, Gerald Edelman, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

BROOKSET 15 RESIDENTIAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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:



.....
P C O'Driscoll - Director

Date: 18/12/2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BROOKSET 15 RESIDENTIAL LIMITED

We have audited the financial statements of Brookset 15 Residential Limited for the year ended 31 March 2017 which comprise Income Statement, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the directors' report for the financial period 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.

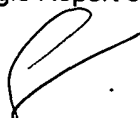
In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BROOKSET 15 RESIDENTIAL LIMITED

Matters on which we are required to report by exception

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.



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

Date: 18/12/2017

Chartered Accountants
Statutory Auditor

BROOKSET 15 RESIDENTIAL LIMITED**INCOME STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2017

		Year ended	Period
	Notes	31/3/17	13/3/15
		£	to
			31/3/16
			£
Turnover		21,890	22,263
Administrative expenses		(17,507)	(28,314)
Operating profit/(loss)	4	4,383	(6,051)
Interest receivable and similar income		1	2
		4,384	(6,049)
Interest payable and similar expenses		(29,820)	(29,901)
Loss before taxation		(25,436)	(35,950)
Tax on loss	5	-	-
Loss for the financial year		(25,436)	(35,950)

The notes form part of these financial statements

BROOKSET 15 RESIDENTIAL LIMITED (REGISTERED NUMBER: 09489249)**STATEMENT OF FINANCIAL POSITION****31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investment property	6		525,000		525,000
Current assets					
Debtors	7	2,574		397	
Cash at bank		8,754		3,054	
		<u>11,328</u>		<u>3,451</u>	
Creditors					
Amounts falling due within one year	8	<u>178,973</u>		<u>146,080</u>	
Net current liabilities			<u>(167,645)</u>		<u>(142,629)</u>
Total assets less current liabilities			<u>357,355</u>		<u>382,371</u>
Creditors					
Amounts falling due after more than one year	9		<u>418,740</u>		<u>418,320</u>
Net liabilities			<u>(61,385)</u>		<u>(35,949)</u>
Capital and reserves					
Ordinary share capital	10		<u>1</u>		<u>1</u>
Retained earnings			<u>(61,386)</u>		<u>(35,950)</u>
Shareholders' funds			<u>(61,385)</u>		<u>(35,949)</u>

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 18/12/2017 and were signed on its behalf by:



.....
P C O'Driscoll - Director

The notes form part of these financial statements

BROOKSET 15 RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2017**

1. Statutory information

Brookset 15 Residential Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 09487916 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 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 2017 amounting to £61,385 (2016: £35,949), 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.

BROOKSET 15 RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2017**

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 statements.

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.

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.

BROOKSET 15 RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2017**

2. **Accounting policies - continued**

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/(loss)**

The operating profit (2016 - operating loss) is stated after charging:

	Year ended 31/3/17 £	Period 13/3/15 to 31/3/16 £
Auditors' remuneration	<u>2,500</u>	<u>2,500</u>

5. **Taxation**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2017 nor for the period ended 31 March 2016.

6. **Investment property**

	Total £
Fair value	
At 1 April 2016 and 31 March 2017	<u>525,000</u>
Net book value	
At 31 March 2017	<u>525,000</u>
At 31 March 2016	<u>525,000</u>

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**

	2017 £	2016 £
Amounts owed by associates	-	396
Other debtors	<u>2,574</u>	<u>1</u>
	<u>2,574</u>	<u>397</u>

BROOKSET 15 RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2017**

8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	(408)	(1)
Amounts owed to associates	165,981	136,581
Other creditors	13,400	9,500
	<u>178,973</u>	<u>146,080</u>

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

	2017	2016
	£	£
Other Loan	420,000	420,000
Unamortised Loan Fees	(1,260)	(1,680)
	<u>418,740</u>	<u>418,320</u>

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

10. Ordinary share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
1	Ordinary share capital	1	<u>1</u>	<u>1</u>

11. Related party disclosures

The company has taken the exemption available in FRS 8 102.331A "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 £420,000 (2016: £420,000). During the year, interest at a rate of 7% totalling £29,400 (2016: £29,481), 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 £165,981 (2016: £136,581) There are no specific terms of interest or repayment attached to this amount.

12. Parent company

The immediate parent company is Brookset 15 Limited and the ultimate parent company is Hightower Investments Corp.

The registered address for both Brookset 15 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.