

Bricklane London REIT plc

Company registration number: 10759361

Annual Report and Financial Statements
For the period 8 May 2017 to 30 June 2017

Directory

Non-executive Directors	Simon Heawood Michael Young Paul Windsor Craig Hallam
Registered office	Floor 2 6-8 Bonhill Street London EC2A 4BX
Registered number	10759361 (England and Wales)
Alternative Investment Fund Manager	Gallium Fund Solutions Limited Gallium House Station Court Borough Green Sevenoaks TN15 8AD
Independent Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Investment Advisor	Bricklane Investment Services Ltd 2nd floor 6-8 Bonhill Street London EC2A 4BX <i>An appointed representative of Gallium Fund Solutions Ltd</i>
Legal advisors	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
TISE Listing Sponsor	Carey Olsen Corporate Finance Limited 47 Esplanade St Helier Jersey JE1 0BD

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Strategic Report

The Directors present their strategic report for the period ended 30 June 2017

Incorporation

Bricklane London REIT plc (the 'Company') was incorporated in the United Kingdom on 8 May 2017. On 18 July 2017, the Company's shares were admitted to the Official List of The International Stock Exchange. Using a Share Issuance Programme, the Company issued shares on a regular basis during the period and used these funds to invest in residential property in London.

Business review and principal activities

During the period, Bricklane London REIT plc was dormant. Since the period end, the principal activity of Bricklane London REIT plc is property investment in the London.

Since the period end, the Company has issued a further 2,857,225 shares

Principal risks and uncertainties

The management of the business and execution of the Company's strategy is subject to a number of risks. The principal risks affecting the Company include:

Market risk - macroeconomic conditions leading to poor rental income and/or capital performance. Although the wider market risk is largely dependent on factors the Company cannot control, the Company will continue to manage its exposure by maintaining and growing a portfolio that is diversified across the target markets. In order to deliver the sustainable returns, the Company targets 'mainstream' properties that appeal to a wide range of tenants, and which exhibit strong rental and sales demand.

Investment risk - poor selection of assets for acquisition leading to poor rental income and/or capital performance. To mitigate this risk the Company will seek to maintain a diversified portfolio and the investment adviser, Bricklane Investment Services Ltd, carries out rigorous due diligence prior to each acquisition.

Regulatory risk - a failure to meet current or increased legal or regulatory obligations or anticipate and respond to changes in regulation that creates increased and costly obligations. The Company recognises the importance of meeting all regulatory and legal obligations and so closely monitors regulatory changes.

This report was approved by the Directors on 22 June 2018 and signed on its behalf by



Michael Young
Director

Directors' Report for the period ended 30 June 2017

The Directors present their report and the audited financial statements of Bricklane London REIT plc together for the period ended 30 June 2017.

Going concern

The Directors consider the Company to be a going concern and the financial statements are prepared on this basis.

Directors

The Directors who served for the Company, and up to the date of signing are:

Simon Heawood (appointed on incorporation),
Michael Young (appointed on incorporation),
Paul Windsor (appointed on 12 July 2017), and
Craig Hallam (appointed on 12 July 2017).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 and the results 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;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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. 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

Employment

The Company has no employees.

Directors Indemnity Insurance

The Directors have the benefit of an indemnity in respect of liabilities arising out of the proper performance of their duties and an exclusion of liability.

Independent auditors

Grant Thornton UK LLP were appointed as auditor during the period and are deemed to be re-appointed under 487(2) of the Companies Act 2006.

This report was approved by the Board of Directors on 22 June 2018 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'M. Young', written in a cursive style.

Michael Young
Director

Independent auditor's report to the members of Bricklane London REIT plc

Opinion

We have audited the financial statements of Bricklane London REIT plc (the 'company') for the period ended 30 June 2017 which comprise of the Statement of Financial Position, the Statement of Changes in Equity and the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its results for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditor's 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.

Who we are reporting to

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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 included in the annual report, other than the financial statements and our auditor's report 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.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement 5, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



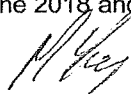
Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22 June 2018

Statement of Financial Position

As at 30 June 2017

	30 Jun 2017 £
Current assets	
Receivables	0.01
Net Assets	<u>0.01</u>
Capital and reserves	
Share capital	0.01
Shareholder's funds	<u>0.01</u>

These financial statements were approved by the Board of Directors and authorised for issue on 22 June 2018 and are signed on behalf of the board by:



Michael Young
Director

Company registration number 10759361

The accompanying notes set out on page 11-12 form an integral part of these financial statements.

Statement of Changes in Equity
For the period ended 30 June 2017

	Share Capital	Share Premium	Retained Earnings	Total
	£	£	£	£
Balance at 8 May 2017	-	-	-	-
Proceeds from the issue of Ordinary Shares	0.01	-	-	0.01
Balance at 30 June 2017	<u>0.01</u>	<u>-</u>	<u>-</u>	<u>0.01</u>

Notes to the Financial Statements for the period ended 30 June 2017

1. Accounting policies

Basis of preparation

Bricklane London REIT plc (the Company) is a company incorporated and domiciled in the UK. It is a public limited liability company listed on The International Stock Exchange.

These audited financial statements of the Company for the period ended 30 June 2017 have been prepared in accordance with and comply with International Financial Reporting Standards ('IFRSs') as adopted by the EU and the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements. The accounting policies set out below are applicable to the Company unless otherwise stated. The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

A Statement of Comprehensive Income and Statement of Cash Flows have not been disclosed, as there were no transactions in the period that would require said disclosure.

After due consideration of the future expected cash flows of the Company, the directors are confident that the Company has sufficient financial resources to meet its obligations as a going concern for the foreseeable future, being more than 12 months from the date of approval of the financial statements. The financial statements have therefore been prepared on a going concern basis.

Adoption of new and revised IFRSs and Interpretation

The Directors considered all relevant new standards, amendments and interpretations to existing standards effective for the period ended 30 June 2017, but they have not been early adopted. The Directors' assessment is that they would not have led to any changes in the Company's accounting policies and they had no material impact on the financial statements of the Company. Those that are most relevant to the Company are set out below:

- IFRS 15, 'Revenue from Contracts with Customers' specifies when and how much revenue a company should recognise, and the information about revenue that the company should disclose in its financial statements. Effective for reporting periods beginning on or after 1 January 2018.
- IFRS 16, 'Leases', replaces the existing standard IAS 17 Leases, where lessees are required to make a distinction between a finance lease and an operating lease. Effective for reporting periods beginning on or after 1 January 2019.

Receivables

Share capital not yet paid is recognised and carried at the original payment amount.

Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in pounds sterling, which is the Company's functional and presentational currency.

2. Called up share capital

	30 June 2017
	£
Allotted, called up share capital, not paid	
1 ordinary share of £0.01	0.01

During the period 1 ordinary share was issued. Each ordinary share has equal right to dividends and is entitled and has equal rights to participate in a distribution arising from a winding up of the Company. The ordinary shares are not redeemable.

3. Receivables

30 June 2017
£

Called up share capital not yet paid	0.01
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4. Employees and directors

The Company does not have any employees.

None of the Directors received any remuneration for their roles as Directors of the company during the period.

5. Auditor remuneration

Fees of £3,000 are payable to the Company's auditor for the audit of the Company's annual accounts. This fee will be paid by Bricklane Investment Services Ltd on behalf of Bricklane London REIT plc.

6. Events after the balance sheet date

Bricklane London REIT plc listed on TISE on 18 July 2017 and began to issue shares on a fortnightly basis. Since the period end 2,857,225 shares have been issued. On 1 December 2017, the Company was accepted into the REIT regime by HMRC.

On 13 July 2017 the Company incorporated a subsidiary, called Bricklane London Acquisitions Ltd.

7. Financial Risk Management

The main financial risks arising from the Company's activities are market risk, liquidity risk and credit risk. The Company's approach to managing these risks are outlined below.

The Company manages these risks through the review of information supplied by the investment advisor and other sources, which is then discussed at Board meetings.

Market risk

The Company's exposure to market risk is comprised mainly of movements in the value of the Company's property investments and hence to movements in house price valuations. An exposure to the housing market is a key driver for investment into the Company by shareholders, and so the Company does not aim to remove market risk. However, to mitigate this risk, an investment advisor has been appointed. The investment advisor monitors the market value of investment properties by having independent valuations performed monthly.

The Company is not exposed to market price movements on financial instruments as it did not hold any equity securities during the period.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet commitments associated with financial liabilities, which would result in a large draw on cash resources. At the period end, the Company did not have any financial liabilities.

Credit risk

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has entered into with the Company. In the event of default by an occupational tenant, the Company will suffer a rental shortfall and incur additional related costs. Prior to agreeing a tenancy agreement with a new tenant, checks are performed to assess their creditworthiness. In addition, the investment advisor regularly reviews the reports on any tenants in arrears and upcoming tenancy end dates are monitored.

At the period end, the Company was owed £0.01 from Simon Heawood for Share capital not yet paid.