

BROOKMAKER (GP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
Registered Number: 06615141



BROOKMAKER (GP) LIMITED
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BROOKMAKER (GP) LIMITED

DIRECTORS, ADVISORS AND OTHER INFORMATION

DIRECTORS

P Mundell
M Parrott (resigned on 31 August 2018)
J Went
C Baigler (appointed on 23 October 2018)

ADMINISTRATOR

Langham Hall UK Services LLP
5th Floor
5 Old Bailey
London
EC4M 7BA

SECRETARY

Langham Hall UK Services LLP
5th Floor
5 Old Bailey
London
EC4M 7BA

BANKERS

Royal Bank of Scotland International
1 Princes Street
City of London Office
EC2R 8BP

Landesbank Hessen-Thüringen
95 Queen Victoria Street
London
EC4V 4HN

INDEPENDENT AUDITOR

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

PORTFOLIO MANAGER

Arax Properties Limited
Carrington House
126-130 Regent Street
London
W1B 5SE

COMPANY NO.

06615141

BROOKMAKER (GP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements of Brookmaker (GP) Limited (the "Company") for the year ended 31 December 2018.

Principal activities

The principal activity of the Company is to act as the General Partner of The Brookmaker Limited Partnership (the "Partnership") and as the immediate parent company to Brookmaker (Nominee) Limited. There has been no significant change in the nature or level of this activity during the year and the directors do not expect this to change significantly throughout the next financial year.

Results and dividends

The results for the year show a profit after tax of £29,551 (2017: loss of £15,094).

The directors do not recommend a payment of a dividend for the year ended 31 December 2018 (2017: £nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks relate to the carrying value of investments that the Company holds in the Partnership.

To manage this risk the Company periodically reviews the financial statements of the entities the Company has interests in.

The Portfolio Manager and the directors meet to consider the asset allocation of the portfolio in order to maximise the investment return for the Company while minimising the risk associated with particular industry sectors whilst continuing to follow the investment objective.

Future outlook

The General Partner has approved a development project in the Partnership which will be funded from free cash flow. Subject to planning approval, the intention is that the development project will be undertaken throughout the year to 31 December 2019.

Employees

The Company had no employees during the year (2017: none).

Strategic report

The directors have taken advantage of the exemption under section 414B(b) of the Companies Act 2006 from preparing a Strategic Report.

Appointment of auditor

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

BROOKMAKER (GP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

Portfolio Managers

Arax Properties Limited were re-appointed as portfolio manager.

Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or putting the Company into liquidation.

The Partnership has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these Financial Statements.

Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Directors of the company

The directors of the Company during the year and subsequently are stated on page 1.

None of the directors had any disclosable interests in the Company during the year ended 31 December 2018 (2017: none).

Post balance sheet events

No significant events have occurred after 31 December 2018 to the date the directors approved the Financial Statements.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies' exemptions, provided by section 415A of Companies Act 2006.

On behalf of the Board on 26 March 2019



P Mundell
Director
Brookmaker (GP) Limited
Registered Number: 06615141
Registered Office: 5 Old Bailey, London, England, EC4M 7BA

BROOKMAKER (GP) LIMITED

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Company's financial statements in accordance with applicable law and regulations.

The Companies Act 2006 requires the Company to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under the Companies Act 2006, 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 year. 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 IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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, disclose with reasonable accuracy at any time the financial position of the Company, and to 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each director who is a director of the Company at the date of approval of this Annual Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board on 26 March 2019



P Mundell
Director
Brookmaker (GP) Limited
Registered Number: 06615141
Registered Office: 5 Old Bailey, London, England, EC4M 7BA

BROOKMAKER (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BROOKMAKER (GP) LIMITED

Opinion

We have audited the financial statements of Brookmaker (GP) Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows 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 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 31 December 2018 and of its profit for the year 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.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as issued by the IASB.

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.

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.

BROOKMAKER (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BROOKMAKER (GP) LIMITED (continued)

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 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.

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 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of responsibilities of the directors set out on page 4, 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.

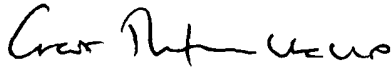
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BROOKMAKER (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BROOKMAKER (GP) LIMITED

Use of our report

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.



Philip Westerman
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

26/03 2019

BROOKMAKER (GP) LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2018**

		31 December 2018	31 December 2017
	Notes	£	£
Gross operating income			
Distribution received		690	3,260
Other income	5	30,482	-
Net revenue		31,172	3,260
Administration fees		-	(6,216)
Taxation fees		-	(6,500)
Audit fees		-	(4,120)
Bank charges		(15)	(668)
Professional fees		-	(850)
Operating profit	5	31,157	(15,094)
Corporation tax	6	(1,606)	-
Total comprehensive income for the year		29,551	(15,094)

All operations are continuing for the financial year.

The notes on pages 12 to 20 form part of these financial statements.

BROOKMAKER (GP) LIMITED**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

		31 December 2018	31 December 2017
	Notes	£	£
Non-current assets			
Investments	7	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
Current assets			
Trade and other receivables	8	32,013	3,058
Cash and cash equivalents		3,764	13,435
		<u>35,777</u>	<u>16,493</u>
Current liabilities			
Trade and other payables	9	(12,988)	(23,255)
		<u>(12,988)</u>	<u>(23,255)</u>
Net current assets / (liabilities)		22,789	(6,762)
Total assets less current liabilities		23,789	(5,762)
Net assets / (liabilities)		23,789	(5,762)
Equity and reserves			
Called up share capital	10	2,200	2,200
Retained earnings	11	21,589	(7,962)
Total shareholders' funds		23,789	(5,762)

The financial statements on pages 12 to 20 were approved by the director and authorised for issue on 26 March 2019.

They were signed on its behalf by:



P Mundell
Director
Brookmaker (GP) Limited
Registered Number: 06615141

BROOKMAKER (GP) LIMITED**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018**

	Share Capital	Retained earnings	Total shareholders' funds
	£	£	£
Balance as at 1 January 2017	2,200	7,132	9,332
Total comprehensive loss for the year	-	(15,094)	(15,094)
Balance as at 31 December 2017	2,200	(7,962)	(5,762)
Balance as at 1 January 2018	2,200	(7,962)	(5,762)
Total comprehensive income for the year	-	29,551	29,551
Balance as at 31 December 2018	2,200	21,589	23,789

The notes on pages 12 to 20 form part of these financial statements.

BROOKMAKER (GP) LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31 December 2018 £	31 December 2017 £
Operating activities			
Profit / (loss) on operating activity before tax		31,157	(15,094)
Tax charge		-	-
Working capital adjustments:			
Decrease in trade and other payables	9	(11,873)	(3,506)
Increase in trade and other receivables	8	(28,955)	(2,188)
Net cash outflow from operating activities		(9,671)	(20,788)
 Net decrease in cash and cash equivalents		(9,671)	(20,788)
Cash and cash equivalents at the start of the year		13,435	34,223
Cash and cash equivalents at the end of the year		3,764	13,435

BROOKMAKER (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. BASIS OF PREPARATION

a) Basis of preparation of financial statements

The financial statements of Brookmaker (GP) Limited (the "Company") have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the European Union and issued by the International Accounting Standards Board (IASB). The financial statements are also prepared in accordance with the Companies Act 2006 as applicable to entities reporting under IFRS (and as required by the amended and restated Limited Partnership Agreement), and are prepared under the historical cost convention.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements are prepared on the going concern basis, in accordance with IFRS, under the historical cost convention and in accordance with the Companies Act 2006. The Company's principal accounting policies have been applied consistently during the year and are set out below.

The Brookmaker Limited Partnership (the "Partnership") has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these Financial Statements.

b) Adoption of new and revised standards

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements.

IFRS 9 Financial Instruments

IFRS 9 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income (without recycling). There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

Classification and measurement

The Company has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively. Based on that assessment:

- All financial assets previously held at amortised cost continue to be measured at amortised cost.
- Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments continue to be measured at amortised cost under IFRS 9.

The classification of financial liabilities under IFRS 9 remains broadly the same as under IAS 39. The main impact on measurement from the classification of liabilities under IFRS 9 relates to the element of gains or losses for financial liabilities designated at fair value through profit or loss attributable to changes in credit risk. IFRS 9 requires that such element be recognised in other comprehensive income (OCI), unless this treatment creates or enlarges an accounting mismatch in profit or loss, in which case, all gains and losses on that liability (including the effects of changes in credit risk) should be presented in profit or loss. The Company has not designated any financial liabilities at fair value through profit or loss. Therefore, this requirement has not had an impact on the Company.

BROOKMAKER (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

1. BASIS OF PREPARATION (continued)

b) Adoption of new and revised standards (continued)

Impairment

IFRS 9 requires the Company to record expected credit losses (ECLs) on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. Given the limited exposure of the Company to credit risk, this amendment has not had a material impact on the financial statements.

Impact of adoption of IFRS 9

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 January 2018. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at 1 January 2018:

Financial assets

1 January 2018	IAS 39 Classification	IAS 39 measurement	IFRS 9 Classification	IFRS 9 measurement
Trade and other receivables	Loans and receivables	1,330	Amortised cost	1,330
Cash and cash equivalents	Loans and receivables	13,435	Amortised cost	13,435

Financial liabilities

1 January 2018	IAS 39 Classification	IAS 39 measurement	IFRS 9 Classification	IFRS 9 measurement
Trade and other payables	Other financial liabilities	16,636	Amortised cost	16,636

In line with the characteristics of the Company's financial instruments as well as its approach to their management, the Company neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories. All financial assets that were classified as loans and receivables and measured at amortised cost continue to be.

IFRS 9 has not had any significant impact on the Company's classification or measurement of financial instruments.

2. ACCOUNTING POLICIES

a) Fixed asset investments

Fixed asset investments in subsidiaries and associates are stated at cost plus incidental expenses less where appropriate provisions for impairment. The Company elected to adopt the cost model for holding its fixed assets as permitted under IFRS. The fair value of the assets as at the date of acquisition has been adopted as the deemed cost of the assets on transfer, as permitted under IFRS.

b) Impairment of fixed assets

At each Statement of Financial Position date, the Company reviews the carrying amounts of the fixed asset investments to determine whether there is any need for impairment in accordance with IFRS. Any impairment is recognised in the Statement of Comprehensive Income in the year in which it occurs.

BROOKMAKER (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. ACCOUNTING POLICIES (continued)

c) Investment income

Income received from investments is the cash distribution of the Company's share of the profits in its fixed asset investments. Investment income has been accounted for on an accrual basis.

d) Trade and other receivables

Trade and other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Other receivables include amounts owed by group entities.

e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash in hand and at bank and short term deposits with an original maturity of three months or less.

f) Trade and other payables

Trade and other payables are recognised and carried at fair value. Where the time value of money is material, payables are subsequently carried at amortised cost. Generally this results in their recognition at their nominal value.

g) Financial instruments

In the current period, the Company has adopted IFRS 9 Financial Instruments. A detailed explanation of the impact is provided in section 'Adoption of new and revised Standards'. There was no impact which required restatement of the comparative figures for the year ended 31 December 2017.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

(i) Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost on the basis of both:

- The Company's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

BROOKMAKER (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash and cash equivalents and other receivables.

(a) Trade and other receivables:

A provision for impairment is established when there is objective evidence that the Company will not be able to recover all amounts due from the debtor. The carrying amount of the asset is reduced by the amount provided and the loss is recognised in the Statement of Comprehensive Income. When a trade receivable is uncollectable, it is written off against the provision held against trade receivables in the statement of financial position.

(b) Cash and cash equivalents:

Cash and cash equivalents are subsequently measured at amortised cost. Cash and cash equivalents include cash held within the Company's bank account.

Impairment of financial assets

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade and other receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised (i.e., removed from the statement of financial position) where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- a) Transferred substantially all of the risks and rewards of the asset; or
- b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

BROOKMAKER (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

(ii) Financial liabilities

Financial liabilities measured at amortised cost

The Company includes in this category interest bearing loans and borrowings and trade and other payables.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(a) Trade and other payables:

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. Where the time value of money is material, payables are discounted to present value.

h) Current taxation

The amount included in the Statement of Comprehensive Income is based on the profit on ordinary activities before taxation and is calculated at current local tax rates, taking into account timing differences and the likelihood of realisation of deferred tax assets and liabilities. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position sheet date.

i) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

3. KEY JUDGEMENTS AND ESTIMATES

In the opinion of the directors there are no key judgements or estimates applied in the preparation of the financial statements.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

There is no market risk attached to the Company as the Willowbrook Shopping Centre is held as an investment property within The Brookmaker Limited Partnership.

b) Credit risk

Credit risk is the risk that counterparty will be unable to meet a commitment that it has entered into with the Company. Any commitments entered into with the Company will be with other group entities, therefore there is no credit risk attached to the Company.

BROOKMAKER (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in realising assets or other raising funds to meet financial commitments.

The Company's liquidity risk is managed by the financial support provided by The Brookmaker Limited Partnership in order to meet the working capital requirements of the business.

d) Capital management

The Brookmaker Limited Partnership manages its capital on behalf of the group entities to ensure that the Company will be able to continue as a going concern.

The Brookmaker Limited Partnership monitors and adjusts its capital structure with a view to promoting the long term success of the business and maintaining sustainable returns for the partners. This is achieved by a combination of controlling solvency, minimising financing costs, managing risk, and a rigorous appraisal framework and maintaining high standards of business conduct. The key financial measures that are subject to review include cash flow projections and the ability to meet capital commitments, projected gearing levels and interest covenants although absolute targets are not set for these. The current maximum permitted LTV ratio (based on the original valuation of the property) under the Landesbank Hessen-Thüringen facility documents is 75% of the property value per the facility agreement and this is monitored internally at all times and by provision of quarterly reports to the facility provider.

The Portfolio Manager and the Directors meet regularly to consider the asset allocation of the portfolio in order to maximise the investment return for the Partnership while minimising the risk associated with particular industry sectors whilst continuing to follow the investment objective.

The nature and extent of the financial instruments outstanding at the statement of financial position date and the risk management policies employed by the Partnership are detailed within this note.

5. OPERATING PROFIT

The Company earned other income of £30,482 during the year (2017: £nil). This relates to the recharge of Company expenditure for the current year and prior years that the Partnership should have incurred and covered. The corresponding amount is included within Amounts owed from The Brookmaker Limited Partnership in Note 8.

Distribution received from The Brookmaker Limited Partnership in the year amounted to £690 (2017: £3,260). The directors received no emoluments for their services to the Company (2017: £nil). The Company had no employees during the year (2017: none). The auditor's remuneration in respect of audit services in the year amounted to £4,300 (2017: £4,120). The Partnership covers for the Company's audit fees and is therefore reflected in the Partnership's Statement of Comprehensive Income.

BROOKMAKER (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

6. CORPORATION TAX

Factors that have affected the tax charge

The standard rate of Corporation Tax for companies is 19% (2017: 19.25%)

	31 December 2018 £	31 December 2017 £
Current tax:		
UK Corporation tax on profit for the year	1,606	-
Adjustments in respect of prior periods	-	-
Total current tax	1,606	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Effect of tax rate change on opening balance	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	1,606	-

The tax assessed for the year is lower than 2018 (2017: lower than) the standard rate of corporation tax for companies in the UK of 19% (2017: 19.25%). The differences are explained below:

	31 December 2018 £	31 December 2017 £
Profit / (loss) on ordinary activities before tax	31,157	(15,094)
Profit / (loss) on ordinary activities multiplied by companies rate in the UK 19% (2017: 20%)	5,920	(2,905)
Effects of:		
Non-taxable dividends	(131)	(627)
Adjustments to tax charge in respect of previous periods	(487)	-
Deferred tax not recognised	(4,139)	2,869
Taxable share of Partnership income	443	663
Current tax charge for the financial year	1,606	-

BROOKMAKER (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018 (continued)****7. INVESTMENTS**

	£
Cost	
At 1 January 2018	3,000
At 31 December 2018	<u>3,000</u>
Provision for impairment	
At 1 January 2018	(2,000)
At 31 December 2018	<u>(2,000)</u>
Net book value	
At 31 December 2017	<u>1,000</u>
At 31 December 2018	<u>1,000</u>

The directors believe that the carrying value of the investments is supported by the underlying net assets of Brookmaker (Nominee) Limited as it holds the legal title and the economic rights to all the investment property leased by The Brookmaker Limited Partnership. Details of the subsidiary undertakings at the year end are as follows:

Subsidiary undertakings	Country of incorporation	% Ordinary 'A' Shares held	Nature of business
Brookmaker (Nominee) Limited	United Kingdom	100%	Nominee company

Details of the principal associates at the year end are as follows:

Investments in associated companies	Country of incorporation	% Interest held	Nature of business
The Brookmaker Limited Partnership	United Kingdom	0.1%	Property investment

8. TRADE AND OTHER RECEIVABLES

	31 December 2018 £	31 December 2017 £
VAT	3,223	1,728
Distributions receivable from The Brookmaker Limited Partnership	640	700
Amounts owed from The Brookmaker Limited Partnership	28,150	630
	<u>32,013</u>	<u>3,058</u>

BROOKMAKER (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

9. TRADE AND OTHER PAYABLES

	31 December 2018	31 December 2017
	£	£
Trade payables	-	4,017
Corporation tax	1,606	-
Amounts owed to Brookmaker (Nominee) Limited	11,382	12,619
Accruals	-	6,619
	12,988	23,255

10. CALLED UP SHARE CAPITAL

	31 December 2018	31 December 2017
	£	£
Authorised, allotted, called up and fully paid: 1,100 (2015: 1,100) Ordinary 'A' shares of £1 each	1,100	1,100
Authorised, allotted, called up and fully paid: 1,100 (2015: 1,100) Ordinary 'B' shares of £1 each	1,100	1,100
	2,200	2,200

'A' shares and 'B' shares each constitute a separate class of shares. Both classes of shares have the same rights and rank *pari passu* in all respects.

11. RETAINED EARNINGS RESERVE

The retained earnings reserve relates to all accumulated historical profits and losses.

12. ULTIMATE CONTROLLING PARTY

The immediate parent was Willowbrook Centre Bristol Limited throughout the year. There is no ultimate controlling party for the Company.

13. RELATED PARTY TRANSACTIONS

During the year the Company received distributions from The Brookmaker Limited Partnership totalling £690 (2017: £3,260). An unpaid amount of £28,150 (2017: £630) was shown within trade and other receivables at the year end. A distribution receivable from The Brookmaker Limited Partnership at the year end amounted to £640 (2017: £700).

At the year end, the amount due to Brookmaker (Nominee) Limited was £11,382 (2017: £12,619).