Company Registration No. 8658635

Brookfield Financial Real Estate (London) Limited

Directors' report and financial statements

For the period from the date of establishment on 21 August 2013 to 31 December 2014

Contents

Directors' report

The directors present their report and the audited financial statements of Brookfield Financial Real Estate (London) Limited (the "Company") for the period ended 31 December 2014. The directors' report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006.

Principal activities

The principal activity of the Company during the period was to provide real estate brokerage services.

Business review

Brookfield Financial Real Estate (London) Limited was incorporated on 21 August 2013. The Company's business is to provide real estate brokerage services and the Company will continue to provide these services where the opportunity arises.

The results for the company are set out on page 5. The directors do not recommend the payment of a dividend.

Directors

Set out below are the directors who held office during the period and up to the date of this report, except as noted:

P Ward	appointed 21st August 2013
H Hauss	appointed 21st August 2013
V Joly	appointed 21st August 2013, resigned 14th July 2014
W Osborne	appointed 21st August 2013, resigned 14th July 2014
M Rhydderch	appointed 7th January 2014, resigned 21st April 2015

None of the directors who held office at the end of the year and up to the date of this report held any discloseable interest in group undertakings as recorded in the register of directors' interests.

Going concern

During the period, the Company was dependent for its working capital on funds provided to it by other members of the Brookfield Asset Management Inc. group. As discussed in note 3, a fellow group company has committed to support the forecast costs of the Company for at least 12 months from the date of approval of these financial statements.

As a consequence, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themself 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.

Approved by the board and signed on its behalf by:

P Ward
Director

99 Bishopsgate
London
EC2M 3XD

15 May 2015

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 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 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.

Independent auditor's report to the members of Brookfield Financial Real Estate (London) Limited

We have audited the financial statements of Brookfield Financial Real Estate (London) Limited for the period ended 31 December 2014, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and the related notes 1 to 14. 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.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 annual 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 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the shareholders of Brookfield Financial Real Estate (London) Limited *(continued)*

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 preparing a Strategic Report or in preparing the Directors' Report.

Mark Goodey

Mark Goodey (Senior Statutory Auditor)
for and on behalf of Deloitte LLP,
Chartered Accountants and Statutory Auditor
London, United Kingdom
15 May 2015

Statement of comprehensive income
For the period ended 31 December 2014

	Notes	**Period from 21 August 2013 to 31 December 2014 £**
Revenue		1,551,174
Administrative expenses		(1,649,468)
Operating Loss	5	**(98,294)**
Interest income		43
Loss before taxation		**(98,251)**
Taxation	7	-
Total comprehensive loss for the period		**(98,251)**

All results relate to continuing operations.

There were no items of other comprehensive income other than loss for the current period and consequently no separate statement of other comprehensive income is presented.

The statement of comprehensive income should be read in conjunction with the Notes to the financial statements on pages 9 to 15.

Statement of financial position
As at 31 December 2014

	Notes	**31 December 2014 £**
Current assets		
Trade and other receivables	*8*	450,549
Cash at bank and in hand		207,511
Total current assets		**658,060**
Current liabilities		
Trade and other payables	*9*	(756,310)
Total current liabilities		**(756,310)**
Net current liabilities		**(98,250)**
Net liabilities		**(98,250)**
Equity		
Called up share capital	*12*	1
Accumulated losses	*13*	(98,251)
Total equity		**(98,250)**

The statement of financial position should be read in conjunction with the Notes to the financial statements on pages 9 to 15.

These financial statements of Brookfield Financial Real Estate (London) Limited, registered number 8658635, were approved and authorised for issue by the board of directors on 15 May 2015 and were signed on its behalf by:

P Ward
Director

Statement of changes in equity
For the period ended 31 December 2014

	Share capital	Accumulated losses	Total
	£	£	£
At incorporation	1	-	1
Total comprehensive loss for the period	-	(98,251)	(98,251)
As at 31 December 2014	**1**	**(98,251)**	**(98,250)**

The statement of changes in equity should be read in conjunction with the Notes to the financial statements on pages 9 to 15.

Cash flow statement

For the period ended 31 December 2014

	Period ended 31 December 2014 £
Cash flows from operating activities	
Operating loss for the period	(98,294)
Adjustments for:	
Interest receivable	43
Operating cash flows before changes in working capital	**(98,251)**
Increase in receivables	(90,668)
Increase in payables	321,310
Net cash from operating activities	**132,391**
Financing activities	
Net proceeds from related party loans	75,119
Proceeds from issue of share capital	1
Net cash from financing activities	**75,120**
Net increase in cash and cash equivalents	**207,511**
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**207,511**

Notes to the financial statements

1. General information

Brookfield Financial Real Estate (London) Limited ("the Company") provides real estate brokerage services. The Company is a limited liability company incorporated in England and Wales and domiciled in the United Kingdom. The address of its registered office is 99 Bishopsgate, London, EC2M 3XD.

2. Adoption of new and revised standards

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
Annual Improvements to IFRSs	2010 - 2012 Cycle
Annual Improvements to IFRSs	2011 - 2013 Cycle
IAS 19 (amended)	Defined Benefit Plans: Employee Contributions
IFRS 11 (amended)	Accounting for Acquisitions of Interests in Joint Operations
IAS 16 and IAS 38 (amended)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 16 and IAS 41 (amended)	Agriculture: Bearer Plants

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the company in future periods, except as follows:

- IFRS 9 may impact both the measurement and disclosure of Financial Instruments;

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed. The directors have chosen not to early adopt any of the above standards and interpretations.

3. Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation
The balance sheet has been prepared under the historical cost accounting convention and in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Notes to the financial statements *(continued)*

3. Significant accounting policies *(continued)*

Going concern

After making enquiries and considering the uncertainties derived from the current economic climate the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In addition, a fellow group company has committed to support the forecast costs of the Company for at least 12 months from the date of approval of the financial statements. For this reason the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract to the extent of service activity and performance during the period.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided for amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 balance sheet 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 periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Notes to the financial statements *(continued)*

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet 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 of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Notes to the financial statements *(continued)*

4. Critical accounting estimates and judgements

The preparation of the financial report in conformity with the International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. However, management do not consider there to be any critical estimates and judgements pertinent to the preparation of these financial statements.

5. Operating loss

	Period from 21 August 2013 to 31 December 2014
Operating loss is stated after charging:	**£**
Fees payable to the auditor and its associates in respect of :	
- Audit of these financial statements	6,250
- Staff costs (Note 6)	1,317,847

6. Staff numbers and costs

The average number of persons employed by the Company during the period was 4. The remuneration of the directors during the period was borne by fellow group companies.

The aggregate payroll costs of these persons were as follows:

	Period from 21 August 2013 to 31 December 2014
	£
Wages and salaries	1,121,976
Social security costs	44,795
Other pension costs	151,076
	1,317,847

7. Taxation

	Period from 21 August 2013 to 31 December 2014
	£
Current tax expense	
Current period	-
Total tax expense in profit and loss	-

Notes to the financial statements *(continued)*

7. Taxation *(continued)*

Reconciliation of effective tax rate

	31 Dec 2014
	£
Loss before tax	(98,251)
Tax at the UK corporation tax rate of 21.94%	(21,556)
Imputed interest	944
Tax losses not recognised	20,612
Total tax expense in profit and loss	-

The company has tax losses of £96,698 carried forward as at 31 December 2014. No deferred tax asset is recognised in respect of these losses as the utilisation of these losses is uncertain. These tax losses carry forward indefinitely and have no expiry period.

There was a decrease in the UK tax corporation tax rate to 21% in April 2014. Further rate reductions have been enacted to reduce the main rate of corporation tax to 20% from 1 April 2015.

8. Trade and other receivables

	31 December 2014
	£
Trade receivables	90,000
Amounts owed by related parties	359,881
Prepayments and accrued income	668
	450,549

The carrying amount of these assets approximates to their fair value. Loans receivable from related parties are unsecured, non-interest bearing and repayable on demand.

All sales invoices are payable on demand. There is no allowance recognised for doubtful debts at the period end date as all amounts are considered to be recoverable.

Age of receivables that are past due but not impaired:

	31 December 2014
	£
0-30 days	90,000

9. Trade and other payables

	31 December 2014
	£
Amounts owed to related parties	435,000
Accrued expenditure	309,517
Other creditors	11,793
	756,310

Notes to the financial statements *(continued)*

9. Trade and other payables *(continued)*

The carrying amount of these liabilities approximates to their fair value. Loans payable to related parties are unsecured, non-interest bearing and repayable on demand.

10. Related party transactions

Transactions

During the period, the Company entered into the following transactions with related parties:

Related Party	Relationship	Nature of transaction	Value of transaction Period to 31 December 2014 £
Brookfield Europe Corporate Services Limited	Fellow group company	Recharge of cost	(920,553)
Brookfield Private Advisors LP	Fellow group company	Secondment fee	(324,240)
Brookfield Private Advisors LP	Fellow group company	Recharge of cost	71,294

At year end, the Company had the following payables to and receivables from related parties:

Related Party	Relationship	Amounts owed by/(to) related parties 31 December 2014 £
Brookfield Europe Holding Limited	Parent	1
Brookfield Private Advisors LP	Fellow group company	359,880
Brookfield Europe Corporate Services Limited	Fellow group company	(435,000)

11. Financial instruments

Categories of financial instruments

The following table summarises the fair values of the financial assets and liabilities recorded in the Company's financial statements.

	Current 31 December 2014 £
Financial assets	
Cash	207,511
Trade and other receivables	449,881
	657,392
Financial liabilities	
Trade and other payables	(756,310)
	(756,310)

Notes to the financial statements *(continued)*

11. Financial instruments *(continued)*

Capital risk management
The capital structure of the company is managed by Brookfield Asset Management Inc. Group Treasury. Brookfield Asset Management Inc. manages its capital to ensure that entities in the Group will be able to continue as a going concern.

Externally imposed capital requirement
The Company is not subject to externally imposed capital requirements.

Financial risk management objectives
The Company is ultimately controlled by the Brookfield Asset Management Inc. Group. The Group seeks to minimise the effects of floating interest rate risk by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on interest rate risk and the use of financial derivatives. Compliance with policies is reviewed by the internal auditor on a quarterly basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk
The Company is not directly exposed to foreign exchange movements.

Credit risk management
Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the Company. The Company only transacts with entities that are rated the equivalent to investment grade and above. This information is supplied by independent rating agencies where available and if not available the Company uses other publicly available financial information and its own trading records to assess its major customers.

12. Called up share capital

	31 December 2014
	£
Authorised	
1 ordinary share of £1	1
Allotted, called up and fully paid:	
1 ordinary share of £1	1

13. Accumulated losses

	31 December 2014
	£
As at incorporation	-
Comprehensive loss for the period	(98,251)
As at 31 December 2014	**(98,251)**

14. Ultimate parent undertaking and parent undertaking of larger group of which the company is a member

At the balance sheet date the immediate parent company was Brookfield Europe Holding Limited. The ultimate parent and ultimate controlling party is Brookfield Asset Management Inc., a company incorporated in Canada.

The largest and smallest group in which the results of the company are consolidated is that headed by Brookfield Asset Management Inc, incorporated in Canada. The consolidated financial statements of Brookfield Asset Management Inc are available to the public and may be obtained from Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3.