

**Brookfield Strategic Real Estate
Partners III Limited**

Directors' report and financial
statements

Registered number 11097856
For the year ended 31 December 2019



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Directors' report

The Directors present their report and the financial statements of Brookfield Strategic Real Estate Partners III Limited (the "Company") for the year ended 31 December 2019. 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 Company has not traded since the date of establishment on 5 December 2017.

Business review

Brookfield Strategic Real Estate Partners III Limited was incorporated on 5 December 2017. The Company was dormant from the date of incorporation to the end of the period on 31 December 2019.

Directors

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

B Hyler	
K McCrain	(resigned 11 th May 2020)
Z Vaughan	
R Meller	
V Theaker	(resigned 4 th October 2019)
B Annable	
J Lee	(appointed 17 th December 2019)

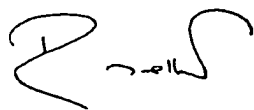
None of the Directors who held office at the end of the period and up to the date of this report held any disclosable interest in group undertakings as recorded in the register of directors' interests.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

Approved by the board and signed on its behalf by:



R Meller
Director

Level 25, 1 Canada Square
London
E14 5AA
29th September 2020

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.

Statement of financial position
 As at 31 December 2019

	Notes	31 December 2019 £	31 December 2018 £
Current assets			
Trade and other receivables	5	1	1
Total current assets		<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Equity			
Called up share capital	8	1	1
Total equity		<u>1</u>	<u>1</u>


The Company received no income and incurred no expense in the year. Accordingly a statement of comprehensive income is not presented.

- a) For the year ended 31 December 2019 the Company was entitled to exemption from audit under section 480(1) of the Companies Act 2006 relating to dormant companies.
- b) The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The Directors acknowledge their responsibility for:
 - a. Ensuring the Company keeps accounting records which comply with section 386; and
 - b. Preparing accounts in accordance with section 394, which give a true and fair view of the statement of affairs of the Company as at the end of the financial period, and of its profit or loss for the financial period, in accordance with the requirements of section 396, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company.

The statement of financial position should be read in conjunction with the notes to the financial statements on pages 5 to 8.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

These financial statements of Brookfield Strategic Real Estate Partners III Limited, registered number 11097856, were approved and authorised for issue by the board of directors on 29th September 2020 and were signed on its behalf by:



R Meller
 Director

Statement of changes in equity
For the period ended 31 December 2018

	Share capital £	Retained earnings £	Total £
As at 1 January 2018	1	-	1
	<hr/>	<hr/>	<hr/>
As at 31 December 2018	1	-	1
	<hr/>	<hr/>	<hr/>
As at 1 January 2019	1	-	1
	<hr/>	<hr/>	<hr/>
As at 31 December 2019	1	-	1
	<hr/>	<hr/>	<hr/>

The statement of changes in equity should be read in conjunction with the notes to the financial statements on pages 5 to 8.

Notes to the financial statements

1. General information

Brookfield Strategic Real Estate Partners III Limited ("the Company") is a private company limited by shares, incorporated in England and Wales and domiciled in the United Kingdom. The address of its registered office is Level 25, 1 Canada Square, London, E14 5AA.

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):

		Effective for periods beginning on or after
IAS 1 and IAS 8 (amendments)	Amendments to the definition of material	1 January 2020
IFRS 3 (amendments)	Amendments to the definition of a business	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021 [*]
Conceptual Framework	Amendments to references to the conceptual framework in IFRS standards.	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	1 January 2020
IAS 1 and IAS 8 (amendments)	Amendments to the definition of material [*subject to EU endorsement]	1 January 2020

The Directors do not expect that the adoption of the other Standards listed above will have a material impact on the financial statements of the Company aside from additional disclosures.

On 1 January 2019, the new standard IFRS 16 Leases (as issued by the IASB in January 2016) came into effect. The standard replaces the existing guidance on leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Therefore, IFRS 16 does not have an impact for leases where the Company is the lessor.

Impact of application of IFRS 16

The Company has performed an assessment of IFRS 16 and concluded that there is no impact of application of IFRS 16 as the Company is not party to any lease agreements.

The Company has applied the following amendments for the first time during the annual reporting period presented in these financial statements:

- Amendments to IFRS 9, Prepayment Features with Negative Compensation, did not have a material impact on the company because the company does not have any prepayment features within any financial instruments held.
- Amendments to IAS 19, Plan amendment, curtailment or settlement, did not have a material impact on the company because company does not operate Defined Benefit Schemes
- IFRIC 23 Uncertainty over Income Tax Treatments. The adoption of this standard did not have any impact to the financial statements of the company as there are no instances of uncertainty regarding the measurement of tax assets and liabilities.
- Annual Improvements to IFRS Standards 2015-2017 Cycle. The annual improvements did not have any impact to the financial statements of the company as the clarifications made to IFRS 3 Business Combinations, IFRS 11 Joints Arrangements, IAS 12 Income Taxes and IAS 23 Borrowings Costs, are consistent with the financial reporting within the company.

Notes to the financial statements (*continued*)

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 statement of financial position 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.

Going concern

The Directors have prepared the financial statements on a going concern basis as this is a dormant company.

Financial instruments – accounting policy applied from 1 January 2018

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.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'at fair value through other comprehensive income' (FVTOCI), or 'amortised cost'. The classification depends on whether contractual cash flows are considered to represent solely payments of principal and interest and the business model of the Company and is determined at the time of initial recognition.

Amortised cost

All assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) and that are not designated at FVPL, are measured at amortised cost. This is the case for the Company's amounts owed by related parties.

Impairment of financial assets

For financial assets held at amortised cost, IFRS 9 requires the Company's financial assets to be subject to a forward-looking expected credit loss model.

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.

Cash flow statement

The company has no cash balances or bank account, therefore no statement of cash flow has been prepared.

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.

Notes to the financial statements *(continued)*

5. Trade and other receivables

	31 December 2019	31 December 2018
	£	£
Amounts owed by related parties	1	1
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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.

6. Related party transactions

At the of the period, the Company had the following receivables from related parties:

Related Party	Relationship	Amounts owed by related parties 31 December 2019 £	Amounts owed by related parties 31 December 2018 £
Brookfield Property Group Limited	Parent	1	1

7. 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 2019 £	Current 31 December 2018 £
Financial assets		
Trade and other receivables	1	1
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Notes to the financial statements *(continued)*

7. 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.

8. Called up share capital

	31 December 2019 £	31 December 2018 £
<i>Issued</i>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

9. 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 is Brookfield Property Group Limited. The ultimate parent and ultimate controlling party is Brookfield Asset Management Inc., a company incorporated in Canada.

The smallest and largest 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.