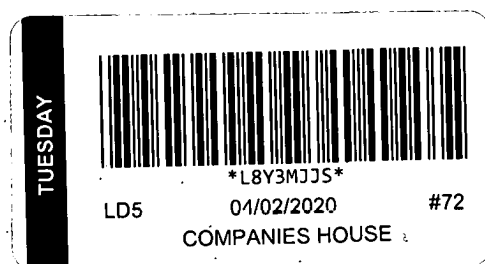


Registered number: 06278422

STRANDBROOK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2019



STRANDBROOK LIMITED

COMPANY INFORMATION

Directors	Henning Conle Johanna Conle
Company secretary	Crestbridge UK Limited
Registered number	06278422
Registered office	8 Sackville Street London W1S 3DG
Independent auditors	Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road London NW11 0PU
Accountants	Crestbridge (UK) Limited 8 Sackville Street London W1S 3DG

STRANDBROOK LIMITED

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STRANDBROOK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 5 APRIL 2019

Introduction

The directors present the strategic report and financial statements for the year ended 5 April 2019.

Business review

During the year ending 5 April 2019 the company generated profit after tax (current and deferred) of £16,277,924 and net assets of £280,717,735.

Throughout the year the company continued to manage the property investment, focusing on the long term capital appreciation of the property and maximising rental income.

The freehold property was valued by an external qualified independent valuer as at 30 September 2018 on the basis of the ascribed value of £691,600,000. The directors used this valuation and current prices in the market to carry out a valuation as at 5 April 2019. The directors believe there has been no material change in the fair value of the property during the year.

Principal risks and uncertainties


The company has a material financial relationship with Cartina 80 Establishment (formerly known as Cartina 80 AG), the ultimate controlling company, in the form of a secured loan of £415,000,000 against the investment property which is due to be repaid on 22 October 2023. The value of the property is determined by market forces which are outside the company's control. This poses a risk in relation to the loan to value covenants on the company's loans.

It is the view of the Directors that there are no material uncertainties at 5 April 2019.

Financial key performance Indicators

Given the nature of the business, the company's directors are of the opinion that the KPIs for the performance and position of the business are profit after tax and net assets. Profit for the year and closing net assets are noted above.

This report was approved by the board and signed on its behalf.



.....
Johanna Conle
Director

Date: 4 February 2020

STRANDBROOK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 5 APRIL 2019

The directors present their report and the financial statements for the year ended 5 April 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 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.

Principal activity

The company's principal activity during the year was property investment. The property investments are held for long term capital appreciation.

Results and dividends

The profit for the year, after taxation, amounted to £16,277,924 (2018: £11,503,730).

A interim ordinary dividend was paid in the year of £7,000,000 (2018: £4,500,000). The directors have recommended payment of a final dividend of £5,000,000 (2018: £7,000,000).

Directors

The directors who served during the year were:

Henning Conle
Johanna Conle

STRANDBROOK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2019**

Principal risks and uncertainties

The key risks for the Company are market risk, liquidity risk and credit risk.

Market risk

Market risk includes other price risk. The Company has leased the majority of the investment properties on a long term basis and is therefore not exposed in the short-term to material fluctuations relating to properties and property rental risks. Various rent reviews will occur over the period of the leases which could create fluctuations; however, all future rent reviews are upward only.

The fair value of the property is partially determined by market forces which are outside of the Company's control. This risk is managed by ongoing proactive asset management.

Credit and liquidity risk

Credit risk and liquidity risk are mitigated by monitoring the Company's forecasted cash flows and reviewing the credit quality of the Company's tenants.

Future developments

The directors will continue to manage the property investments actively with the aim of maximising rental income and long term capital appreciation.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

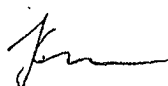
Post balance sheet events

There were no post balance sheet events.

Auditors

The auditors, Cohen Arnold, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Johanna Conle
Director

Date: 4 February 2020

STRANDBROOK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRANDBROOK LIMITED

Opinion

We have audited the financial statements of Strandbrook Limited (the 'Company') for the year ended 5 April 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 5 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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

STRANDBROOK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRANDBROOK LIMITED (CONTINUED)

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.

Opinion 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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.

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

As explained more fully in the Directors' Responsibilities Statement on page 2, 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.

STRANDBROOK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRANDBROOK LIMITED (CONTINUED)

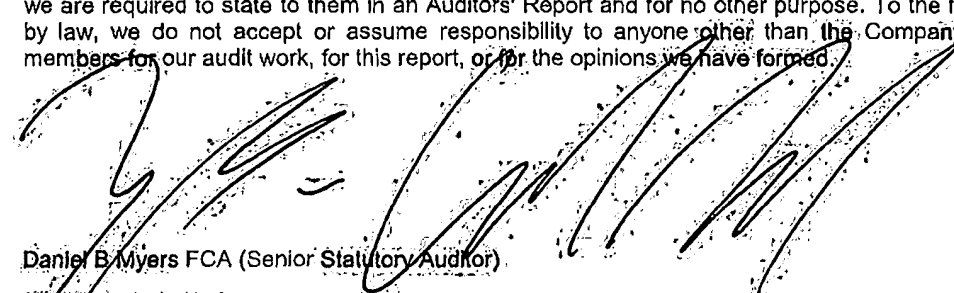
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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 Auditors' Report.

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Daniel B. Myers FCA (Senior Statutory Auditor)

for and on behalf of
Cohen Arnold

Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

4 February 2020

STRANDBROOK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 5 APRIL 2019**

	Note	2019 £	2018 £
Turnover	4	32,167,564	31,543,371
Cost of sales		(241,760)	(707,215)
Gross profit		<u>31,925,804</u>	<u>30,836,156</u>
Administrative expenses		(1,289,241)	(123,252)
Other operating income	5	137,000	45,462
Changes in fair value of investment property		6,600,000	-
Operating profit		<u>37,373,563</u>	<u>30,758,366</u>
Interest receivable and similar income	9	255,900	(14,422)
Interest payable and expenses	10	(16,453,550)	(18,696,415)
Profit before tax		<u>21,175,913</u>	<u>12,047,529</u>
Tax on profit	11	(4,897,989)	(543,799)
Profit for the financial year		<u><u>16,277,924</u></u>	<u><u>11,503,730</u></u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u><u>16,277,924</u></u>	<u><u>11,503,730</u></u>

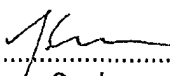
The notes on pages 12 to 27 form part of these financial statements.

STRANDBROOK LIMITED
REGISTERED NUMBER: 06278422

STATEMENT OF FINANCIAL POSITION
AS AT 5 APRIL 2019

	Note	2019 £	2018 £
Fixed assets			
Investment property	13	691,600,000	685,000,000
		<u>691,600,000</u>	<u>685,000,000</u>
Current assets			
Debtors: amounts falling due within one year	14	18,018,331	24,174,622
Cash at bank and in hand	16	19,201,750	7,858,434
		<u>37,220,081</u>	<u>32,033,056</u>
Creditors: amounts falling due within one year	17	(15,370,134)	420,047,481)
Net current assets/(liabilities)		<u>21,849,947</u>	<u>388,014,425)</u>
Total assets less current liabilities		<u>713,449,947</u>	<u>296,985,575</u>
Loans		406,205,191)	-
Provisions for liabilities			
Deferred tax	21	(26,527,021)	(25,545,764)
		<u>(26,527,021)</u>	<u>(25,545,764)</u>
Net assets		<u><u>280,717,735</u></u>	<u><u>271,439,811</u></u>
Capital and reserves			
Called up share capital	22	93,182,196	93,182,196
Non-distributable reserve	24	162,856,562	156,256,562
Profit and loss account	24	24,678,977	22,001,053
		<u>280,717,735</u>	<u>271,439,811</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Johanna Conle
 Director

Date: 4 February 2020

The notes on pages 12 to 27 form part of these financial statements.

STRANDBROOK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2019**

	Called up share capital	Non- distributable reserve	Profit and loss account	Total equity
	£	£	£	£
At 6 April 2018	93,182,196	156,256,562	22,001,053	271,439,811
Comprehensive income for the year				
Profit for the year	-	-	16,277,924	16,277,924
Surplus on revaluation of freehold property	-	6,600,000	(6,600,000)	-
Other comprehensive income for the year	-	6,600,000	(6,600,000)	-
Total comprehensive income for the year	-	6,600,000	9,677,924	16,277,924
Dividends: Equity capital	-	-	(7,000,000)	(7,000,000)
Total transactions with owners	-	-	(7,000,000)	(7,000,000)
At 5 April 2019	93,182,196	162,856,562	24,678,977	280,717,735

The notes on pages 12 to 27 form part of these financial statements.

STRANDBROOK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2018**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	93,182,196	156,256,562	14,997,323	264,436,081
Comprehensive income for the year				
Profit for the year	-	-	11,503,730	11,503,730
Deferred tax movements	-	-	-	-
Tax relating to current year other comprehensive income	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive Income for the year	-	-	11,503,730	11,503,730
Dividends: Equity capital	-	-	(4,500,000)	(4,500,000)
Total transactions with owners	-	-	(4,500,000)	(4,500,000)
At 5 April 2018	93,182,196	156,256,562	22,001,053	271,439,811

The notes on pages 12 to 27 form part of these financial statements.

STRANDBROOK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	16,277,924	11,503,730
Adjustments for:		
Interest paid	16,415,242	18,696,415
Interest received	(766,228)	14,422
Taxation charge	4,897,989	543,799
Decrease in debtors	5,684,269	6,294,235
Increase/(decrease) in creditors	1,161,827	(4,810,891)
Net fair value (gains)/losses recognised in P&L	(6,600,000)	-
Corporation tax (paid)	(3,078,693)	(3,927,468)
Net cash generated from operating activities	<u>33,992,330</u>	<u>28,314,242</u>
Cash flows from investing activities		
Interest received	766,228	(14,422)
Acquisition of financial derivative	38,308	(3,252,056)
Net cash from investing activities	<u>804,536</u>	<u>(3,266,478)</u>
Cash flows from financing activities		
Dividends paid	(7,000,000)	(4,500,000)
Interest paid	(16,453,550)	(18,696,415)
Net cash used in financing activities	<u>(23,453,550)</u>	<u>(23,196,415)</u>
Net increase in cash and cash equivalents	<u>11,343,316</u>	<u>1,851,349</u>
Cash and cash equivalents at beginning of year	7,858,434	6,007,085
Cash and cash equivalents at the end of year	<u><u>19,201,750</u></u>	<u><u>7,858,434</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	19,201,750	7,858,434
	<u><u>19,201,750</u></u>	<u><u>7,858,434</u></u>

The notes on pages 12 to 27 form part of these financial statements.

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

1. General information

Strandbrook Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 Sackville Street, London, W1S 3DG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared in sterling which is the functional currency of the company. Monetary amounts in the financial statements have been rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Revenue recognition

Turnover is the amount derived from rental income from the Company's UK investment property, stated net after value added tax.

2.4 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

The property was valued internally by the directors as at 5 April 2019. In arriving at their valuation, the directors utilised a valuation at 30 September 2018, received from an independent RICS registered external valuer, Cushman and Wakefield LLP.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

2. Accounting policies (continued)

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

2. Accounting policies (continued)

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.11 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 06 April 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

2. Accounting policies (continued)

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

2. Accounting policies (continued)

2.17 Leases assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, as lease bases on the substance of the arrangements.

(i) Operating leases assets

Leases that do not transfer all the risks and rewards if ownership are classified as operating leases. Payments under operating leases are charges to the income statement on a straight-line basis over the period of the lease.

(ii) Lease incentives

Incentives received to enter into an operating leases are debited to the income statement, to reduce the leases income, on a straight-line basis over the period of the lease.

The Company has taken advantage of the exemption in respect of leases incentives on leases in existence on the date of transition to FRS 102 (1 January 2013) and continues to debit such lease incentives to the income statement over the period to the first review date on which the rent is adjusted to market rates.

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future years where the revision affects both current and future years. The items in the financial statements where these judgments and estimates have been made include:

Operating lease commitments

The Company has entered into commercial property leases as a lessor on its investment property portfolio. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of that arrangements, whether it retains the significant risk and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Revaluation of investment properties

The Company carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The property was valued internally by the directors as at 5 April 2019. In arriving at their valuation, the directors utilised a valuation at 30 September 2018, received from an independent RICS registered external valuer, Cushman and Wakefield LLP. The revaluation figures are based on fair value assessed in accordance with the RICS Valuation - Professional Standards (2014).

Valuation technique

The value of the property was determined using an income capitalisation approach which also takes into account open market transactions and recent sales of relevant comparable properties. The valuation was undertaken on Fair Value and Market Rent bases. The Fair Value as defined by the International Accounting Standards Board ("IASB") in IFRS is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The term Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Rental income	32,167,564	31,543,371
	<u>32,167,564</u>	<u>31,543,371</u>

	2019 £	2018 £
United Kingdom	32,167,564	31,543,371
	<u>32,167,564</u>	<u>31,543,371</u>

5. Other operating income

	2019 £	2018 £
Fees receivable	137,000	45,462
	<u>137,000</u>	<u>45,462</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	19,650	9,650
	<u>19,650</u>	<u>9,650</u>

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	181,028	40,557
Social security costs	21,019	4,729
Cost of defined contribution scheme	3,498	176
	<u>205,545</u>	<u>45,462</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Employees	<u>3</u>	<u>2</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	8,000	-
	<u>8,000</u>	<u>-</u>

9. Interest receivable

	2019 £	2018 £
Realised Gain/(loss) on derivative	132,354	(101,365)
Unrealised Gain/(loss) on derivative	(510,328)	(104,881)
Other interest receivable	633,874	191,824
	<u>255,900</u>	<u>(14,422)</u>

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

10. Interest payable and similar expenses

	2019 £	2018 £
Other loan interest payable	16,453,550	18,696,415
	<u>16,453,550</u>	<u>18,696,415</u>

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	3,916,731	3,570,007
	<u>3,916,731</u>	<u>3,570,007</u>
Total current tax	<u>3,916,731</u>	<u>3,570,007</u>
Deferred tax		
Origination and reversal of timing differences	981,258	(3,026,208)
Total deferred tax	<u>981,258</u>	<u>(3,026,208)</u>
Taxation on profit on ordinary activities	<u>4,897,989</u>	<u>543,799</u>

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Profit on ordinary activities before tax	21,175,913	12,047,529
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	4,023,423	2,289,031
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	15,902	31,748
Capital allowances for year in excess of depreciation	(1,157,038)	-
Interest Income	(120,436)	-
Adjustments to tax charge in respect of prior periods	-	(385,218)
Capital allowances	(133,704)	(163,054)
Interest restriction	1,288,584	1,797,500
Deferred tax originating and reversal of timing differences	981,258	(3,026,208)
Total tax charge for the year	4,897,989	543,799

12. Dividends

	2019 £	2018 £
Interim dividend paid	7,000,000	4,500,000
	7,000,000	4,500,000

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

13. Investment property

	Freehold investment property £
Valuation	
At 6 April 2018	685,000,000
Surplus on revaluation	6,600,000
At 5 April 2019	691,600,000

The 2019 valuations were made by the directors, on an open market value for existing use basis.

The property was valued internally by the directors as at 5 April 2019 on an open market value for existing use basis. In arriving at their valuation, the directors utilised a valuation at 30 September 2018, received from an independent RICS registered external valuer, Cushman and Wakefield LLP.

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

14. Debtors

	2019 £	2018 £
Trade debtors	3,843	5,726
Other debtors	28,695	166,895
Prepayments and accrued income	45,462	45,462
Amounts recoverable on long term contracts	1,861,205	15,779
Amounts due from managing agents	2,699,726	10,089,338
Current asset investments	13,379,400	13,851,422
	18,018,331	24,174,622

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

15. Current Asset Investment

	2019 £	2018 £
Market value B/fwd at 06.04.2018	13,851,422	10,599,365
Disposal	(14,440,000)	(10,860,442)
Additions	14,345,952	14,318,745
Realised gain on disposal	132,354	(101,365)
Change in market value	(510,328)	(104,881)
Market value C/fwd at 05.04.2019	13,379,400	13,851,422

16. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	19,201,750	7,858,434
	19,201,750	7,858,434

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	-	406,205,191
Corporation tax	1,720,693	882,655
Other taxation and social security	2,592,746	909,216
Other creditors	1,648,315	2,107,583
Accruals and deferred income	9,408,380	9,942,836
	15,370,134	420,047,481

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

18. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	406,205,191	-
	<u>406,205,191</u>	<u>-</u>

On the 22 October 2018 the Company renegotiated its loan with Cartina 80 Establishments. The shareholder loan is for £415,000,000 of which £8,794,809 is undrawn. The loan is secured with a first charge against the Company's freehold investment property with interest payable at a fixed rate of 3.55% of the outstanding loan balance and is repayable in full on the 21st October 2023.

19. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Other loans	-	406,205,191
	<u>-</u>	<u>406,205,191</u>
Amounts falling due after more than 5 years		
Other loans	406,205,191	-
	<u>406,205,191</u>	<u>-</u>
	<u>406,205,191</u>	<u>406,205,191</u>

STRANDBROOK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

20. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	26,432,164	21,709,856
Financial assets that are debt instruments measured at amortised cost	10,737,311	10,272,012
	<u>37,169,475</u>	<u>31,981,868</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(409,546,957)</u>	<u>(412,034,649)</u>

Financial assets measured at fair value through profit or loss comprise of corporate bonds. These financial instruments are measured at fair value through the profit and loss and are held-to-maturity. Due to the nature of the investments they are subject to interest rate risk, credit risk and market risk.

Financial assets that are debt instruments measured at amortised cost comprise trade receivables, other receivables and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, trade payables and other payables

21. Deferred taxation

	2019 £
Movement in the year:	
At beginning of year	(25,545,763)
Charged to profit or loss	(981,258)
At end of year	<u>(26,527,021)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(641,155)	(781,898)
Revaluations	(25,885,866)	(24,763,866)
	<u>(26,527,021)</u>	<u>(25,545,764)</u>

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

22. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
93,182,196 (2018: - 93,182,196) Ordinary share capital shares of £1.00 each	93,182,196	93,182,196

23. Operating lease commitments

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2019 £	2018 £
Within one year	32,711,317	31,538,865
Between 1-5 years	99,671,124	48,008,785
Over 5 years	345,546,363	8,729,333
	<u>477,928,804</u>	<u>88,276,983</u>

24. Reserves

Revaluation reserve

Non-distributable reserve includes all current and prior period unrealised investment property revaluations.

Profit and loss account

Retained earnings includes all current and prior period realised retained profits and losses.

25. Pension commitments

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

26. Related party transactions

During the year, interest was paid to the Ultimate Controlling company, Cartina 80 Establishment, formerly known as Cartina 80 AG, in the sum of £16,453,550 (2018: £18,696,415). At the end of the year an amount of £1,034,470 (2018: £3,277,456) was owed to Cartina 80 Establishment by the Company, this amount related to accrued interest.

STRANDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

27. Post balance sheet events

There are no post balance sheet events.

28. Controlling party

The Company's immediate holding is VII Strand B Sarl, a company incorporated in Luxembourg.

The Company's ultimate controlling Company is Cartina 80 Establishment, formerly known as Cartina 80 AG, a company incorporated under laws of Liechtenstein.

The ultimate controlling party is Cartina Stiftung.