



Bricklane London REIT PLC

(Incorporated in England and Wales under the Companies Act with registered number 10759361)

Share Issuance Programme for up to 200 million Shares

Admission to the official list of The International Stock Exchange

July 2019



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which constitutes a prospectus relating to Bricklane London REIT PLC (the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 84 of FSMA (the "**Prospectus Rules**"), has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules (the "**Prospectus**"). The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at www.bricklane.com/plc/london. The Prospectus also constitutes a listing document for the purposes of seeking further admissions of the Shares issued pursuant to the Share Issuance Programme to the official list (the "**TISE Official List**") of The International Stock Exchange ("**TISE**").

Application has been made to the Listing and Membership Committee of The International Stock Exchange Authority Ltd (the "**Authority**") for all of the Shares issued and to be issued to be admitted to listing and to trading on TISE Official List of TISE ("**Admission**"). The Shares are not dealt in on any other recognised investment exchanges and no applications for the Shares to be traded on such other exchanges have been made or are currently expected.

The Prospectus includes particulars given in compliance with the Authority's listing rules governing the listing of securities on TISE (the "**TISE Listing Rules**") for the purpose of giving information with regard to the Company. The Company and the Directors, whose names appear on page 38 of the Prospectus, accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The attention of prospective investors is drawn, in particular, to the Risk Factors set out on pages 18 to 31 of the Prospectus.



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Alternative Investment Fund Manager

Gallium Fund Solutions Limited

TISE Sponsor

Carey Olsen Corporate Finance Limited

Investment Adviser

Bricklane Investment Services Ltd

The Prospectus will be issued in the United Kingdom for the purposes of FSMA by the AIFM, which is authorised and regulated by the FCA.

Neither the further admission of the Shares to TISE Official List nor the approval of the Prospectus pursuant to TISE Listing Rules shall constitute a warranty or representation by the Authority as to the competence of the service providers to, or any other party connected with, the Company, the adequacy and accuracy of the information contained in the Prospectus or the suitability of the Company for investment or for any other purpose. TISE has been recognised by HMRC under Section 841 of the Income and Corporation Tax Act 1988.

The Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM or the Investment Adviser. The offer and sale of Shares have not been and will not be registered under the applicable securities laws of the United States, Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Shares may not be offered or sold within the United States, Australia, Canada, South Africa or Japan or to any national, resident or citizen of the United States, Australia, Canada, South Africa or Japan.

Neither the U.S. Securities and Exchange Commission (the "**SEC**") nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Copies of the Prospectus will be available on the Company's website (<https://www.bricklane.com/plc/london>) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm.

Dated: 17 July 2019

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A—E (A.1—E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

Element	Disclosure Requirement	Disclosure
A.1.	Warning	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2.	Subsequent resale or final placement of securities through financial intermediaries	Not applicable. No consent has been given by the Company or any person responsible for drawing up the Prospectus to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.

Section B – Issuer

Element	Disclosure Requirement	Disclosure
B.1.	Legal and commercial name	Bricklane London REIT PLC (the " Company ")
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 8 May 2017 with registered number 10759361 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.
B.5.	Group description	The Company has a subsidiary and is part of a group. The Company's wholly owned subsidiary is Bricklane London Acquisitions Ltd, a limited company incorporated in England and Wales.
B.6.	Major shareholders	<p>As at the date of the Prospectus, insofar as is known to the Company, there are no parties who have a notifiable interest under English law in the Company's capital or voting rights.</p> <p>All Shareholders have the same voting rights in respect of the share capital of the Company.</p>

Element	Disclosure Requirement	Disclosure																																																																
		As at the date of the Prospectus, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally exercises or could exercise control over the Company.																																																																
B.7.	Financial information	<p>The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from: (A) the audited financial statements of the Group for the periods from (i) the Company's incorporation (being 8 May 2017) to 30 June 2017 and (ii) 1 July 2017 to 30 June 2018; and (B) the unaudited interim financial statements for the half year periods from: (i) 1 July 2017 to 31 December 2017; and (ii) 1 July 2018 to 31 December 2018:</p> <p>Group Statement of Financial Position</p> <table><tr><th>Assets and Liabilities</th><th>As at 30 June 2018 (audited) (£)</th><th>As at 30 June 2017 (audited) (£)</th><th>As at 31 Dec 2018 (unaudited) (£)</th><th>As at 31 Dec 2017 (unaudited) (£)</th></tr><tr><td>Investment property</td><td>2,801,524</td><td>-</td><td>3,687,597</td><td>1,242,184</td></tr><tr><td>Property, plant and equipment</td><td>12,568</td><td>-</td><td>18,479</td><td>10,513</td></tr><tr><td>Receivables</td><td>79,317</td><td>0.01</td><td>24,876</td><td>106,349</td></tr><tr><td>Cash and cash equivalents</td><td>163,370</td><td>-</td><td>325,211</td><td>164,878</td></tr><tr><td>Payables</td><td>(9,539)</td><td>-</td><td>(15,891)</td><td>(9,409)</td></tr><tr><td>Net assets</td><td>3,047,240</td><td>0.01</td><td>4,040,272</td><td>1,514,515</td></tr><tr><td>Net assets per share (£)</td><td>1.0428</td><td>0.01</td><td>1.0549</td><td>1.0191</td></tr></table> <p>Group and Company Statement of Comprehensive Income</p> <table><tr><th></th><th>Period from 1 July 2017 to 30 June 2018 (audited) (£)</th><th>Period from 1 Jul 2018 to 31 Dec 2018 (unaudited) (£)</th><th>Period from 1 Jul 2017 to 31 Dec 2017 (unaudited) (£)</th></tr><tr><td>Rental income</td><td>51,255</td><td>69,364</td><td>12,798</td></tr><tr><td>Property management fees & letting costs</td><td>(3,719)</td><td>(5,158)</td><td>(855)</td></tr><tr><td>Service charges & ground rent</td><td>(2,234)</td><td>(3,975)</td><td>(162)</td></tr><tr><td>Repairs & maintenance costs</td><td>(3,632)</td><td>(8,057)</td><td>(1,175)</td></tr><tr><td>Depreciation</td><td>(1,604)</td><td>(1,588)</td><td>(387)</td></tr></table>	Assets and Liabilities	As at 30 June 2018 (audited) (£)	As at 30 June 2017 (audited) (£)	As at 31 Dec 2018 (unaudited) (£)	As at 31 Dec 2017 (unaudited) (£)	Investment property	2,801,524	-	3,687,597	1,242,184	Property, plant and equipment	12,568	-	18,479	10,513	Receivables	79,317	0.01	24,876	106,349	Cash and cash equivalents	163,370	-	325,211	164,878	Payables	(9,539)	-	(15,891)	(9,409)	Net assets	3,047,240	0.01	4,040,272	1,514,515	Net assets per share (£)	1.0428	0.01	1.0549	1.0191		Period from 1 July 2017 to 30 June 2018 (audited) (£)	Period from 1 Jul 2018 to 31 Dec 2018 (unaudited) (£)	Period from 1 Jul 2017 to 31 Dec 2017 (unaudited) (£)	Rental income	51,255	69,364	12,798	Property management fees & letting costs	(3,719)	(5,158)	(855)	Service charges & ground rent	(2,234)	(3,975)	(162)	Repairs & maintenance costs	(3,632)	(8,057)	(1,175)	Depreciation	(1,604)	(1,588)	(387)
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Element	Disclosure Requirement	Disclosure			
		Other expenses	(5,274)	(2,072)	(3,812)
		Unrealised capital gains	95,204	17,000	45,204
		Property acquisition costs	(172,215)	(55,311)	(74,243)
		Bank charges	(166)	(110)	(50)
		Bricklane.com management fee	(9,476)	(16,110)	-
		Interest Payable	(434)	-	-
		Taxation	(1,026)	-	(1,026)
		Profit/(loss) and total comprehensive income for the period	(53,321)	(6,017)	(23,708)
		<i>Analysed as:</i>			
		Rental Profit	34,792	48,514	6,407
		Unrealised Capital Gains	95,204	17,000	45,204
		Bricklane.com Management Fee	(9,476)	(16,110)	-
		Bank Charges	(166)	(110)	(50)
		Interest Payable	(434)	-	-
		Adjusted profit to Shareholders	120,086	49,294	51,561
		Property Acquisition Costs during the Period	(172,215)	(55,311)	(74,243)
		Profit/(loss) before taxation	(52,295)	(6,017)	(22,682)
		Save as disclosed below, there has been no significant change in the financial condition or operating results of the Group, during the period covered by the historical key financial information and since 31 December 2018, being the date to which the Group's latest financial information was published. The significant changes comprise:			
		Dividends			
		<ul style="list-style-type: none">the Company declared and paid a first interim dividend of 1.5 pence per Share in May 2019.			

Element	Disclosure Requirement	Disclosure
		<p>Share Issuances</p> <ul style="list-style-type: none"> during the financial year ended 30 June 2018, the Company issued 2,922,192 Shares pursuant to the 2017 Share Issuance Programme which raised gross proceeds of £3.1 million; during the half year financial period ended 31 December 2018, the Company issued 907,782 Shares pursuant to either the 2017 Share Issuance Programme or the 2018 Share Issuance Programme which raised gross proceeds of £1 million; since 31 December 2018, the Company has issued 775,177 Shares pursuant to the 2018 Share Issuance Programme which raised gross proceeds of £0.85 million for the period; <p>Acquisitions</p> <ul style="list-style-type: none"> during the financial year ended 30 June 2018, the Group completed six acquisitions at an aggregate acquisition cost of £2.7 million; during the half year financial period ended 31 December 2018, the Group completed two acquisitions at an aggregate acquisition cost of £868,000; the Company acquired an asset at Greenview Close, London on 10 April 2019 for an acquisition price of £515,000.
B.8.	Key pro forma financial information	Not applicable. No pro forma financial information is contained in the Prospectus.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate is included in the Prospectus.
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audit report on the historical financial information contained in the Prospectus is not qualified.
B.11.	Qualified working capital	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of the Prospectus.
B.34.	Investment policy	<p>Investment objective</p> <p>The investment objective of the Company is to provide Shareholders with regular and sustainable long term dividends coupled with the potential for capital appreciation over the medium to long term.</p> <p>Investment policy</p> <p>The Company intends to meet its investment objective by purchasing and then letting, to the extent not already let, a portfolio of residential properties in key locations within London (and areas commutable to London), where the Directors believe the income and value potential is greatest.</p> <p>Consistent with its investment objective, it will aim to identify properties which are expected to achieve rental yields and long-term house price growth at an average or above average level for the region. In researching properties and the associated risk, the Investment Adviser will consider factors such as location, property type, demand indicators, and physical and environmental factors.</p>

Element	Disclosure Requirement	Disclosure
		<p>The Company will acquire both houses and flats, which will be both new build and existing properties. Where appropriate, discounts will be sought on purchases that mitigate or eliminate the transactional costs of investment or provide an element of additional performance.</p> <p>The Company will maintain a let Investment Portfolio, but it will not aim to reflect the London housing market at large, including geographic mix. The Company will specifically avoid exposure to prime property and rural areas. Attention will also be given to maintaining appropriate diversification and a prudent spread of risk at all times. Initially the Company intends to focus investment in London, and this may extend to areas commutable to London in the future.</p> <p>Properties will generally be let on an assured shorthold tenancy (“AST”) basis. Where opportunities arise and fit with the Company’s investment objective, units may be let on a ‘part sale, part rent’ basis, or let to specialist operators for use as serviced apartments, or units obtained from residential developers on a sale and leaseback basis. Properties subject to non-AST leases will be managed to ensure that the Company is not unduly exposed to counterparty or liquidity risk.</p> <p>The Company may invest in land or buildings for the purposes of development and sale and/or letting subject to the below investment restrictions. Before purchasing any property for development, the Company, the AIFM and the Investment Adviser will take all reasonable steps to ensure the provenance, reliability and financial stability of third parties issuing the purchase contract. Any deposit monies payable under development contracts will be held in escrow and only released to the third party on phased completion of the development or works.</p> <p>The Company will maintain the ability to invest in property related securities, including shares in other REITs, units in authorised property unit trusts, participation in property partnerships and/or property limited partnerships, units in regulated collective investment schemes, and other transferable securities.</p> <p>Investment restrictions</p> <p>The Company will, once Fully Invested, observe the following investment restrictions:</p> <ul style="list-style-type: none"> • the value of no single asset at the time of investment will represent more than 20 per cent. of the Gross Asset Value of the Investment Portfolio; • at least 50 per cent. of the Gross Asset Value of the Investment Portfolio will be invested in directly held properties; • no more than 15 per cent. of the Gross Asset Value of the Investment Portfolio may at any time consist of property that is under development. For these purposes, “development” excludes refurbishment work and includes forward funding development and forward commitments; • no more than 20 per cent. of the Gross Asset Value of the Investment Portfolio may consist of property where income in respect of such portion of the Investment Portfolio is dependent on the successful completion of structural refurbishment work; and • no more than 15 per cent. of the Gross Asset Value shall be invested in any one collective investment undertaking.

Element	Disclosure Requirement	Disclosure
		<p>The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will not, at any time, conduct any trading activity which is significant in the context of the business of the Company as a whole.</p> <p>The Directors currently intend to conduct the affairs of the Group so as to enable it to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).</p> <p>In the event of a breach of the investment policy and investment restrictions set out above, the Directors upon becoming aware of such breach will consider whether the breach is material, and if it is, notification will be made via a TISE announcement.</p> <p>Any material change will only be made to the investment policy and investment restrictions in accordance with TISE Listing Rules.</p> <p>In accordance with TISE Listing Rules the policy and investment restrictions as set out in the Prospectus may not change for a minimum period of three years from the date of the initial listing other than with the consent of a majority of Shareholders.</p>
B.35.	Borrowing limits	<p>The Company does not currently intend to utilise gearing to amplify returns. However, the Group may use gearing in order to generate short term cash flows.</p> <p>If, in the future, the Group does decide to introduce gearing it will look to maintain a conservative level of gearing and would intend to limit the Group borrowings to a maximum of 40 per cent. of the Group's gross assets at the relevant time.</p> <p>As at the date of the Prospectus, insofar as the Company is aware, there are no restrictions applicable to the Company on the use of its capital resources save that it must comply with its investment policy.</p> <p>Until the Company is Fully Invested and pending re-investment or distribution of cash receipts, cash received by the Company will be invested in cash, cash equivalents, near cash instruments, money market instruments and money market funds and cash funds.</p> <p>The Company does not intend to enter into any derivative contracts for hedging or any other purpose.</p>
B.36.	Regulatory status	<p>The Company is not regulated or authorised by the FCA. However, the Company is subject to TISE Listing Rules.</p> <p>The Company, as the principal company of the Group, has given notice to HMRC (in accordance with Section 523 CTA 2010) that the Group is a REIT and needs to comply with certain on-going regulations and conditions (including minimum distribution requirements).</p> <p>As a REIT, the Shares are "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments.</p>
B.37.	Typical investor	<p>A typical investor in the Company is an individual or institution who is seeking capital growth and income from investing in a diversified portfolio of residential properties in London (and areas commutable to London) and who understands and accepts the risks inherent in the investment policy. Investors</p>

Element	Disclosure Requirement	Disclosure
		may wish to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.
B.38.	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. The Company will not invest 20 per cent. of gross assets or more in a single underlying issuer or investment company.
B.39.	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. The Company will not invest 40 per cent. or more of gross assets in another collective investment undertaking.
B.40.	Applicant's service providers	<p>The AIFM</p> <p>The Company has appointed Gallium Fund Solutions Limited as the Company's external AIFM. The AIFM is responsible for the Company's risk and portfolio management. Under the terms of the AIFM Agreement, the fees payable to the AIFM are paid by the Investment Adviser as further described below.</p> <p>Investment Adviser</p> <p>The AIFM and the Company have appointed Bricklane Investment Services Ltd as Investment Adviser to the Company with responsibility for advice in accordance with the Company's investment objectives and policy, subject to the overall supervision and control of the AIFM and the Directors.</p> <p>Under the terms of the Investment Advisory Agreement the Investment Adviser is entitled to receive from the Company an Annual Management Charge based on a percentage of the Net Asset Value of the Company. The current Annual Management Charge is 0.85 per cent. per annum of the Net Asset Value of the Company (exclusive of VAT). This Annual Management Charge includes the fees and expenses payable to the AIFM, TISE Sponsor, the Depositary and the Auditor which are paid by the Investment Adviser.</p> <p>TISE Sponsor</p> <p>Carey Olsen Corporate Finance Limited is appointed as TISE Sponsor to the Company. TISE Sponsor fees are paid by the Investment Adviser from its Annual Management Charge.</p> <p>Depositary</p> <p>Gallium P E Depositary Limited is appointed as depositary to the Company. The Depositary acts as the sole depositary of the Company and is, amongst other things, responsible for ensuring the Company's cash flows are properly monitored and the safe keeping of the assets of the Company.</p> <p>Under the terms of the Depositary Agreement, the Depositary's fees are paid by the Investment Adviser from its Annual Management Charge.</p> <p>Auditor</p> <p>Grant Thornton UK LLP has been appointed auditor of the Company. The</p>

Element	Disclosure Requirement	Disclosure
		<p>Auditor is entitled to an annual fee from the Company, which fee will be agreed with the Board each year in advance of the Auditor commencing audit work.</p> <p>Registrar</p> <p>Neville Registrars Limited has been appointed Registrar of the Company. Under the terms of its agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account per annum, subject to a minimum annual fee. The Registrar is also entitled to activity fees.</p> <p>Company Secretary</p> <p>Michael Young, a non-executive director of the Company, has been appointed as company secretary to the Company.</p>
B.41.	Regulatory status of Investment Adviser and custodian	<p>The AIFM</p> <p>The AIFM, Gallium Fund Solutions Limited, was incorporated in England and Wales with company registration number 06634506 on 1 July 2008 and operates under the Companies Act. The AIFM is authorised and regulated by the FCA as a full-scope AIFM with number 487176.</p> <p>Investment Adviser</p> <p>The Investment Adviser, Bricklane Investment Services Ltd, is a private company incorporated in England and Wales on 23 February 2016 with registered number 10021399. The Investment Adviser is not authorised by the FCA to carry on regulated activities. The Investment Adviser is an appointed representative of Gallium Fund Solutions Limited.</p> <p>The Company has not appointed a custodian.</p>
B.42.	Calculation of Net Asset Value	<p>The Net Asset Value (and Net Asset Value per Share) will be calculated on a monthly basis by the AIFM, who may undertake more frequent calculations at its discretion. Calculations will be made in accordance with IFRS. Details of each valuation, and of any suspension in the making of such valuations, will be announced by the Company via a TISE announcement, on the website of the Company and will be notified to and released via TISE as soon as practicable after the end of the relevant period. The valuations of the unaudited Net Asset Value (and Net Asset Value per Share) will be calculated on the basis of the most recent valuation of the Investment Portfolio. To the extent required by the AIFM Rules, the Net Asset Value of the Company will be calculated when there is an increase or decrease in the Company's capital.</p> <p>The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the AIFM) which prevents the AIFM from making such calculations. Details of any suspension in making such calculations will be announced via a TISE announcement as soon as practicable after any such suspension occurs.</p> <p>In the event that a suspension in the calculation of the Net Asset Value occurs, the listing of the Shares on TISE will be suspended for the duration of the period of such suspension and TISE will also look to suspend the Company until such a time that the Company can resume calculation of the Net Asset Value.</p>
B.43.	Cross liability	<p>Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.</p>

Element	Disclosure Requirement	Disclosure																																																												
B.44.	No financial statements have been made up	The Company has commenced operations and historical financial information is included in the Prospectus.																																																												
B.45.	Portfolio	<p>As at the date of the Prospectus, the Investment Portfolio consists of the following investments:</p> <table><tr><th>Address*</th><th>Date of acquisition</th><th>Number of bedrooms</th><th>Acquisition Price (£)</th><th>Net Rental Yield**</th><th>Estimated annual rental value (£)***</th></tr><tr><td>Ferndale Road, London, SW4</td><td>24 Jul 17</td><td>1</td><td>400,000</td><td>3.0%</td><td>18,240</td></tr><tr><td>Twyford Avenue, London, W3</td><td>25 Oct 17</td><td>1</td><td>367,500</td><td>3.2%</td><td>16,560</td></tr><tr><td>Cheshire Street, London, E2</td><td>29 Nov 17</td><td>1</td><td>420,000</td><td>3.5%</td><td>19,800</td></tr><tr><td>398 Seven Sisters Road, London, N4</td><td>1 Mar 18</td><td>3</td><td>540,000</td><td>3.3%</td><td>25,320</td></tr><tr><td>Dibdin House, Maida Vale, London, W9</td><td>30 Apr 18</td><td>2</td><td>445,000</td><td>3.2%</td><td>19,800</td></tr><tr><td>Dunoon House, London, N1</td><td>25 Jun 18</td><td>3</td><td>525,000</td><td>4.2%</td><td>28,800</td></tr><tr><td>Verebank, London, SW19</td><td>25 Sep 18</td><td>3</td><td>520,000</td><td>3.2%</td><td>22,800</td></tr><tr><td>Prince of Orange Court, London, SE16</td><td>2 Nov 18</td><td>1</td><td>348,000</td><td>3.3%</td><td>15,900</td></tr><tr><td>Greenview Close, London, W3</td><td>10 Apr 19</td><td>3</td><td>515,000</td><td>3.0%</td><td>19,500</td></tr></table> <p>The aggregate market value of the Investment Portfolio as at 30 June 2019 was £ 4,165,000.</p> <p>Notes: * all acquired as leasehold interests. ** calculated on a five year basis as net rental profit/market value of property, after an initial asset stabilisation period.</p>	Address*	Date of acquisition	Number of bedrooms	Acquisition Price (£)	Net Rental Yield**	Estimated annual rental value (£)***	Ferndale Road, London, SW4	24 Jul 17	1	400,000	3.0%	18,240	Twyford Avenue, London, W3	25 Oct 17	1	367,500	3.2%	16,560	Cheshire Street, London, E2	29 Nov 17	1	420,000	3.5%	19,800	398 Seven Sisters Road, London, N4	1 Mar 18	3	540,000	3.3%	25,320	Dibdin House, Maida Vale, London, W9	30 Apr 18	2	445,000	3.2%	19,800	Dunoon House, London, N1	25 Jun 18	3	525,000	4.2%	28,800	Verebank, London, SW19	25 Sep 18	3	520,000	3.2%	22,800	Prince of Orange Court, London, SE16	2 Nov 18	1	348,000	3.3%	15,900	Greenview Close, London, W3	10 Apr 19	3	515,000	3.0%	19,500
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Element	Disclosure Requirement	Disclosure
		*** the rental income currently being achieved or the estimated rental income if the property is vacant.
B.46.	Net Asset Value	<p>As at 7 July 2019, the unaudited Net Asset Value per Share was £1.0396.</p> <p>The Directors have the discretion to seek to manage, on an on-going basis, the premium or discount at which the Shares may trade to their Net Asset Value through further issues and buy-backs, as appropriate.</p> <p>The Directors are of the view that the best way to maintain share price and liquidity is to run a well-functioning REIT delivering strong returns to its Shareholders. However, from time to time, the Directors may opt for the Company to buy back its own Shares, if it is in the best interest of Shareholders, and the Company has sufficient resources. Specifically, this could take place in order to prevent Shares trading at large discounts against the Net Asset Value per Share.</p> <p>Any purchase of Shares by the Company will be in accordance with the Articles and TISE Listing Rules in force at the time. A special resolution has been passed granting the Directors authority to repurchase up to 30 million Shares. Such authority will expire on the earlier of the conclusion of the next annual general meeting of the Company and 30 June 2020.</p>

Section C – Securities

Element	Disclosure Requirement	Disclosure
C.1.	Type and class of securities	<p>The Company intends to issue up to 200 million Shares pursuant to the Share Issuance Programme.</p> <p>The ISIN (International Security Identification Number) of the Shares is GB00BF0P2J29 and the SEDOL code is BF0P2J2.</p>
C.2.	Currency	Sterling.
C.3.	Number of securities to be issued	<p>The Company may issue up to 200 million Shares pursuant to the Share Issuance Programme. The actual number of Shares to be issued pursuant to the Share Issuance Programme is not known as at the date of the Prospectus.</p> <p>As at the date of the Prospectus, the issued share capital of the Company was £46,051.52 divided into 4,605,152 Shares of £0.01 each.</p>
C.4.	Description of the rights attaching to the securities	<p>New Shares will rank equally with any existing Shares from Admission.</p> <p>Under the Articles each Share carries a right to a return of capital pro rata according to the nominal capital paid up on that Share.</p>
C.5.	Restrictions on the free transferability of the securities	<p>There are no restrictions on the free transferability of the Shares.</p> <p>The Company has appointed Ravenscroft to act as market maker in respect of the Shares. Ravenscroft will be responsible for corporate broking services consisting of making a market in the Company's securities on TISE Official List, acting in accordance with the obligations normally and ordinarily assumed by market makers and specifically as set out in rules 5.13 to 5.19 of</p>

Element	Disclosure Requirement	Disclosure
		Chapter 5 of TISE Membership Rules for and on behalf of the Company. However the Company is not able to guarantee that at any particular time Ravenscroft will be willing to make a market in the Shares, nor does it guarantee the price at which a market may be made in the Shares. Accordingly, the dealing price of the Shares may not reflect changes in the Net Asset Value. The Net Asset Value and the trading price of the Shares will be published via TISE's website http://www.tisegroup.com/ .
C.6.	Admission	Application has been made for all of the Shares issued and to be issued to be admitted to listing and to trading on TISE Official List.
C.7.	Dividend policy	<p>The Company intends to pay interim dividends on a quarterly basis. The payment of any dividends will be subject to market conditions and the level of the Company's net income.</p> <p>The first interim dividend of 1.5 pence per Share was declared and paid in May 2019 in respect of the period from incorporation to 31 December 2018.</p> <p>Under the Articles, the Company has the ability to offer each Shareholder the right to elect to receive further Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend (a scrip dividend).</p> <p>The Directors believe that the ability for Shareholders to elect to receive future dividends from the Company wholly or partly in the form of new Shares rather than cash is likely to benefit both the Company and certain Shareholders. The Company will benefit from the ability to retain cash which would otherwise be paid as dividends. To the extent that a scrip dividend alternative is offered in respect of any future dividend, Shareholders will be able to increase their Shareholdings. The decision whether to offer such a scrip dividend alternative in respect of any dividend will be made by the Directors at the time the relevant dividend is declared.</p> <p>In order to comply with and maintain REIT status, the Group will be required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits of the Property Rental Business for each accounting period, as adjusted for tax purposes.</p>

Section D – Risks

Element	Disclosure Requirement	Disclosure
D.1. D.2	Key information on the key risks that are specific to the Company or its industry	<p><i>The Company may not meet its investment objective</i></p> <p>Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.</p> <p><i>Conditions affecting the London property market</i></p> <p>The Company's performance will be affected by, amongst other things, general conditions affecting the London property market, as a whole or specific to the Company's investments including a decrease in capital values and weakening of rental yields.</p> <p><i>Concentration risk</i></p> <p>During the life of the Company, the Company's investments might become concentrated during the period after the sale of significant asset(s) until</p>

Element	Disclosure Requirement	Disclosure
		<p>redployment of such proceeds or for other reasons. While the Company will seek to maintain a prudent spread of risk, Shareholders have no assurance as to the degree of diversification in the Company's investments and property portfolio.</p> <p><i>Investor returns will be dependent upon the performance of the Investment Portfolio and the Company may experience fluctuations in its operating results</i></p> <p>Returns achieved are reliant primarily upon the performance of the Investment Portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in the Shares.</p> <p><i>The Group's performance will depend on occupancy rates, the rental income it produces and the duration of tenancies which may be affected by external factors outside the Company's control.</i></p> <p>The value of the Group's properties and the Group's turnover will be dependent on the rental rates that can be achieved from the properties that the Group owns. The ability of the Group to maintain or increase the rental rates for its properties generally may be adversely affected by general London economic conditions and/or the disposable income of tenants. Any failure to maintain or increase the rental rates for the Group's properties generally may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Shares and the Group's ability to meet interest and capital repayments on any debt facilities.</p> <p><i>The Company is dependent on the AIFM, the Investment Adviser and other third party suppliers</i></p> <p>The Company's ability to provide returns to Shareholders and achieve its investment objective is substantially dependent on the performance of the AIFM and the Investment Adviser for identifying, acquiring and disposing of investments. The AIFM and Investment Adviser will have significant discretion as to the implementation of the Company's investment policy and there can be no assurance that the AIFM or the Investment Adviser's investment selection will result in the Company meeting its investment objective. In addition, the Investment Advisor pays the fees for some of the Company's service providers that would otherwise be incurred by the Company. Failure by the AIFM and/or the Investment Adviser to identify and acquire properties; to pay the fees of service providers; and the loss of any key employee of the Investment Adviser could have a material adverse effect on the Company's financial results.</p> <p><i>Changes in laws, regulations and/or government policy may adversely affect the Group's business</i></p> <p>The Group and its operations are subject to laws and regulations enacted by central and local government and central government policy. Any change in the laws, regulations and/or central government policy affecting the Group (examples of which include a cap on rent increases, more onerous building, environmental and/or planning legislation, a limit on housing benefit caps, a limit on free movement of workers) may have a material adverse effect on the ability of the Group to successfully pursue its investment policy and meet its investment objective.</p> <p><i>Property valuation is inherently subjective and uncertain</i></p> <p>The valuation of the Investment Portfolio is inherently subjective, in part because all property valuations are made on the basis of assumptions that may not prove to be accurate, and, in part, because of the individual nature of each property. This is particularly so where there has been more limited transactional activity in the market against which the Group's property valuations can be benchmarked by the Group's independent third-party valuation agents. Valuations of the Group's investments may not reflect actual</p>

Element	Disclosure Requirement	Disclosure
		<p>sale prices or optimal purchase prices even where any such transactions occur shortly after the relevant valuation date.</p> <p>Availability of investment opportunities</p> <p>The availability of potential investments which meet the Company's investment objective will depend on the state of the economy and financial markets in London. The Company can offer no assurance that it will be able to identify and make investments that are consistent with its investment objective and investment policy or that it will be able to fully invest its available capital. The inability to find or agree terms of such investment opportunities could have a material adverse effect on the Company's financial position and results of operations.</p> <p>If the Company fails to maintain REIT status for UK tax purposes, its profits and gains will be subject to UK corporation tax</p> <p>Minor breaches of certain conditions within the REIT regime may only result in additional tax being payable or may not be penalised if remedied within a given period of time, provided that the regime is not breached more than a certain number of times. A serious breach of these regulations may lead to the Company ceasing to be a REIT. If the Company fails to meet certain of the statutory requirements to maintain its status as a REIT, it may be subject to UK corporation tax on its property rental income profits and any chargeable gains on the sale of some or all properties. This could reduce the reserves available to make distributions to Shareholders and the yield on the Shares. In addition, incurring a UK corporation tax liability might require the Company to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Company's REIT status is withdrawn altogether because of its failure to meet one or more of the REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred.</p>
D.3.	Key information on the key risks that are specific to the Shares	<p>The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share</p> <p>The Shares may trade at a discount to NAV per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and investment policy, an excess of supply over demand in the Shares, and to the extent investors undervalue the management activities of the AIFM and/or Investment Adviser or discount the valuation methodology and judgments made by the Company. While the Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.</p> <p>The value and/or market price of the Shares may go down as well as up</p> <p>Prospective investors should be aware that the value and/or market price of the Shares may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.</p> <p>An investment in the Shares may be illiquid</p> <p>Although, following Admission, the Shares are listed on TISE Official List there can be no assurance, and it is not expected, that an active secondary market in the Shares will develop. Accordingly, there may be no or very limited opportunity for a Shareholder to realise an investment in the Shares otherwise than by way of a privately negotiated sale.</p> <p>The Company intends to issue new equity in future issues, which may</p>

Element	Disclosure Requirement	Disclosure
		<p><i>dilute Shareholders' equity</i></p> <p>The Company intends to issue new equity in the future pursuant to further Share issuances. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of Shares in consideration for cash, such rights can be disapplied, and have been disapplied in relation to the maximum amount of Shares that may be issued pursuant to the Share Issuance Programme. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.</p> <p><i>Future sales of Shares could cause the share price to fall</i></p> <p>Sales of Shares by significant investors could depress the market price of the Shares. A substantial amount of Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Shares. Both scenarios may make it more difficult for Shareholders to sell the Shares at a time and price that they deem appropriate.</p>

Section E – Offer

Element	Disclosure Requirement	Disclosure
E.1.	Proceeds and Expenses	The maximum aggregate number of Shares that may be made available under the Share Issuance Programme is 200 million. The net proceeds of the Share Issuance Programme are dependent on the number and Issue Price of Shares issued pursuant to the Share Issuance Programme. All expenses in relation to the Share Issuance Programme will be paid by the Investment Adviser. On the assumption that the maximum number of Shares are subscribed for under the issue and gross proceeds of £200 million are raised pursuant to the issue, the resulting net proceeds of the issue will be £200 million (based on the fact that the Company will not pay any expenses in relation to the issue).
E.2.a.	Reason for offer and use of proceeds	The Share Issuance Programme is being created to enable the Company to raise capital on an on-going basis. The Share Issuance Programme is intended to satisfy market demand for the Shares and to raise further money for investment in accordance with the Company's investment policy.
E.3.	Terms and conditions of the offer	The Company will institute the Share Issuance Programme pursuant to which Shares will be made available to investors at the Issue Price calculated by reference to the Net Asset Value per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the initial investment of the amounts raised. Each issue of Shares will be conditional, <i>inter alia</i> , on Admission of the Shares.
E.4.	Material interests	Not applicable. No interest is material to the Share Issuance Programme.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Shares as part of the Share Issuance Programme.

Element	Disclosure Requirement	Disclosure
E.6.	Dilution	<p>The Company intends to issue new Shares pursuant to TISE's extended offer facility. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of Shares in consideration for cash, such rights can be disapplied, and have been disapplied in relation to the maximum amount of Shares that may be issued pursuant to the Share Issuance Programme. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing. As the statutory pre-emption rights have been disapplied, new investors subscribing for Shares under the Share Issuance Programme will participate in existing investments of the Issuer, diluting the interests of existing holders of Shares.</p> <p>In order to avoid having to provide a supplemental Prospectus, in the event of continuous subscriptions being received in excess of 10 per cent. of the issued Share Capital of the Company, Shareholders should be aware that should such an event occur for any particular subscription day, or over a period on a cumulative basis, a dilution of their shareholding may occur as a result of additional Shares being issued and listed over and above those referred to within this Prospectus. Continuous subscriptions are announced on TISE website under the listing details for the Company.</p> <p>If 200 million Shares are issued pursuant to the Share Issuance Programme (being the maximum number of Shares available under the Share Issuance Programme) there would be a dilution of approximately 98 per cent. in the existing Shareholders' economic rights in the Company. Existing Shareholders who do not participate in the Share Issuance Programme will have their percentage holding in the Company diluted on the issue of new Shares.</p>
E.7.	Estimated Expenses	<p>The Issue Price may include a premium intended, <i>inter alia</i>, to at least cover the costs and expenses of the initial investment of the amounts raised.</p>

RISK FACTORS

The Directors believe the risks described below are the material risks relating to an investment in the Shares and the Company at the date of the Prospectus. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of the Prospectus, may also have an adverse effect on the performance of the Company and the value of the Shares.

RISKS RELATING TO THE COMPANY, ITS INVESTMENT POLICY AND OPERATIONS

The Company may not meet its investment objective

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's investment objective includes the aim of providing Shareholders with regular, sustainable and growing long-term dividends. The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and the Company's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time. There can be no assurance as to the level and/or payment of future dividends by the Company.

The Company's investment objective includes the aim of providing Shareholders with capital appreciation over the medium to long term. The amount of any capital appreciation will depend upon, amongst other things, the Company successfully pursuing its investment policy and the performance of the Company's investments. There can be no assurance as to the level of any capital appreciation over the long term.

Conditions affecting the London property market

The Company's performance will be affected by, amongst other things, general conditions affecting the London property market, as a whole or specific to the Company's investments, including a decrease in capital values and weakening of rental yields.

The performance of the Company could be adversely affected in the longer term by downturns in the property market due to, *inter alia*, capital values weakening, rental values falling, and longer void periods. In the event of a default by a tenant or during any void period, the Company will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, council tax and marketing costs. In addition, certain significant expenditures, including operating expenses, must be met by the Company when a property is vacant.

Both rental income and capital values may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the

costs thereof, the costs of maintenance and insurance, and increased operating costs. Similarly, rent reviews may not result in rental income from any property being received at the expected rental value.

If conditions affecting the investment market negatively impact the price at which the Company is able to dispose of its assets, or if the Company suffers a material decrease in property rental income, or if the Company suffers a material increase in its operating costs, this may have a material adverse effect on the Company's business and results of operations.

The ability to invest the proceeds of the Share Issuance Programme and the acquisition of real estate assets

Until such time as the net proceeds of the Share Issuance Programme are applied by the Company to fund investments, they will be held by the Company on deposit (or invested in other investments or funds in accordance with the Investment Policy) in anticipation of future investment and to meet the running costs of the Company. Such deposits or investments are very likely to yield lower returns than the expected returns from property investments. The Company can give no assurance as to how long it will take it to invest any or all of the net proceeds of the Share Issuance Programme, if at all, and the longer the period the greater the likely adverse effect on the Company's performance, financial condition and business prospects.

In addition, to the extent that the proceeds of the Share Issuance Programme or the Company's other cash receipts are held in cash in an account which is not segregated from the assets of the bank, custodian or sub-custodian holding the cash on behalf of the Company, in the event of the insolvency (or equivalent) of the relevant bank, custodian or sub-custodian, the Company may only have a contractual right to the return of cash so deposited and would rank in respect of such contractual right as an unsecured creditor and may not be able to recover any of the cash so held in full or at all. In respect of cash equivalents, near cash instruments and money market instruments that are held in a segregated account for the benefit of the Company, the insolvency (or equivalent) of, fraud or other adverse actions affecting the custodian or sub-custodian holding the assets on behalf of the Company may impact the Company's ability to recover or deal expeditiously with these assets and the Company may not be able to recover equivalent assets in full or at all. This would have a material adverse effect on the Company's financial position, results of operations, business prospects and returns to investors.

The Company will face competition from other property investors. Competitors may have greater financial resources than the Company and a greater ability to borrow funds to acquire properties. Accordingly, the existence and extent of such competition may have a material adverse effect on the Group's ability to acquire properties at satisfactory prices and otherwise on satisfactory terms, in accordance with its strategy.

In addition, the acquisition of real estate assets involves a number of risks inherent in assessing values, strengths, weaknesses and profitability of properties and, despite due diligence on assets prior to acquisition, risks associated with unanticipated problems and latent liabilities or contingencies such as environmental problems may exist. Additional risks inherent in property acquisitions include risks that the acquired properties will not achieve anticipated rental rates or occupancy levels and/or that judgments with respect to improvements to increase the financial returns of acquired properties will prove inaccurate.

Going forward, once the net proceeds of the Share Issuance Programme have been invested, to the extent that it does not have cash reserves pending further investment, the Company will need to

finance further investments either by borrowing or by issuing further Shares. There can be no guarantee that the Company will have access to further financing or identify and execute any additional property acquisitions, both of which may adversely impact the secondary market liquidity in the Shares and leave investors subject to greater concentration risk than would otherwise be the case.

Concentration risk

During the life of the Company, the Company's investments might become concentrated during the period after the sale of significant asset(s) until redeployment of such proceeds or for other reasons. While the Company will seek to maintain a prudent spread of risk, Shareholders have no assurance as to the degree of diversification in the Company's investments and property portfolio.

Investor returns will be dependent upon the performance of the Investment Portfolio and the Company may experience fluctuations in its operating results

Investors contemplating an investment in the Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Company's property investments. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment in the Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including: (i) changes in the values of investments made by the Group; (ii) changes in the Group's operating expenses; (iii) occupancy rates and rental income; (iv) the degree to which the Company encounters competition; and (v) general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

The Company's performance will depend to a significant extent on property values in the United Kingdom. A decrease in property values and/or rental income may materially and adversely impact the Net Asset Value and earnings of the Company. Conversely, any significant upturn in the London property market and the availability of credit to the London property sector may also have a materially adverse effect upon the Company's ability to acquire properties and ultimately upon the Net Asset Value and the ability of the Company to generate revenues.

The Company's performance will depend on occupancy rates, the rental income it produces and the duration of tenancies which may be influenced by external factors outside the Company's control

Rental returns from an investment in property depend largely upon occupancy rates, the amount of rental income that can be generated from the properties that the Group will own, the duration of the tenancies, the costs and expenses incurred in the management of the property, as well as changes in its market value.

There can be no guarantee that rents will not fall below those estimated. The rental income and volumes of lettings in London are generally affected by overall conditions in the economy as well as political factors all of which are beyond the Group's control such as: (i) the condition of the financial markets; (ii) the availability and affordability of finance to businesses and consumers; and (iii) changes in government legislation, regulatory or tax regimes. These factors may have an effect on: (i) the levels of household income and disposable income which are available to tenants; (ii) the level of

unemployment; and (iii) the amount of migrant workers entering the UK which together or in isolation, may adversely impact the level of demand for property by tenants, the ability of the Group to increase rents, the duration of tenancies and the level of bad debts incurred as a result of tenant default, which in turn may adversely affect the Net Asset Value and the earnings of the Company.

Demand for the Group's properties may also be affected by market sentiment for a particular local area in which the Group's properties are located. Changes to local community services as well as changes to local transport infrastructure and demographics may result in rapid and substantial increases and/or decreases in property valuations and rental revenues.

The Company is dependent on the attractiveness of London as a place to live, work and study

All of the Group's properties are and will be located in London (and areas commutable to London). Accordingly, the Company is dependent on the attractiveness of London as a place to live, work and study. If the UK's economy stagnates or contracts or if there are significant concerns or uncertainty regarding the strength of London's economy, due to domestic, international or global macroeconomic trends or other factors, London may become a less attractive place to live, work, or study. The attractiveness of London as a place to live, work or study may also be negatively affected by other factors, including high residential property rents, high costs of living, and negative perceptions surrounding quality of life, safety and security.

Any reduction in the attractiveness of London as a place to live and any matters which adversely affect London's status as an international centre for business and commerce could result in a reduction in occupancy rates and this could have an adverse effect on the Net Asset Value and the earnings of the Company.

The Group faces uncertainty following the notification of the United Kingdom's intention to withdraw from the European Union in 2019. This may directly impact property valuations and potentially impact on the attractiveness of London as a place to live, work and study.

The Company's performance may be affected by the refurbishment, enhancements and maintenance of properties

The Group may be required to undertake minor refurbishment and enhancement of its properties as well as maintenance in the ordinary course in order to maintain and enhance the valuation and earning capability of its portfolio. The refurbishment, enhancement and maintenance may be adversely affected by a number of factors including constraints on location, the need to obtain licences, consents and approvals, reliance on third party contractors to provide such services in accordance with the terms of their appointment and with due care and skill. This may cause the revenues resulting from any refurbishment or improvement project to be lower than budgeted or cause the cost of such projects to be greater than budgeted, consequently impacting on the financial condition of the Company.

The Company's performance may be affected by tenants defaulting on rents

The Company will derive its revenue from rental income. A downturn in the economy may lead to tenants defaulting on their rental obligations. Such a default could result in significant loss of rental income and void costs. This could have a material adverse effect on the Company's business, financial condition, results of operations or future prospects.

The Company may suffer losses in excess of insurance proceeds, if any, or from uninsurable events

The Group's properties may suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated for by insurance, or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Company may lose capital invested in the affected property as well as anticipated future revenue from that property and the Company might also remain liable for any debt or other financial obligations related to that property. Any material uninsured losses may have a material adverse effect on the Company's financial position and results of operations.

The Company is dependent on the AIFM, the Investment Adviser and other third party suppliers

The Company's ability to provide returns to Shareholders and achieve its investment objective is substantially dependent on the performance of the AIFM and the Investment Adviser for identifying, acquiring and disposing of investments. The Board will monitor the performance of the AIFM and the Investment Adviser but the AIFM and Investment Adviser will have significant discretion as to the implementation of the Company's investment policy and there can be no assurance that the AIFM and/or Investment Adviser's investment selection will result in the Company meeting its investment objective. In addition, the Investment Advisor pays the fees for some of the Company's service providers that would otherwise be incurred by the Company. Failure by the AIFM and/or Investment Adviser to identify and acquire properties; to pay the fees of service providers; and the loss of any key employee of the Investment Adviser could have a material adverse effect on the Company's financial results.

There can be no assurance that the Directors will be able to find a replacement AIFM or Investment Adviser on acceptable terms if the AIFM and/or the Investment Adviser were to resign or if the Directors terminate the AIFM Agreement and/or the Investment Advisory Agreement. The Directors would, in these circumstances, have to find a replacement AIFM and/or Investment Adviser for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. If the Directors could not find suitable replacements in a timely manner, the Directors would formulate and put to Shareholders proposals for the future of the Company, which may include a change in its investment policy, the merger of the Company with another company, a reconstruction or winding up.

There is no certainty that those personnel of the AIFM and/or the Investment Adviser who will perform significant functions in relation to the Company will continue to perform their roles throughout the life of the Company. Although the Investment Advisory Agreement contains certain protections for the Company, loss of the services of such personnel or such personnel devoting all or a significant part of their business time to their other affairs and activities could have an adverse effect on the Company's performance.

The termination of the Company's relationship with any other third party service provider or any delay in appointing a replacement for such service provider could disrupt the business of the Company materially and could have a material adverse effect on the Company's performance and returns to holders of Shares.

Further, misconduct or misrepresentations by employees of the AIFM, the Investment Adviser or other third party service providers could cause significant losses to the Company.

Lack of control over future investments

The Company has the ability to enter into a variety of investment structures, such as joint ventures, acquisitions of controlling interests or acquisitions of minority interests (although the Directors do not expect to make investments where the ownership stake is less than 100 per cent., nor would the Company take a passive or minority interest in investments).

In the event the Company does acquire, directly or indirectly, less than a 100 per cent. interest in a particular asset, the remaining ownership interest would be held by third parties and the subsequent management and control of such an asset may entail risks associated with multiple owners and decision-makers. Any such investment also involves the risk that third party owners might become insolvent or fail to fund their share of any capital contribution which might be required. In addition, such third parties may have economic or other interests which are inconsistent with the Company's interests, or they may obstruct the Company's plans, or they may propose alternative plans. If such third parties are in a position to take or influence actions contrary to the Company's interests and plans, the Company may face the potential risk of impasses on decisions that affect the ability to implement its strategies and/or dispose of the real estate asset. The above circumstances may have a material adverse effect on the Company's performance, financial condition and business prospects.

In addition, there is a risk of disputes between the Company and third parties who have an interest in the asset in question. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses and distract the Directors, the AIFM and the Investment Adviser from focusing their time to fulfil the investment objective of the Company. The Company may also, in certain circumstances, be liable for the actions of such third parties.

Changes in laws, regulations and/or government policy may adversely affect the Group's business

The Group and its operations are subject to laws and regulations enacted by central and local government and central government policy. Any change in the laws, regulations and/or central government policy affecting the Group may have a material adverse effect on the ability of the Group to successfully pursue its investment policy and meet its investment objective and on the value of the Company and the Shares. In such event, the investment returns of the Company may be materially adversely affected. Such potential changes in law, regulation and/or government policy include: (i) a cap on rent increases which may affect the Company's rental yield; (ii) more onerous health and safety, building and environmental legislation and regulation which may increase the costs of compliance and reduce the Company's earnings; (iii) less onerous planning legislation and regulation which may result in increased supply of rental accommodation and adversely impact occupancy rates and reduce rents; (iv) the introduction of immigration policies which may prevent the free movement of workers throughout the EU and/or restrict the migration of other overseas workers which may limit the demand for rental properties; (v) a limit or reduction on housing benefit caps which may result in tenants defaulting on their rental obligations; and (vi) other measures or legislation designed to encourage property purchases.

Planning consents

Improving returns to Shareholders may rely partly on the redevelopment of properties acquired. Such redevelopment or other management proposals may be subject to obtaining planning consents. There

can be no guarantee that such planning consents will be provided and if consent is not granted, this may adversely affect the Investment Portfolio.

Delays in executing investments

Locating suitable properties and negotiating acceptable purchase contracts, conducting due diligence and ultimately investing in a property typically requires a significant amount of time. The Company may face delays in locating and acquiring suitable investments and, once the properties are identified, there could also be delays in obtaining the necessary approvals. The Company's inability to select and invest in properties on a timely basis may have a material adverse effect on the potential returns to Shareholders and delay or limit distributions to Shareholders by the Company.

Changes in portfolio profile

As the Company acquires further investments, it is intended that the overall composition of the portfolio of properties owned by the Company will change. Investors should ensure that they are comfortable with the investment policy as a whole.

Use of third party contractors and sub-contractors

The Company may seek to create value by undertaking development of assets or investing in development-stage assets, in which case it will be dependent on the performance of third party contractors and subcontractors to complete the development satisfactorily. While the Company will seek to negotiate appropriate contracts to contain suitable warranty protection, any failure to perform against contractual obligations on the part of a contractor could adversely affect the value of the Company's assets and in turn, the Company's performance.

In addition, there is a risk of disputes with third party contractors or sub-contractors should they fail to perform against contractual obligations. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses and distract the Directors, the Investment Adviser and/or the AIFM from focusing their time on fulfilling the strategy of the Company.

The Company's investments are illiquid and may be difficult or impossible to realise at any particular time

The Company invests in buy-to-let properties within London (and areas commutable to London), where the Directors believe income and value potential is greatest. However, by virtue of the Company's investment policy it may acquire properties which it will look to sell. Additionally, properties purchased by the Group may, at a later date, cease to conform with its existing investment policy and again it may look to sell them. Investments in real estate are relatively illiquid and are typically more difficult, and/or take longer to realise than certain other investments. This illiquidity may affect the Group's ability to dispose of or liquidate assets from its property portfolio expeditiously, on reasonable terms and/or at satisfactory prices if required to do so in response to changes in economic, residential property market or other conditions. If the price achieved on any such realisation is at a discount to the prevailing valuation of the relevant investment this may materially and adversely impact the Net Asset Value and the earnings of the Company.

Property valuation is inherently subjective and uncertain

The valuation of the Investment Portfolio is inherently subjective, in part because all property valuations are made on the basis of assumptions that may not prove to be accurate, and, in part, because of the individual nature of each property. This is particularly so where there has been more limited transactional activity in the market against which the Group's property valuations can be benchmarked by the Group's independent valuer. Valuations of the Group's investments may not reflect actual sale prices or optimal purchase prices even where any such transactions occur shortly after the relevant valuation date.

Availability of investment opportunities

The availability of potential investments which meet the Company's investment objective will depend on the state of the economy and financial markets in London. The Company can offer no assurance that it will be able to identify and make further investments that are consistent with its investment objective and investment policy or that it will be able to fully invest its available capital.

Investment opportunities that may be identified by the Company as being potential investments for the Company may be in the process of due diligence and/or negotiation or discussion. There is no guarantee that these investment opportunities will continue to be available in the future at a time or in a form which is convenient for the Group or that the Group will or will be able to invest in these opportunities. The inability to find, or agree terms for, such investment opportunities could have a material adverse effect on the Company's profitability, the Net Asset Value and the value of the Shares.

The Company's due diligence may not identify all risks and liabilities in respect of an acquisition or lease agreement

Prior to entering into an agreement to acquire any property, the Company will perform due diligence on the proposed investment. In doing so, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations). To the extent that such third parties underestimate or fail to identify risks and liabilities (including any environmental liabilities) associated with the investment in question, the Company may be subject to defects in title, to environmental, structural or operational defects requiring remediation, or the Company may be unable to obtain necessary permits which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

A due diligence failure may also result in properties that are acquired failing to perform in accordance with projections, particularly as to rent and occupancy, which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

Any costs associated with potential investments that do not proceed to completion will affect the Company's performance

The Company may be required to put down a deposit and expects to incur certain third-party costs in respect of potential acquisitions, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable assets. There can be no assurance that the Company will not forfeit any deposit or as to the level of such costs. The forfeiture of a deposit may have a material adverse effect on the Company's profitability, the Net Asset Value and the price

of the Shares and there can be no guarantee that the Company will be successful in its negotiations to acquire any given potential pipeline investment.

Borrowings

Whilst it is not the current intention of the Directors to secure borrowing facilities, if in the future the Group decided to utilise gearing, it is not certain that it will be able to secure any facilities on terms acceptable to the Directors or at all. Lack of access to debt or unfavourable credit market conditions prevailing at the time could inhibit the Group's ability to secure borrowing facilities and this may adversely affect the Company's investment returns.

Any amounts that are secured under a bank facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Group's assets not grow at a rate sufficient to cover the costs of establishing and operating the Group, on a liquidation of the Company, Shareholders may not recover their initial investments

Prospective investors should be aware that, whilst the use of borrowings should enhance Net Asset Value per Share where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Company's Investment Portfolio falls, including as a result of defaults by tenants pursuant to their leases/licences with the Company, the use of borrowings will increase the impact of such falls on the net revenue of the Company and, accordingly, this will have an adverse effect on the Company's ability to pay dividends to Shareholders.

Any increase in UK Sterling interest rates could have an adverse impact on the Company's cost of borrowing or its ability to secure borrowing facilities and could result in the expected dividends of the Company being reduced and/or a reduction in the value of the Shares.

As at the date of the Prospectus, the Group has not issued any debt securities, nor holds any secured or unsecured borrowing, nor is aware of any contingent liabilities.

RISKS RELATING TO THE SHARES

The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share

The Shares may trade at a discount to NAV per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and investment policy, an excess of supply over demand for the Shares, and to the extent investors undervalue the management activities of the AIFM and/or Investment Adviser or discount the valuation methodology and judgments made by the Company. While the Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.

The value and/or market price of the Shares may go down as well as up

Prospective investors should be aware that the value and/or market price of the Shares may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.

The market price of the Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, among other things, variations in the Company's operating results, additional issuances or future sales of the Shares or other securities exchangeable for, or convertible into, its Shares in the future, the addition or departure of Board members, expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the London property market as a whole, the Company or any of its assets, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may have a material adverse effect on the market price for the Shares. The market value of the Shares may vary considerably from the Company's underlying Net Asset Value. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Shares.

An investment in the Shares may be illiquid

Although, following Admission, the Shares are listed on TISE Official List there can be no assurance, and it is not expected, that an active secondary market in the Shares will develop. Accordingly, there may be no or very limited opportunity for a Shareholder to realise an investment in the Shares otherwise than by way of a privately negotiated sale.

Issue Price under the Share Issuance Programme

The Issue Price of the Shares issued on a non-pre-emptive basis under the Share Issuance Programme cannot be lower than the latest published NAV per Share. The Issue Price will be calculated by reference to the latest published unaudited NAV per Share. Such NAV per Share is determined on the basis of the information available to the Company at the time and may be subject to subsequent revisions. Accordingly, there is a risk that, had the Issue Price been calculated by reference to information that emerged after the calculation date, it could have been greater or lesser than the Issue Price actually paid by the investors. If such Issue Price should have been less than the Issue Price actually paid, investors will have borne a greater premium than intended. If such Issue Price should have been greater than the Issue Price actually paid, investors will have paid less than intended and, in certain circumstances, the Net Asset Value of the Shares may have been diluted.

The market price of the Shares may rise or fall rapidly

General movement in local and international stock markets and real estate markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions may all affect the market price of the Shares. To optimise returns, Shareholders may need to hold the Shares for the long term and the Shares are not suitable for short term investment.

The Company intends to issue new equity in the future, which may dilute Shareholders' equity

The Company intends to issue new equity in the future pursuant to further Share issuances. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of Shares in consideration for cash, such rights can be disapplied, and have been disapplied in relation to the maximum amount of shares that may be issued pursuant to the Share Issuance Programme. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

Future sales of Shares could cause the market price of the Shares to fall

Sales of Shares or interests in the Shares by significant investors could depress the market price of the Shares. A substantial amount of Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Shares at a time and price that they deem appropriate.

The Company may not have adequate distributable profits to allow the Company to return capital to Shareholders

Investors are reminded that, in accordance with the Companies Act, Shares may only be repurchased out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or out of distributable profits. There can be no assurance that the Company will have any such proceeds or distributable profits to allow the Company at any time to utilise any granted buy-back authority and to thereby return capital to Shareholders.

The Company has not set a target dividend for the Shares, and there is no assurance that the Company will achieve its stated policy on dividends. Any future target dividend is a target only and there is no guarantee that it can or will be achieved and they should not be seen as an indication of the Company's expected or actual return. Accordingly, investors should not place any reliance on any target dividend in deciding whether to invest in the Shares.

Dividend growth on the Shares will depend principally on growth in rental and other income returns on the underlying assets (which may fluctuate), capital gains realised as the underlying assets are sold and the extent to which the Company's cash is invested. The net proceeds of the Share Issuance Programme will be used by the Company to make investments in accordance with the investment policy. The timing of any investment in such assets will depend, *inter alia*, on the availability of suitable properties that the Company may let to tenants at reasonable prices. Accordingly, there may be a period of time between completion of any issue pursuant to the Share Issuance Programme and the proceeds of any issue pursuant to the Share Issuance Programme being fully invested by the Company. Until the proceeds of any issue pursuant to the Share Issuance Programme are invested they are not expected to generate significant amounts of income and the dividends payable in respect of the Shares are likely to exceed the income generated by the proceeds of the issue pursuant to the Share Issuance Programme until such proceeds are substantially invested in London residential properties in accordance with the investment policy. Additionally the Company may only pay dividends from reserves and/or profits deemed distributable under the Act. Following Admission the Company may have negative reserves due to the accounting treatment of its initial costs and will be reliant on rental income to create a surplus.

In the event of a winding-up of the Company, the Shares will rank behind any creditors of the Company and, therefore, any positive return for holders of Shares will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

RISKS RELATING TO TAXATION AND REGULATION

A change in the Company's tax status or in taxation legislation in the UK could adversely affect the Company's profits and portfolio value and/or returns to Shareholders

The levels of, and reliefs from, taxation may change, adversely affecting the financial prospects of the Company and/or the returns payable to Shareholders.

Any change in the Company's tax status or in taxation legislation in the UK (including a change in interpretation of such legislation) could affect the Company's ability to achieve its investment objective or provide favourable returns to Shareholders. In particular, an increase in the rates of SDLT or the abolition of Multiple Dwelling Relief could have a material effect on the price at which London property assets can be acquired. Any such change could also adversely affect the net amount of any dividends payable to Shareholders and/or the price of the Shares.

There is no guarantee that the Company will maintain REIT status

The Company cannot guarantee that it will maintain REIT status nor can it guarantee continued compliance with all of the REIT conditions and there is a risk that the REIT regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT regime if:

- it regards a breach of conditions or failure to satisfy the conditions relating to the REIT status of the Company, or an attempt to obtain a tax advantage, as sufficiently serious;
- the Company has committed a certain number of breaches in a specified period; or
- HMRC has given members of the Company at least two notices in relation to the avoidance of tax within a 10 year period.

If the conditions for REIT status relating to the share capital of the Company (i.e. the Company may issue only one class of ordinary share capital and/or issue non-voting restricted preference shares) or the prohibition on entering into loans with abnormal returns are breached, or the Company ceases to be UK tax resident, becomes dual tax resident or becomes an open-ended investment company, the Company will automatically lose its REIT status with effect from the end of the previous accounting period.

The Company could lose its status as a REIT as a result of actions by third parties, for example, in the event of a successful takeover by a company that is not a REIT, or due to a breach of the close company conditions after the period of three years beginning with the date the Group becomes a REIT, if it is unable to remedy the breach within a specified timeframe.

Future changes in legislation may cause the Company to lose its REIT status.

If the Company were to be required to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the Company is

treated as exiting the REIT regime. The Company may also in such circumstances be subject to an increased tax charge.

If the Company fails to remain a REIT for UK tax purposes, its profits and gains will be subject to UK corporation tax

The requirements for maintaining REIT status are complex. Minor breaches of certain conditions within the REIT regime may only result in additional tax being payable or will not be penalised if remedied within a given period of time, provided that the regime is not breached more than a certain number of times. A serious breach of these regulations may lead to the Company ceasing to be a REIT. If the Company fails to meet certain of the statutory requirements to maintain its status as a REIT, it may be subject to UK corporation tax on its property rental income profits and any chargeable gains on the sale of some or all properties. This could reduce the reserves available to make distributions to Shareholders and the yield on the Shares. In addition, incurring a UK corporation tax liability might require the Company to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Company's REIT status is withdrawn altogether because of its failure to meet one or more of the REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred.

Distribution requirements may limit the Company's flexibility in executing its acquisition plans

The Company is intending to grow through acquisitions of operating properties and development of new properties. However, the REIT distribution requirements may limit the Company's ability to fund acquisitions and capital expenditures through retained income earnings. To maintain REIT status and as a result obtain full exemption from UK corporation tax on the profits of the Property Rental Business of the Company, the Company is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distributions. The Company would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that the Company distributes as Property Income Distributions less than the amount required to meet the 90 per cent. distribution test for each accounting period. Therefore, the Company's ability to grow through acquisitions of operating properties and development of new properties could be limited if the Company was unable to obtain debt or issue further Shares.

In addition, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT rules and the effect of any potential debt amortisation payments could require the Company to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings.

As a result of these factors, the constraints of maintaining REIT status could limit the Company's flexibility to make investments.

The Company's status as a REIT may restrict the Company's distribution opportunities to Shareholders

A REIT may become subject to an additional tax charge if it makes a distribution to, or in respect of, a Substantial Shareholder, that is broadly a company which has rights to 10 per cent. or more of the distributions or Shares or controls at least 10 per cent. of the voting rights. This additional tax charge

will not be incurred if the Company has taken reasonable steps to avoid paying distributions to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where distributions may become payable to a Substantial Shareholder and these provisions are set out at paragraph 5 of Part 8 of the Prospectus. These provisions provide the Directors with powers to identify Substantial Shareholders and to prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met. The Articles also allow the Directors to require the disposal of Shares forming part of a Substantial Shareholding in certain circumstances where the Substantial Shareholder has failed to comply with the above provisions.

Accordingly, potential investors should be careful to avoid a situation where they may have a holding of ten per cent. or more of the Shares, as this could adversely affect their ability to receive dividends and may result in a tax charge for the Company which the Shareholder is obliged to reimburse, or a requirement to sell all or some of their Shares.

IMPORTANT INFORMATION

GENERAL

The Prospectus should be read in its entirety before making any application for Shares. In assessing an investment in the Company, investors should rely only on the information in the Prospectus. No person has been authorised to give any information or make any representations other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the AIFM, the Investment Adviser or any of their respective affiliates, directors, officers, employees or agents or any other person.

Without prejudice to any obligation of the Company to publish a supplementary prospectus, neither the delivery of the Prospectus nor any subscription or purchase of Shares made pursuant to the Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of the Prospectus.

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and the Shares, for whom an investment in the Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment. The Directors believe that the profile of a typical investor in the Company is an individual or institution who is seeking capital growth and income from investing in a diversified portfolio of London residential properties and who understands and accepts the risks inherent in the investment policy. Investors may wish to consult an independent financial adviser before making an investment in the Company.

The Company is treated by HMRC as a “real estate investment trust” or a “REIT”, and so is not deemed to be a non-mainstream pooled investment for the purposes of COBS 4.12 of the FCA Handbook.

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in the Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should not treat the contents of the Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

The Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to

whom it is unlawful to make such offer or solicitation. The distribution of the Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession the Prospectus is received are required to inform themselves about and to observe such restrictions.

The Shares are designed to be held over the long term and may not be suitable as short term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur or that the Company will achieve any distribution targets (which for the avoidance of doubt will be targets only and not profit forecasts), and investors may not get back the full value of their investment.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles of Association of the Company, which investors should review. A summary of the Articles of Association can be found in Part 9 of the Prospectus and a copy of the Articles of Association is available on the Company's website at www.bricklane.com/plc/london.

In accordance with the Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation the Company is required to prepare a key information document ("KID") in respect of its Shares. This KID must be made available to retail investors prior to them making any investment decision and is available on the Company's website at <https://bricklane.com/plc/london>. The KID does not form part of this Prospectus and investors should note that the procedures for calculating the risks, costs and potential returns in the KID are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Statements made in the Prospectus are based on the law and practice in force in England and Wales as at the date of the Prospectus and are subject to changes therein.

FORWARD-LOOKING STATEMENTS

The Prospectus contains forward-looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of the Prospectus. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules and TISE Listing Rules.

Nothing in the preceding two paragraphs should be taken as qualifying the working capital statement in paragraph 12 of Part 9 of the Prospectus.

PRESENTATION OF INFORMATION

Financial Information

The Company prepares its financial information under IFRS. The financial information contained in this Prospectus has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Market, economic and industry data

Market, economic and industry data used throughout the Prospectus is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Latest Practicable Date

Unless otherwise indicated, the latest practicable date for the inclusion of information in the Prospectus is at close of business on 16 July 2019.

Definitions

A list of defined terms used in the Prospectus is set out at pages 190 to 196 of the Prospectus.

NO INCORPORATION OF WEBSITE INFORMATION

The Company's website address is <https://bricklane.com/plc/london> and further information can be found at <https://bricklane.com/city/london>. The contents of the Company's website and other webpages on the website domain of <https://bricklane.com> do not form part of the Prospectus. Investors should base their decision to invest on the contents of the Prospectus alone and should consult their professional advisers prior to making an application to subscribe for Shares.

EXPECTED TIMETABLE

Publication of Prospectus and opening of Share Issuance Programme	17 July 2019
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Anticipated dates of issues of Shares	Last Business Day of each month during the Share Issuance Programme offer period together with such other dates as the Directors may in their discretion determine
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Admission and crediting of CREST accounts in respect of issues of Shares	8.00 a.m. on the Business Day on which the Shares are issued
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Extended Share Issuance Programme offer period	17 July 2019 to 16 July 2020
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Each of the times and dates in the above timetable is subject to change and may, with the consent of TISE Sponsor, be extended or brought forward without further notice. The Company will notify investors of any such changes to these dates by making a TISE announcement. References to times are to London time unless otherwise stated

SHARE ISSUANCE PROGRAMME STATISTICS

Maximum number of Shares being made available under the Share Issuance Programme	200 million
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Share Issuance Programme price	NAV per Share together with any premium applied by the Company from time to time
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DEALING CODES

The dealing codes for the Shares are as follows:

<i>ISIN</i>	GB00BF0P2J29
<i>SEDOL</i>	BF0P2J2
<i>Ticker</i>	BLR

DIRECTORS, MANAGEMENT AND ADVISERS

Directors Simon Heawood (*Chairman & Non-Executive Director*)
Michael Young (*Non-Executive Director*)
Craig Hallam (*Non-Executive Director*)
Paul Windsor (*Non-Executive Director*)

all of the registered office below:

Registered Office Floor 3, 26 Finsbury Square,
London, EC2A 1DS
Tel: +44(0)203 1111 432

Website: <https://bricklane.com/plc/london>

AIFM Gallium Fund Solutions Limited
Gallium House Unit 2,
Station Court,
Borough Green,
Sevenoaks, Kent,
TN15 8AD

Investment Adviser Bricklane Investment Services Ltd
Floor 3, 26 Finsbury Square,
London, EC2A 1DS

Depository Gallium P E Depository Limited
Gallium House Unit 2,
Station Court,
Borough Green,
Sevenoaks, Kent,
TN15 8AD

**Legal Adviser to the Company
(English Law)** Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU

**Legal Adviser to the Company
(Guernsey Law)** Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Auditor Grant Thornton UK LLP
30 Finsbury Square
London

EC2P 2YU

Registrar

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
West Midlands
B62 8HD

TISE Sponsor

Carey Olsen Corporate Finance Limited
47 Esplanade
St. Helier
Jersey
JE1 0BD

Market maker

Ravenscroft Limited
Level 5, The Market Buildings
Fountain Street
St Peter Port
Guernsey
GY1 4JG

PART 1

INFORMATION ON THE GROUP

INTRODUCTION

The Company is a closed-ended investment company incorporated in England and Wales with an indefinite life and registered as an investment company under section 833 of the Companies Act. The Company carries on business as a REIT, investing in residential property in London (and areas commutable to it). The Shares were first admitted to TISE Official List on 18 July 2017.

The Company has been established for the purpose of delivering income and capital returns to Shareholders through investment in residential property in London (and areas commutable to London). The Company will accordingly purchase residential property, in accordance with its investment objective.

Bricklane Investment Services Ltd has been appointed as the Investment Adviser to the Company. The Investment Adviser benefits from the experience of its principals who are drawn from experts in fund management, acquisitions, property strategy and portfolio management. It manages the investment platform at <https://bricklane.com> which is one of the primary methods of marketing the Company. Alongside, it has a long-term partnership with Zoopla Property Group plc, through which it is able to access unique data sources, supporting effective property targeting. The Investment Adviser uses technology to drive down typical costs of acquisitions and management, as well to drive better identification of appropriate targets.

Gallium Fund Solutions Limited has been appointed as AIFM to the Company and accordingly is responsible for the portfolio and risk management of the Company. The Investment Adviser will provide investment advice to the Company and to the AIFM in respect of the Company in order to assist the AIFM to discharge its functions as AIFM.

As at the date of this Prospectus, the Company had invested, or allocated for investment, c.£4.1 million in 9 residential properties in London. Further details of the Investment Portfolio are set out in Part 3 of the Prospectus.

Application has been made for the Shares in issue and to be issued pursuant to the Share Issuance Programme to be admitted to listing and trading on TISE Official List. The Shares will continue to be admitted to listing and trading on TISE through use of TISE's extended offer facility.

INVESTMENT OBJECTIVE

The investment objective of the Company is to provide Shareholders with regular and long term dividends coupled with the potential for capital appreciation over the medium to long term.

INVESTMENT POLICY

The Company intends to meet its investment objective by purchasing and then letting, to the extent not already let, a portfolio of residential properties in key locations within London (and areas commutable to London), where the Directors believe the income and value potential is greatest.

Consistent with its investment objective, it will aim to identify properties which are expected to achieve long-term house price growth and rental yields at an average or above average level for the region. In researching properties and the associated risks, the Investment Adviser will consider factors such as location, property type, demand indicators, and physical and environmental factors.

The Company will acquire both houses and flats, which will be both new build and existing properties. Where appropriate, discounts will be sought on acquisitions that mitigate or eliminate the transactional costs of investment or provide an element of additional performance.

The Company will maintain a let Investment Portfolio, but it will not aim to reflect the London housing market at large, including geographic mix. The Company will specifically avoid exposure to prime property and rural areas. Attention will also be given to maintaining appropriate diversification and a prudent spread of risk at all times. Initially the Company intends to focus investment in London, and this may extend to areas commutable to London in the future. However the Company reserves the right to invest elsewhere in opportunities that align with its investment objective.

Properties will generally be let on an assured shorthold tenancy (“**AST**”) basis. Where opportunities arise and fit with the Company’s investment objective, units may be let on a ‘part sale, part rent’ basis, or let to specialist operators for use as serviced apartments, or units obtained from residential developers on a sale and leaseback basis. Properties subject to non-AST leases will be managed to ensure that the Company is not unduly exposed to counterparty or liquidity risk.

The Company may invest in land or buildings for the purposes of development and sale and/or letting subject to the below investment restrictions. Before purchasing any property for development, the AIFM and the Investment Adviser will take all reasonable steps to ensure the provenance, reliability and financial stability of third parties issuing the purchase contract. Any deposit monies payable under development contracts will be held in escrow and only released to the third party on phased completion of the development or works.

The Company will maintain the ability to invest in property related securities, including shares in other REITs, units in authorised property unit trusts, participation in property partnerships and/or property limited partnerships, units in regulated collective investment schemes, and other transferable securities.

INVESTMENT RESTRICTIONS

The Company will, once Fully Invested, observe the following investment restrictions:

- the value of no single asset at the time of investment will represent more than 20 per cent. of the Gross Asset Value of the Investment Portfolio;
- at least 50 per cent. of the Gross Asset Value of the Investment Portfolio will be invested in directly held properties;
- no more than 15 per cent. of the Gross Asset Value of the Investment Portfolio may at any time consist of property that is under development. For these purposes, “**development**” excludes refurbishment work and includes forward funding development and forward commitments;
- no more than 20 per cent. of the Gross Asset Value of the Investment Portfolio may consist of property where income in respect of such portion of the Investment Portfolio is dependent on the successful completion of structural refurbishment work; and
- no more than 15 per cent. of the Gross Asset Value shall be invested in any one collective investment undertaking.

The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will

not, at any time, conduct any trading activity which is significant in the context of the business of the Company as a whole.

The Directors currently intend to conduct the affairs of the Group so as to enable it to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

In the event of a breach of the investment policy and investment restrictions set out above, the Directors, upon becoming aware of such breach, will consider whether the breach is material, and if it is, notification will be made via a TISE announcement.

Any material change will only be made to the investment policy and investment restrictions in accordance with TISE Listing Rules.

BORROWING POLICY

The Company does not currently intend to utilise gearing to amplify returns. The Group may, in the future use gearing in order to generate short term cash flows. If, in the future, the Group does decide to introduce gearing it will look to maintain a conservative level of gearing and would intend to limit the Group borrowings to a maximum of 40 per cent. of the Group's gross assets at the relevant time.

As at the date of the Prospectus, insofar as the Company is aware, there are no restrictions applicable to the Company on the use of its capital resources save that it must comply with the investment policy. Until the Company is Fully Invested and pending re-investment or distribution of cash receipts, cash received by the Company will be invested in cash, cash equivalents, near cash instruments, money market instruments and money market funds and cash funds.

The Company does not intend to enter into any derivative contracts for hedging or any other purpose.

DIVIDEND POLICY AND TARGET RETURNS

The Company intends to pay interim dividends on a quarterly basis either in cash or further Shares. The payment of any dividends will be subject to market conditions and the level of the Company's net income. The first interim dividend of 1.5 pence per Share was declared and paid in May 2019 in respect of the period ending from incorporation to 31 December 2018.

Under the Articles, the Company has the ability to offer each Shareholder the right to elect to receive further Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend (a scrip dividend).

The Directors believe that the ability for Shareholders to elect to receive future dividends from the Company wholly or partly in the form of new Shares rather than cash is likely to benefit both the Company and certain Shareholders. The Company will benefit from the ability to retain cash which would otherwise be paid as dividends. To the extent that a scrip dividend alternative is offered in respect of any future dividend, Shareholders will be able to increase their Shareholdings. The decision whether to offer such a scrip dividend alternative in respect of any dividend will be made by the Directors at the time the relevant dividend is declared.

In order to comply with and maintain REIT status, the Group will be required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits of the Property Rental Business for each

accounting period, as adjusted for tax purposes. Further details of the tax treatment of an investment in the Company are set out in Part 8 of the Prospectus.

MANAGEMENT

The Company is an alternative investment fund for the purposes of the AIFM Rules and as such is required to have an alternative investment fund manager which is duly authorised to undertake that role. The Company has appointed Gallium Fund Solutions Limited as its external AIFM, which is authorised and regulated by the FCA. The Company has also appointed Bricklane Investment Services Ltd as its Investment Adviser. The AIFM is responsible for the portfolio and risk management of the Company. The Investment Adviser in turn provides investment advice to the Company and to the AIFM in respect of the Company in order to assist the AIFM to discharge its functions as AIFM.

Further details on the AIFM and the Investment Adviser are set out in Parts 4 and 9 of the Prospectus.

INVESTMENT PROCESS AND PIPELINE

Pursuant to the Investment Advisory Agreement, the Investment Adviser advises the AIFM and the Company on property acquisitions and disposals by the Company.

All further investments, whether originated by the Investment Adviser or otherwise, will be subject to appropriate due diligence and agreement on acquisition price, and RICS valuation by an independent third party. There can be no assurance that the Company will invest in any opportunities originated by the Investment Adviser.

The Investment Adviser takes a location-led approach to sourcing opportunities. Areas of interest will be identified based on analysis of past price and rent trends, planned supply, demographic shifts, length of commute, customer demand indicators and other key data points.

The Investment Adviser is able to evaluate all properties coming onto the market in the target areas each day, using data analytics. This enables the Investment Adviser to quickly establish what are believed to be the top fraction of eligible properties. Where possible, properties will be bought at a discount in order to seek to minimise Stamp Duty Land Tax and other costs of acquisition.

Before presentation to the AIFM and the Company, the Investment Adviser will undertake comprehensive and rigorous due diligence on each opportunity, its alignment to the Company's investment objective and its suitability with the Investment Portfolio as a whole. The Investment Adviser will undertake investment monitoring on behalf of the Company and AIFM, with reports on performance delivered on a quarterly basis.

Further details of the Company's pipeline are set out in Part 3 of the Prospectus.

VALUATION POLICY

The Directors use a professional independent valuer as property valuer to the Company. A desktop valuation of the Company's properties will be conducted each month, with an in-person inspection prior to purchase. Further in-person inspections will be performed as considered necessary by the Directors, likely to be every three to five years. The valuations of the Group's properties will be at fair value as determined by the Valuer on the basis of market value in accordance with the internationally accepted RICS Red Book.

Details of each monthly valuation, and of any suspension in the making of such valuations, will be announced by the Company via a TISE announcement as soon as practicable after the relevant valuation date.

CALCULATION OF NET ASSET VALUE

The Net Asset Value (and Net Asset Value per Share) will be calculated on a monthly basis by Gallium Fund Solutions Limited, the AIFM, which may do more frequent calculations at its discretion. Calculations will be made in accordance with IFRS. Details of each valuation, and of any suspension in the making of such valuations, will be announced by the Company via a TISE announcement and on the website of the Company as soon as practicable after the end of the relevant period. The valuations of the Net Asset Value (and Net Asset Value per Share) will be calculated on the basis of the most recent valuation of the Investment Portfolio. To the extent required by the AIFM Rules, the Net Asset Value of the Company will be calculated when there is an increase or decrease in the Company's capital.

The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the AIFM) which prevents the AIFM from making such calculations. Details of any suspension in making such calculations will be announced via a TISE announcement as soon as practicable after any such suspension occurs.

MEETINGS, REPORTS AND ACCOUNTS

The audited accounts of the Company will be prepared in Sterling under IFRS and in accordance with the Companies Act, the AIFM Rules and TISE Listing Rules.

On 29 November 2017 the Company changed its accounting reference date to 30 June. The Company's annual report and accounts will be prepared up to 30 June each year. It is expected that copies of the report and accounts will be sent to Shareholders by the end of December each year. Shareholders will also receive an unaudited half-yearly report covering the six months to 31 December each year, which is expected to be dispatched within the following four months.

The Company has published its annual report and accounts for the year ended 30 June 2018. Such annual accounts are reproduced in Part B of Part 5 of this Prospectus.

All general meetings of the Company will be held in the United Kingdom. The Company expects to hold its next annual general meeting in December 2019.

SHARE PREMIUM AND DISCOUNT MANAGEMENT

The Board has the discretion to seek to manage, on an on-going basis, the premium or discount at which the Shares may trade to their Net Asset Value through further issues and buy-backs, as appropriate.

SHARE BUY-BACKS

The Directors will consider repurchasing Shares in the market if they believe it to be in Shareholders' interests as a whole and as a means of correcting any imbalance between supply of, and demand for, the Shares.

The Directors are of the view that the best way to maintain share price and liquidity is to run a well-functioning REIT delivering strong returns to its Shareholders. However, from time to time, the Directors may opt for the Company to buy back its own Shares, if it is in the best interest of Shareholders, and the Company has sufficient resources. Specifically, this could take place in order to prevent shares trading at large discounts against the Net Asset Value per Share.

A special resolution has been passed granting the Directors authority to repurchase up to 30 million Shares expiring on the earlier of the conclusion of the Company's next annual general meeting and 30 June 2020.

The Directors will have regard to the Company's REIT status when making any repurchase and will only make such repurchase through the market at prices (after allowing for costs) below the relevant prevailing Net Asset Value per Share and otherwise in accordance with guidelines established from time to time by the Board. Purchases of Shares may be made only in accordance with the Companies Act and TISE Listing Rules.

Shareholders should note that the purchase of Shares by the Company is at the absolute discretion of the Directors and is subject to the working capital requirements of the Company and the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

FURTHER ISSUES

The Directors currently have authority to issue up to 200 million Shares (less Shares already issued to date) on a non-pre-emptive basis. The Directors have issued, and further intend to issue, these Shares throughout the year in line with investor demand pursuant to the Share Issuance Programme. Such authority will expire on 16 July 2020, (unless previously renewed, varied or revoked by the Company in general meeting).

Investors should note that the issuance of new Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Shares that may be issued.

Further issues of Shares will only be issued for cash at a price that is equal to, or represents a premium to, the prevailing Net Asset Value per Share.

TREASURY SHARES

Any Shares repurchased pursuant to the general authority referred to above may be held in treasury. The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These Shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

The Board currently intends only to authorise the sale of Shares from treasury at prices at or above the prevailing Net Asset Value per Share (plus costs of the relevant sale). This should result in a positive overall effect for Shareholders if Shares are bought back at a discount and then sold at a price at or above the Net Asset Value per Share (plus costs of the relevant sale).

REIT STATUS AND TAXATION

The Company, as the principal company of the Group, has given notice to HMRC (in accordance with Section 523 CTA 2010) that the Group is a REIT and needs to comply with certain on-going regulations and conditions (including minimum distribution requirements).

Potential investors are referred to Part 8 of the Prospectus for details of the REIT regime and the taxation of the Group in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

RISK FACTORS

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 18 to 31.

PART 2

INFORMATION ON THE PRIVATE RESIDENTIAL RENTAL SECTOR

The UK residential property market is very large (c.£7.3 trillion), bigger than UK equities and commercial property combined (Source: Savills). As an asset class, it has historically delivered strong risk-adjusted returns through a combination of rental income (typically correlated to consumer price inflation) and capital growth. Since 2005 there have been at least 790,000 UK property transactions per year (Source: HMRC), providing a steady source of potential liquidity for properties to be acquired and sold, and a rich dataset for market analytics, supporting a data-driven investment strategy in a manner unfeasible in other property markets.

The market comprises owner-occupied properties (c.63 per cent. of households), private residential rental properties (c.20 per cent.), with the remainder being social housing supplied by local authority & housing associations (Source: UK Government - English Housing Survey). Although owner occupation remains the most common form of tenure within the residential market, it has been decreasing in recent years as affordability challenges increase. From its peak of 71 per cent. in 2003, the proportion of adults owning their home is currently 63 per cent. In 2016-17, the proportion of home owners under 35 has reduced to 9%, from 18% two decades ago, and the average age of a first-time-buyer is now 33. (Source: UK Government – English Housing Survey).

The underlying structural drivers for this shift include population growth (+5.5 per cent. across the next decade according to the ONS) and growth in the rate of house formation (c.160,000 per year between 2016 and 2041), set against a persistent shortage in housing supply across the UK. The current housing deficit is estimated at 4.0 million homes, with an estimated 340,000 extra homes required to keep pace with anticipated demand (Source: Crisis). As a result, the consensus from market commentators is that the structural imbalance will persist into the medium-term.

The demand/supply imbalance has resulted in higher prices for existing assets, forcing potential owner occupiers to rent, thereby swelling the size of the private rental market and in turn putting upward pressure on rents. The number of households privately renting has more increased from 2.0 million in 1996-97 to 4.6 million in 2016-17 (Source: English Housing Survey) with 5.8 million anticipated to be privately renting by 2021 (Source: Knight Frank Research).

The Company's investment strategy focuses on London and areas commutable to it, where the above trends are particularly pronounced. The total value of London property is c.£1.8 trillion, and comprises 25 per cent. of the total UK housing market by value (Source: Savills). London is a key national and global centre of arts, commerce, finance, professional services and tourism, and has the 5th largest metropolitan area GDP in the world (Source: Brookings Institution). It is anticipated that London's population will continue to see strong growth in its population over the coming years. According to Hometrack data, house prices in London have grown on average of 7.7 per cent. per year since 1998, though there is considerable year-to-year volatility in this performance.

It comprises three sub-markets - Prime Central London, Inner London, and Outer London. It is the intention of the Company to focus on Inner and Outer London, in order to access rental returns that are correlated with inflation, and pricing trends that respond to the shifts in demographics, working habits, transport and culture relating to the population at large. While Prime Central London has had periods of strong performance, which may continue, it will be excluded from the Company's investment strategy.

London has a wide diversity of areas and asset types, and the issues facing the UK property market as a whole are particularly acute (namely, Brexit, stamp duty changes, supply constraints and affordability). The lack of housing affordability is particularly acute in London, which will be a structural driver of renting; ONS analysis shows that the ratio of median house prices to median gross salary is almost 13.1 in London, compared with 7.8 across England and Wales. This ratio has increased from below 9 in 2009.

JLL forecasts Greater London prices to grow by 0.5 per cent. in 2019, 2 per cent. in 2020, 4 per cent. in 2021 and 4 per cent. in 2022.

The Company applies a rigorous analytical approach to sourcing and acquiring properties, with the aim to outperform the market at large on a total return basis.

PART 3

INVESTMENT PORTFOLIO AND PIPELINE

Investment Portfolio

As at the date of the Prospectus, the Investment Portfolio comprises the following investments:

<i>Address*</i>	<i>Date of acquisition</i>	<i>Number of bedrooms</i>	<i>Acquisition price (£)</i>	<i>Net Rental yield**</i>	<i>Estimated annual rental value (£)***</i>
Ferndale Road, London, SW4	24 July 17	1	400,000	3.0%	18,240
Twyford Avenue, London, W3	25 October 17	1	367,500	3.2%	16,560
Cheshire Street, London, E2	29 November 17	1	420,000	3.5%	19,800
Seven Sisters Road, London, N4	1 March 2018	3	540,000	3.3%	25,320
Dibdin House, Maida Vale, London, W9	30 April 18	2	445,000	3.2%	19,800
Dunoon House, London, N1	25 June 18	3	525,000	4.2%	28,800
Verebank, London, SW19	25 September 18	3	520,000	3.2%	22,800
Prince of Orange Court, London, SE16	2 November 18	1	348,000	3.3%	15,900
Greenview Close, London, W3	10 April 19	3	515,000	3.0%	19,500

The aggregate market value of the Investment Portfolio as at 30 June 2019 was £4,165,000.

Notes:

* all acquired as leasehold interests.

**calculated on a five-year basis as net rental profit/market value of property, after an initial asset stabilisation period.

*** the rental income currently being achieved or the estimated rental income if the property is vacant.

The figures contained in this Part 3 are unaudited.

Pipeline Investments

As at the date of this Prospectus, the Investment Adviser is analysing 2 potential properties for the Investment Portfolio, details of which are set out below:

<i>Address</i>	<i>Number of bedrooms</i>	<i>Asking Price (£)</i>	<i>Net Rental Yield (Est.)</i>	<i>Estimated monthly rent (£)</i>
Russell Place, London, SE16	1	365,000	3.2%	1,300
Louise Road, London, E15	3	575,000	3.1%	2,250

(source: Rental estimate per Allsop valuation)

No contractual arrangements have been entered into for the purchase of the pipeline properties. Therefore, there can be no assurance that any of these potential properties will be acquired by the Company. The Company will, in any event, continue to evaluate other potential acquisitions in accordance with its investment policy.

PART 4

DIRECTORS AND ADMINISTRATION

DIRECTORS

The Board comprises four Directors, all of whom are independent of the AIFM, and two of whom are independent of the Investment Adviser. The Directors are responsible for managing the Company's business in accordance with its Articles and the investment policy and have overall responsibility for the Company's activities, including its investment activities and reviewing the performance of the Company's portfolio.

The Directors may delegate certain functions to other parties such as the AIFM and/or the Investment Adviser. In particular, the Directors have delegated responsibility for the Company's risk and portfolio management to the AIFM pursuant to the terms of the AIFM Agreement. The Investment Adviser has been appointed by the Company and the AIFM to provide investment advice to the Company and to the AIFM on the terms of the Investment Advisory Agreement. The Directors have responsibility for exercising overall control and supervision of the activities of the AIFM and the Investment Adviser.

The Directors are as follows:

Simon Heawood (*Chairman and Non-Executive Director*) (aged 33)

Simon Heawood is the Chairman and non-executive Director of the Company and is a director of Bricklane Investment Services Ltd, the Investment Adviser. He is also a non-executive Director and Chairman of Bricklane Residential REIT plc, which focuses on residential properties in the regional capitals of Leeds, Manchester and Birmingham.

Simon founded Bricklane in August 2014, and has since led strategy, business development, fundraising and financial and software product management. Previously, Simon was service portfolio director of Rightster Group plc, a technology company which listed on AIM in November 2013. Reporting to the CEO, and interfacing directly with the Board, his responsibilities included a key role in the IPO and three acquisitions, management of a software product supported by a team of 60 software engineers, marketing and strategy.

Prior to Rightster, Simon was a strategy consultant at Oliver Wyman, leading analytics driven projects for large consumer brands.

Michael Young (*Non-Executive Director*) (aged 33)

Michael Young is a Non-Executive Director and company secretary for the Company and is a director of Bricklane Investment Services Ltd, the Investment Adviser. He is also non-executive director of Bricklane Residential REIT plc, which focuses on residential properties in the regional capitals of Leeds, Manchester and Birmingham.

Previously a manager at PwC in London and Australia, Michael specialised for six years in the asset management and insurance sector. During that time, he primarily co-ordinated and executed the audit of multi-national insurance and asset management groups, including JP Morgan Asset Management International.

In addition, Michael worked as part of the regulatory advisory and transaction services teams, which advised financial services clients on global restructuring, as well as financial and regulatory due diligence projects. Whilst on secondment, Michael was Head of UK FP&A for a listed insurance group.

Craig Hallam (*Non-Executive Director*) (*aged 48*)

Craig is an independent Non-Executive Director of the Company. He is also non-executive Director of Bricklane Residential REIT plc, which focuses on residential properties in the regional capitals of Leeds, Manchester and Birmingham.

Craig is currently the Managing Director of Portland Private Office and previously was the Managing Director of Property Services at Salamanca Group. Craig manages an in-house team from Mayfair to deliver quality solutions across London in the areas of property management, estate management and sales. His accumulation of over 20 years of expertise in the industry, including senior roles at LSL Property Services, Hometrack and Clearsprings Management, has accentuated his in-depth knowledge of the full life-cycle of property ownership; from acquisition and management through to sale. Craig also holds an MBA from Anglia Ruskin University.

Paul Windsor (*Non-Executive Director*) (*aged 62*)

Paul is an independent Non-Executive Director of the Company. He is also a non-executive director of Bricklane Residential REIT plc, which focuses on residential properties in the regional capitals of Leeds, Manchester and Birmingham.

Paul is Managing Director of Crestbridge London. Crestbridge provides specialist corporate and fund accounting services to the real estate sector. Paul is a Chartered Accountant, having begun his career at KPMG. He then founded WSM Partners LLP, a top 100 UK accounting practice based in South London, at which he was Senior Partner for 21 years. The firm has been at the leading edge of UK property tax work and deals with complex partnership and offshore property structures. Paul holds a number of other UK directorships in the commercial and residential real estate sector and is involved with funds and other similar vehicles undertaking property investment and development activities.

MANAGEMENT OF THE COMPANY

THE AIFM

Pursuant to the AIFM Agreement, a summary of which is set out at paragraph 8.1 of Part 9 of the Prospectus, the Company has appointed Gallium Fund Solutions Limited to act as the Company's external AIFM.

The AIFM will be responsible for the portfolio and risk management functions of the Company. The AIFM will work closely with the Investment Adviser in implementing appropriate risk measurement and management standards and procedures. The AIFM will carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFM Rules. The AIFM will also be responsible for calculating the Net Asset Value of the Company.

The AIFM is legally and operationally independent of the Company and the Investment Adviser.

Details of the fees and expenses payable to the AIFM are set out in the section headed "Fees and Expenses" below.

THE INVESTMENT ADVISER

Pursuant to the Investment Advisory Agreement, a summary of which is set out at paragraph 8.2 of Part 9 of the Prospectus, the Company has appointed Bricklane Investment Services Ltd as the Investment Adviser for the Company. The Investment Adviser will provide investment advice to the Company and the AIFM, such as locating, evaluating and negotiating investment opportunities for the Company, subject to the overall control and supervision of the Directors. As the AIFM is responsible for the Company's risk and portfolio management, the AIFM will make investment and divestment decisions in respect of the Company's Investment Portfolio with the benefit of the Investment Adviser's property advice. The Investment Adviser is an appointed representative of the AIFM.

The Board of Directors for the Investment Adviser consists of Simon Heawood and Michael Young.

Details of the fees and expenses payable to the Investment Adviser are set out in the section headed "Fees and Expenses" below.

OTHER ARRANGEMENTS

TISE Sponsor

Carey Olsen Corporate Finance Limited has been appointed as TISE Sponsor to the Company.

Depository

Gallium P E Depository Limited has been appointed as depository to the Company. The Depository acts as the sole depository of the Company and is, amongst other things, responsible for: ensuring the Company's cash flows are properly monitored; the safe keeping of the assets of the Company; and the oversight and supervision of the Company in conjunction with the AIFM.

Auditor

Grant Thornton UK LLP provides audit services to the Company. The annual report and accounts will be prepared according to the accounting standards laid out under IFRS.

Market maker

Ravenscroft Limited has been appointed by the Company to act as market maker in respect of the Shares. Ravenscroft will be responsible for corporate broking services consisting of making a market in the Company's securities on TISE Official List, acting in accordance with the obligations normally and ordinarily assumed by market makers and specifically as set out in rules 5.13 to 5.19 of Chapter 5 of TISE Membership Rules for and on behalf of the Company.

The Company is not able to guarantee that at any particular time Ravenscroft will be willing to make a market in the Shares, nor does it guarantee the price at which a market may be made in the Shares. Accordingly, the dealing price of the Shares may not reflect changes in the Net Asset Value. The Net Asset Value and the trading price of the Shares will be published via TISE's website <http://www.tisegroup.com/>.

FEES AND EXPENSES

Share Issuance Programme expenses

The costs and expenses in connection with the Share Issuance Programme will be borne by the Investment Adviser. The Company will not bear any broker or placement agent fees or commission or expenses on Shares issued pursuant to the Share Issuance Programme.

On the assumption that the maximum number of Shares are subscribed for under the issue and gross proceeds of £200 million are raised pursuant to the issue, the resulting net proceeds of the issue will be £200 million (based on the fact that the Company will not pay any expenses in relation to the issue).

On-going annual expenses

The principal annual running costs of the Company include the fees payable to its service providers and the costs involved with the management of the Investment Portfolio and the associated tenants. The Company will incur fees and expenditure in relation to its Investment Portfolio, including (without limitation) fees and expenses relating to any acquisitions, disposals and the day-to-day management of its Investment Portfolio along with all fees and expenses payable to professionals, contractors and other services providers engaged by the Company in respect of: third party property management fees, lettings fees, property repairs and maintenance, insurance, ground rents and property service charges.

The Company anticipates having a total expense ratio of circa 0.85 to 1.00 per cent. and a property expense ratio between 1.00 to 2.00 per cent. (excluding SDLT and acquisition costs) per annum based on gross issue proceeds under the Share Issuance Programme of £10 million. If such gross issue proceeds are below this level, the total expense ratio may be higher.

Shareholders do not bear any fees, charges or expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring or otherwise selling Shares.

Investment Adviser

Pursuant to the terms of the Investment Advisory Agreement, the Investment Adviser is entitled to an annual management charge, which accrues daily and is payable monthly (the "**Annual Management Charge**"). The Annual Management Charge is based on a percentage of the Net Asset Value. The current Annual Management Charge is 0.85 per cent. per annum of the Net Asset Value (exclusive of VAT).

Details of the calculation of the Net Asset Value are set out in Part 1 of the Prospectus.

Out of the Annual Management Charge, the Investment Adviser will pay the fees and expenses payable to the AIFM, the Investment Adviser, TISE Sponsor, the Depositary and the Auditor. Although third party supplier fees and expenses may be separately charged to the Company, they will not exceed the Annual Management Charge. If these fees and expenses exceed the Annual Management Charge, the balance will be paid by the Investment Adviser.

Directors

Paul Windsor is paid an annual fee by the Company of £14,500 per annum. None of the other Directors are entitled to a fee from the Company.

Other operational expenses

The Investment Adviser has agreed to pay other on-going operational expenses (excluding fees paid to service providers as detailed above) of the Company. These may include travel, accommodation, printing, audit, finance costs, legal fees (including those incurred on behalf of the Company by the AIFM and/or the Investment Adviser), corporate broking fees and annual TISE fees. This also includes all reasonable out-of-pocket expenses of the AIFM, the Investment Adviser and the Directors relating to the Company. The Directors and Investment Adviser will review this policy from time to time. In the event that this agreement is withdrawn, these expenses will be deducted from the assets of the Company (which includes any income).

Given that many of the fees are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.

CONFLICTS OF INTEREST

Simon Heawood and Michael Young, in addition to being Directors of the Company, are also directors of, and shareholders in, the Investment Adviser.

All Directors of the Company are also directors of Bricklane Residential REIT plc, which focuses on residential properties in the regional capitals of Leeds, Manchester and Birmingham. The investment objectives of each Company are constructed so as not to overlap, minimising potential conflicts of interest.

The Company's AIFM will be required to comply with the requirements on conflicts set out in the AIFM Rules, including but without limiting the general requirement of taking all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders.

In addition, the Investment Adviser, the Depositary and any of their members, directors, officers, employees and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments and which may affect the amount of time allocated by such persons to the Company's business. In particular, subject to TISE Listing Rules and other applicable regulation these parties may, without limitation: provide services similar to those provided to the Company to other entities; buy, sell or deal with assets on their own account (including dealings with the Company); and/or take on engagements for profit to provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management with respect to assets that are or may be owned directly or indirectly by the Company, but will not in any circumstances be liable to account for any profit earned from any such services.

Notwithstanding the Board's belief that the fees and conflicts policy of the Investment Adviser and the AIFM have been structured to provide an alignment of interest between the AIFM, the Investment Adviser and the Shareholders, the interests of the AIFM and/or the Investment Adviser may differ from those of the Shareholders.

CORPORATE GOVERNANCE

The Board and Board Committees

The full Board meets at least four times a year to consider general matters affecting the Company and otherwise as required. Committee meetings comprising any two or more Directors will meet on an ad hoc basis to consider transactional and related matters concerning the Company's business.

The Board has established an audit committee. This committee undertakes specific activities through delegated authority from the Board. Terms of reference for the audit committee have been adopted and will be reviewed on a regular basis by the Board.

Audit Committee

The audit committee comprises Paul Windsor (who is chairman and is considered to have recent and relevant financial experience) and Craig Hallam. The audit committee meets at least twice a year. There are likely to be a number of regular attendees at meetings of the audit committee, including other members of the Board and the Company's external auditors. The chairman of the audit committee will also meet with external auditors without the Directors present.

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and monitored. The Audit Committee reviews the annual and interim accounts, the accounting policies of the Group and key areas of accounting judgment, management information statements, financial announcements, internal control systems, risk management and the continuing appointment of auditors. It also monitors the whistle blowing policy and procedures relating to fraud and bribery.

Directors' share dealings

Share dealings by any of the Directors of the Company are subject to TISE Model Code for Securities Transactions by Directors.

PART 5

FINANCIAL INFORMATION ON THE GROUP

PART A: HISTORICAL AND OTHER FINANCIAL INFORMATION ON THE GROUP

The audited financial information of the Group for: (i) the period from the Company's incorporation (being 8 May 2017) to 30 June 2017; and (ii) the financial year ended 30 June 2018 and the unaudited interim financial statements of the Group for the six months to 31 December 2018 (together the **"Financial Information"**) is set out in full in Part B of this Part 5.

Where the Financial Information makes reference to other documents such other documents are not incorporated into, and do not form part of, the Prospectus.

Accounting policies

The Financial Information (as reproduced in Part B of this Part 5) has been prepared in accordance with IFRS. IFRS comprises standards and interpretations approved by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee and adopted by the European Union as at each relevant accounting period.

Prospective investors should read the following discussion, together with the whole of the Prospectus, including the Risk Factors and the Financial Information (as reproduced in Part B of this Part 5) and should not just rely on the information contained in Part B of this Part 5. Save for the audited financial information of the Group for the period from the Company's incorporation to 30 June 2018 set out in full in Part B of this Part 5, none of the information in the Prospectus has been audited.

Operating and financial review

Introduction

The following is a discussion of the Company's financial condition and results of operations for the six months to 31 December 2018 (referred to in this section as the **"period under review"**). This discussion should be read in conjunction with the Financial Information set out in Part B of this Part 5.

Some of the information contained in the following discussion contains forward-looking statements that are based on assumptions and estimates and are subject to risks and uncertainties. Investors should read the section entitled "Forward-looking statements" on page 33 of the Prospectus for a discussion of the risks and uncertainties related to those statements. Investors should also read the Risk Factors for a discussion of certain factors that may affect the Group's business, results of operations or financial condition.

Financial condition and results of operations

During the period under review, the Group purchased two properties and a further property has been purchased since the period the end of the period under review.

London can be separated into three sections – Prime Central London, Inner London, and Outer London. The Group is focussed on purchasing properties located in Inner and Outer London and valued between £350,000 and £850,000. By focussing on mainstream assets, the Directors believe

that returns (both rental and price-driven) respond to shifts in demographics, working habits, transport and culture relating to the population at large, and are more readily comprehensible to a wide range of investors. Momentum has slowed in the London market recently, as has recently been covered in the press. With fewer active buyers, and a number of motivated sellers, we believe that London is currently a buyer's market, and there are opportunities to be had for sophisticated, dispassionate investors. The Investment Adviser continues to bid on multiple properties for every one intended for acquisition, as a means to secure favourable pricing, and as cash buyers who can move quickly, offer an attractive proposition to many vendors in the current environment. As a result, the Group purchased a number of properties at a discount to market value. During the period under review, the market value of the Investment Portfolio increased by £17,000 (0.5%), prior to the impact of acquisitions costs, of which £12,000 related to discounts to market value negotiated upon purchase and £5,000 related to subsequent revaluations.

The weighted average net rental yield for the current Investment Portfolio is forecast to be 3.1% over the next 5 years. However, actual performance may vary as more properties are added to the Investment Portfolio, and existing properties are revalued.

In order to treat existing investors fairly, when the Company issues Shares, the issue price used is calculated using net asset value and is adjusted for the amortisation of property acquisition costs. These acquisition costs are amortised over the first five years for each property from purchase. Over the period under review the issue price for new Shares has increased by 0.76% to £1.1052. The NAV per Share increased by 0.09% to £1.0541. Since the end of the period under review, the Company has issued a further 473,575 Shares.

Significant factors

The following property purchases occurred during and since the period under review and have been subsequently revalued and so have affected the Group's income:

<i>Address*</i>	<i>Acquisition Price (£)</i>	<i>Net Rental Yield**</i>	<i>Estimated annual rental value (£)***</i>
Dunoon House, London, N1	525,000	4.2%	28,800
Verebank, London, SW19	520,000	3.2%	22,800
Prince of Orange Court, London, SE16	348,000	3.3%	15,900
Greenview Close, London, W3	515,000	3.0%	19,500

The aggregate market value of the portfolio as at 30 June 2019 was £ 4,165,000.

*all acquired as leasehold interests

**calculated on a five-year basis as net rental profit/market value of property, after an initial asset stabilisation period.

*** the rental income currently being achieved or the estimated rental income if the property is vacant.

Factors that could materially affect the Group's operations

As far as the Directors are aware, there are no uncertainties that could materially affect the Group's operations other than those stated in the section entitled Risk Factors. There are no other trends, potential claims or other demands, undertakings or events, save for those which are a consequence of the regular operations, that can be expected to have a material adverse effect on the Group's business results of operations, financial condition or prospects.

PART B: FINANCIAL INFORMATION ON THE GROUP

Bricklane London REIT plc

Company registration number: 10759361

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

Directory

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

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Statement of changes in equity	10
Notes to the financial statements	11 -13

Strategic Report

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

Incorporation

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

Business review and principal activities

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

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

Principal risks and uncertainties

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

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

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

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

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



Michael Young
Director

Directors' Report for the period ended 30 June 2017

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

Going concern

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

Directors

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

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

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the results of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; 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 and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

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

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

Employment

The Company has no employees.

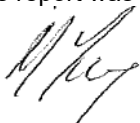
Directors Indemnity Insurance

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

Independent auditors

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

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

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

Michael Young
Director

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

Opinion

We have audited the financial statements of Bricklane London REIT PLC (the 'Company') for the period ended 30 June 2017 which comprise of the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its results for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements


As explained more fully in the directors' responsibilities statement on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



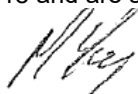
Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22 June 2018

Statement of Financial Position

As at 30 June 2017

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

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



Michael Young
Director

Company registration number 10759361

The accompanying notes set out on pages 11-13 form an integral part of these financial statements.

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

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

Notes to the Financial Statements

for the period ended 30 June 2017

1. Accounting policies

Basis of preparation

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

These audited financial statements of the Company for the period ended 30 June 2017 have been prepared in accordance with and comply with International Financial Reporting Standards ('IFRSs') as adopted by the EU and the Companies Act 2006. These financial statements replace the original accounts that were filed with Companies House and are now the statutory accounts for the Company. These financial statements have been prepared as they were at the date of the original accounts.

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

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

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

Adoption of new and revised IFRSs and Interpretation

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

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

Receivables

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

Functional and presentational currency

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

2. Called up share capital

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

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

3. Receivables

30 June 2017
£

Called up share capital not yet paid	0.01
--------------------------------------	------

4. Employees and directors

The Company does not have any employees.

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

5. Auditor remuneration

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

6. Events after the balance sheet date

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

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

7. Financial Risk Management

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

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

Market risk

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

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

Liquidity risk

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

Credit risk

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has entered into with the Company. In the event of default by an occupational tenant, the Company will suffer a rental shortfall and incur additional related costs. Prior to agreeing a tenancy agreement with a new tenant, checks are

performed to assess their creditworthiness. In addition, the investment advisor regularly reviews the reports on any tenants in arrears and upcoming tenancy end dates are monitored.

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

Bricklane London REIT plc

Company registration number: 10759361

Annual Report and Financial Statements

For the year ended 30 June 2018

Directory

Non-executive Directors

Simon Heawood
Michael Young
Paul Windsor
Craig Hallam

Registered office

Floor 2
6-8 Bonhill Street
London
EC2A 4BX

Registered number

10759361 (England and Wales)

Alternative Investment Fund Manager

Gallium Fund Solutions Limited
Gallium House
Station Court
Borough Green
Sevenoaks
TN15 8AD

Independent Auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Investment Advisor

Bricklane Investment Services Ltd
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London
EC2A 4BX

An appointed representative of Gallium Fund Solutions Limited

Legal advisors

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4 More London Riverside
London
SE1 2AU

Standing Independent Valuer

Allsop LLP
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Leeds
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TISE Listing Sponsor

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Strategic Report

The Directors present their strategic report for the year ended 30 June 2018.

Introduction

Bricklane London REIT plc became the principal company in a UK REIT (Real Estate Investment Trust) group on 1 December 2017. A UK REIT is a group that carries on a property rental business and meets HM Revenue & Customs (HMRC) requirements for UK REIT status. As a consequence of being a REIT group, Bricklane London REIT plc does not pay tax on the profits of its property rental business. However, when the Company pays a distribution (Property Income Dividends), tax may be due from shareholders. The REIT regime requires that 90% of the group's property rental income is distributed to its shareholders.

Bricklane London REIT plc owns a subsidiary entity, which together are referred to as the 'Group'.

The principal activity of Bricklane London REIT plc is property investment in the United Kingdom. The Group's investment objective is to make long-term investments in residential property in London and areas commutable to it. On 18 July 2018, the company's shares were admitted to the Official List of The International Stock Exchange. Prior to July 2018 the company was not actively trading.

Results to the year ended 30 June 2018

The Directors monitor the Group's KPIs as part of the business review, these KPIs include investment property valuation, net yield, issue price of shares, NAV per share and Adjusted Profit to Shareholders.

During the year, the Group purchased 6 properties and a further two properties were purchased since the year end.

The portfolio has benefitted from both acquiring properties at a discount to market value, and subsequent revaluations of properties after purchase in line with transactions on comparable properties. During the year, the market value of the investment property portfolio increased by £102,500k (3.8%), prior to the impact of acquisitions costs.

During the year, the Group generated rental income of £51k. The weighted average net rental yield for the current portfolio properties is forecast to be 3.2% over the next 5 years. However, actual performance may vary as more properties are added to the portfolio, and existing properties are revalued. The latest net yield forecast for the portfolio has exceeded our initial forecast due to repairs and maintenance spending and void periods being lower than anticipated.

In order to treat existing investors fairly, when the company issues shares, the issue price used is calculated using net asset value and is adjusted for the amortisation of property acquisition costs. These acquisition costs are amortised over the first five years for each property from purchase. Over the year the issue price for new shares has increased from by 9.7% £1.0969. The NAV per share increased by 5.3% to £1.0532.

During the year, the Company issued 2,922,193 shares and since the year end, a further 895,227 shares were issued

The results for the year are set out on page 12, which shows that the Adjusted Profit to Shareholders was £120k which takes into account the impact of acquisition costs incurred during the year. Prior to this adjustment the loss for the year was £52k.

Principal risks and uncertainties

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

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

that appeal to a wide range of tenants, and which exhibit strong rental and sales demand.

Valuation risk – the value of property is inherently subjective due to the individual nature of each property. In determining the value of properties, valuers are required to make assumptions, which may prove to be inaccurate. Incorrect assumptions underlying the valuation reports could negatively affect the value of any property assets of the group. This is particularly so in periods of volatility or when there is a limited real estate transactional data against which property valuations can be benchmarked. This risk is minimised by the appointment of external property valuers who are independent and professional.

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

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

Risk of reliance on the AIFM and Investment Advisor – The ability of the Group to achieve its investment objective depends on the ability of the AIFM and Investment Advisor for identifying, acquiring and disposing of investments. In addition, the Investment Advisor pays the fees for some of the Company's service providers that would otherwise be incurred by the Company. The Board will monitor the performance of the AIFM and the Investment Adviser, and has the ability to change or vary their appointment subject to relevant notice requirement.

This report was approved by the Directors on 13 December 2018 and signed on its behalf by



Michael Young
Director

Directors' Report for the year ended 30 June 2018

The Directors present their report and the audited financial statements of Bricklane London REIT plc together for the year ended 30 June 2018.

Distributions

No Property Income Dividend ('PID') was made during the period. To meet the requirements needed to maintain its status as a REIT, the group will make a PID payment within 12 months from the end of the accounting period. This distribution (Property Income Dividend) is taxed as property income in the shareholders' hands.

In addition, the group must meet other obligations of the REIT regime, which includes limits on the levels of non-property rental business it can undertake.

Going concern

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

Directors

The Directors who served during the year, and up to the date of signing are:

Simon Heawood,

Michael Young,

Paul Windsor (*appointed 6 July 2017*), and

Craig Hallam (*appointed 6 July 2017*).

Statement of Directors' Responsibilities

The Directors are responsible for preparing these 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 they are required to prepare financial statements in accordance with IFRSs as adopted by the EU and applicable law.

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 group, and the profit and loss for that year. In preparing the financial statements, the Directors are required to:

- Selected suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group, and enable them to ensure that its financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Employment

The group has no employees.

Directors Indemnity Insurance

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

Independent auditors

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

This report was approved by the Board of Directors on 13 December 2018 and signed on its behalf by

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

Michael Young
Director

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

Opinion

- **Our opinion on the financial statements is unmodified**
 -
 - We have audited the financial statements of Bricklane London REIT plc for the period from 1 July 2017 to 30 June 2018, which comprise the Group and Company Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group and Company Statement of Changes in Equity, the Group and Company Statement of Cash Flows and notes to the consolidated 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 group's affairs as at 30 June 2018 and of its loss for the period then ended;
 - have been properly prepared in accordance with IFRSs as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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.



- **Overview of our audit approach**
- Overall materiality: £30,000, which represents 1% of the group's net asset value; and
- Key audit matters identified were;
 - Valuation of investment property; and
 - Recognition of revenue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Valuation of investment property The group's investment property portfolio is required to be held at fair value under International Accounting Standard (IAS) 40 'Investment Property'. The valuation of the properties within this portfolio is inherently subjective due to the specific factors affecting each property. Allsop LLP were appointed as the independent, external valuer (the 'valuer'). The valuer takes into account property-specific information such as the location, property condition, and the sale of comparable properties in the market. The valuation of investment property was one of the most significant assessed risks of material misstatement (whether or not due to fraud) because of the existence of estimation uncertainty.	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none">• Agreeing the year end property valuations recorded in the financial statements to the professional valuation reports. This also included vouching all additions during the period, with consideration of authorisation and contractual confirmation;• assessing the competence, capability and objectivity of the company's external valuer and the appropriateness of their work in respect of the investment property valuation. This included substantiating the inputs of the models to supporting documentation;• holding a meeting with the valuer at which the valuations of all properties, the valuation methodology and any assumptions contained therein were discussed in detail, taking into account property-specific factors; and• exercising professional skepticism & judgement by challenging the valuer on the assumptions that they applied to each property, as well as confirming that these were not subsequently overridden by management <p>The group's accounting policy on investment property is shown in note 1 to the financial statements and related disclosures are included in note 6.</p> <p>Key observations From the work conducted above, we did not identify any material differences.</p>
Recognition of revenue Revenue for the group consists of rental income, recognised in accordance with IAS 17: 'Leases'. This income is based on tenancy agreements. The recognition of revenue was one of the most significant assessed risks of material misstatement (whether or not due to fraud) because overstatement of revenue could have a material impact on the group's net asset value, earnings per share, its level of dividend cover and compliance with REIT regulations.	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none">• agreeing rental income to signed tenancy agreements;• creating an expectation of rental income and comparing our expectation to the rental income recognised in the financial statements and seeking explanations for any differences greater than our defined acceptance range;• performance of attribute testing on revenue streams and inspecting underlying contracts in order to gain comfort over occurrence of revenue.• agreeing a sample of revenue receivables at the period end to post year end receipts; and• considering the group's revenue recognition policy in the context of our substantive testing, to confirm that the policy has been correctly applied and that it is in accordance with IAS 18: 'Revenue'.

Key Audit Matter

How the matter was addressed in the audit

The group's accounting policy on revenue recognition is shown in Note 1 to the Financial Statements.

Key observations

From the work conducted above, we did not identify any material differences.

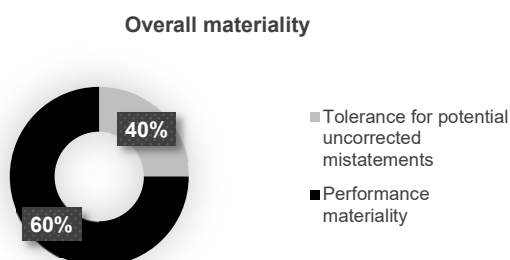
Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £30,000 which is 1% of the group's net assets. This benchmark is considered the most appropriate because of the nature of the group as a Real Estate Investment Trust, where stakeholders are most interested in the net asset value.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 60% of financial statement materiality.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



We determined the threshold at which we will communicate misstatements to the audit committee to be £1,500. In addition, we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the company's business, its environment and risk profile and, in particular, included an evaluation of the company's internal controls environment including its IT systems and controls, understanding of company's investment strategy and understanding of investment valuation process.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 4 to 7 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

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

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

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, 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 group'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 group 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.

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). Our audit approach is a risk-based approach and is explained more fully in the 'An overview of the scope of our audit' section of our audit report.

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



Paul Flatley

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, 18 December 2018

Group Statement of Comprehensive Income

For the year ended 30 June 2018

	Notes	30 Jun 2018 £
Rental Income		51,255
Property Management Expenses		
Property Management Fees & Letting Costs		(3,719)
Service Charges & Ground Rent		(2,234)
Repairs & Maintenance Costs		(3,632)
Depreciation		(1,604)
Other Expenses		(5,274)
Rental Profit		34,792
Unrealised Capital Gains		95,204
Property Acquisition Costs during the year		(172,215)
Net change in fair value on investment property		(77,011)
Property Profit		(42,219)
Fund Expenses		
Bank Charges		(166)
Bricklane.com Management Fee		(9,476)
Interest payable		(434)
Profit/(loss) before Taxation		(52,295)
Taxation	10	(1,026)
Profit/(loss) and total comprehensive income for the year		(53,321)

Analysed as:

Rental Profit	34,792
Unrealised Capital Gains	95,204
Bricklane.com Management Fee	(9,476)
Other Fund Expenses	(600)
Adjusted profit to Shareholders	120,086

Property Acquisition Costs during the year	15	(172,215)
Profit/(loss) before Taxation		(52,295)
Taxation	10	(1,026)
Profit/(loss) and total comprehensive income for the year		(53,321)
Earnings per ordinary share (basic & diluted) (p)	13	(3.7p)

Group Statement of Financial Position

As at 30 June 2018

	Notes	30 Jun 2018 £	30 Jun 2017 £
Non-Current assets			
Investment property	1,6	2,801,524	-
Property, plant and equipment	1,5	12,568	-
		2,814,092	-
Current assets			
Receivables	8	79,317	0.01
Cash and cash equivalents		163,370	-
		242,687	0.01
Current liabilities: amounts falling due within one year	9	(9,539)	-
Net Assets		3,047,240	0.01
Capital and reserves			
Share capital	3	29,222	0.01
Share premium		3,071,339	-
Retained profit		(53,321)	-
Shareholders' funds		3,047,240	0.01
Net asset value per share		£1.0428	£0.01

These financial statements were approved by the Board of Directors and authorised for issue on 13 December 2018 and are signed on behalf of the board by:



Michael Young
Director

Company registration number 10759361

The accompanying notes set out on page 17 to 23 form an integral part of these financial statements.

Company Statement of Financial Position

As at 30 June 2018

	<i>Notes</i>	30 Jun 2018 £	30 Jun 2017 £
Non-Current assets			
Investment property	1,6	2,801,524	-
Property, plant and equipment	1,5	12,568	-
Investment in subsidiary		1	-
		2,814,093	-
Current assets			
Receivables	8	79,317	0.01
Cash and cash equivalents		163,370	-
		242,687	0.01
Current liabilities: amounts falling due within one year	9	(9,540)	-
Net Assets		3,047,240	0.01
Capital and reserves			
Share capital	3	29,222	0.01
Share premium		3,071,339	-
Retained profit		(53,321)	-
Shareholders' funds		3,047,240	0.01

Group and Company Statement of Changes in Equity
For the year ended 30 June 2018

	Share Capital	Share Premium	Retained Earnings	Total
	£	£	£	£
Balance at 8 May 2017	-	-	-	-
Proceeds from the issue of Ordinary Shares	0.01	-	-	0.01
Total Comprehensive Income for the period	-	-	-	-
Balance at 30 Jun 2017	0.01	-	-	0.01
Proceeds from the issue of Ordinary Shares	29,222	3,071,339	-	3,100,561
Total Comprehensive Income for the year	-	-	(53,321)	(53,321)
Balance at 30 Jun 2018	29,222	3,071,339	(53,321)	3,047,240

Group and Company Statement of Cash Flows

As at 30 June 2018

	Notes	30 Jun 2018	8 May 2017 – 30 Jun 2017 £
Cash Flows from Operating Activities			
Total comprehensive income for the Operating Period		(53,321)	-
Adjusted for;			
Unrealised valuation gains on investment property	6	(95,204)	-
Property acquisitions costs		172,215	-
Increase in receivables	8	(79,317)	(0.01)
Increase in payables	9	9,539	-
Depreciation	5	1,604	-
Net Cash Flows used in Operating Activities		(44,484)	(0.01)
Cash Flows from Investing Activities			
Acquisition and refurbishment of investment property	5	(2,878,535)	-
Purchase of property, plant and equipment	6	(14,172)	-
Net Cash Flows from Investing Activities		(2,892,707)	-
Cash Flows from Financing Activities			
Proceeds from the issue of ordinary shares	3	3,100,561	0.01
Net Cash Flows from Financing Activities		3,100,561	0.01
Increase in cash and cash equivalents		163,370	-
Cash and cash equivalents at the start of the year		-	-
Cash and cash equivalents at the end of the year		163,370	-

Notes to the Consolidated and Company Financial Statements

for the year ended 30 June 2018

1. Accounting policies

Basis of preparation

Bricklane London REIT plc (the company) is a company incorporated and domiciled in the UK. It is a public limited liability company listed on The International Stock Exchange. The group financial statements consolidate those of the company and its subsidiary, together referred as the 'group'. All notes, with the exception of note 7 relate to both the group and the company.

These audited financial statements of the company and group for the year ended 30 June 2018 have been prepared in accordance with and comply with International Financial Reporting Standards ('IFRSs') as adopted by the EU and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention except investment property which are stated at their fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements. The accounting policies set out below are applicable to the Group and Company unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on the Directors' best knowledge of the events and amounts involved, actual results may differ from those estimates.

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

The areas involving a higher degree of judgement or complexity or areas where estimates or assumptions are significant to the financial statements are disclosed in note 2.

Adoption of new and revised IFRSs and Interpretation

The Directors considered all relevant new standards, amendments and interpretations to existing standards effective for the year ended 30 June 2018, but they have not been early adopted. The Directors' assessment is that they would not have not led to any changes in the group's accounting policies and they had no material impact on the financial statements of the group. Those that are most relevant to the group are set out below:

- IFRS 15, 'Revenue from Contracts', replaces IAS 11 and IAS 18 and some revenue-related interpretations and establishes a single comprehensive framework for revenue recognition. IFRS 15 is effective for periods beginning on or after 1 January 2018.
- IFRS 16, 'Leases', replaces the existing standard IAS 17 Leases, where lessees are required to make a distinction between a finance lease and an operating lease. Effective for reporting periods beginning on or after 1 January 2019.
- IAS 40, 'Investment Property', amendments in Transfers of Investment Property. Clarification of when properties can be transferred to and from investment property. Effective for periods beginning on or after 1 January 2018.

Property, plant and equipment

These assets are stated at historical cost less accumulated depreciation. Depreciation is charged using the straight-line method over 3 to 5 years.

Property, plant and equipment relates solely to furniture which is situated across the REIT's investment properties and can be reallocated between the different properties as tenancies require.

Revenue Recognition

Rental income comprises the fair value of the consideration received or receivable during ordinary operating activities. Revenue is recognised when the amount of revenue and related cost can be reliably measured and the collectability of the related receivables is reasonably assured. Rental income (net of any incentives given to the lessees, such as rent-free periods) is recognised on a straight-line basis over the lease term.

Segmental analysis

The Directors, who together are the Chief Operating decision makers, consider that the group comprises of one operating segment and that it operates in the country of incorporation. The group provides directors with financial information that is on an aggregated level with the exception of the fair value of the investment properties. As such, there is no segmental information to disclose.

Expense Recognition

All expenses are accounted for on an accruals basis. Letting costs and costs associated with setting up a lease are recognised on a straight-line basis over the lease term.

Investment Properties

Investment properties are initially recognised at cost (including acquisition costs) and subsequently carried at fair value, as provided by Allsop LLP. Allsop LLP are external valuers who hold a recognised and relevant qualification and have experience in valuing residential property. Changes in fair values are recognised as unrealised gains or losses through the profit or loss. Investment properties are subject to renovations or improvements at regular intervals. The costs of renovations and improvements are capitalised. The costs of maintenance, repairs and minor improvements are recognised in the profit or loss when incurred. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in income statement.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

Receivables

Rents receivable are recognised and carried at the original payment amount, less an allowance of uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Functional and presentational currency

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

2. Critical accounting estimates and assumptions

The following is intended to provide further details relating to those accounting policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements.

REIT status

Bricklane London REIT plc is the principal company of a Real Estate Investment Trust ("REIT") group, and as such, does not pay corporation tax on its property rental business profits (property income and gains on property disposals) provided that at least 90% of the groups' property income is distributed to shareholders within specified time limits. This distribution (Property Income Dividend) is taxed as property income in the shareholders' hands. In addition, the group must meet other obligations of the REIT regime, which includes limits on the levels of non-property rental business it can undertake. The Directors' view is that all REIT compliance tests have been met to ensure that the group maintains its REIT status. It is the Directors' intention that the group will continue as a REIT for the foreseeable future.

Investment Property

The Directors are required to make an assessment of the value of the group's investment property portfolio using the valuation prepared by Allsop LLP. The fair value provided by the Allsop LLP is based on the market value of the individual residential units.

3. Called up share capital

	30 June 2018 £	30 June 2017 £
Allotted, called up and fully paid		
2,922,193 ordinary shares (2017: 1) of £0.01 each	29,222	0.01

During the year 2,922,192 ordinary shares were issued. Each ordinary share has equal right to dividends and is entitled and has equal rights to participate in a distribution arising from a winding up of the group. The ordinary shares are not redeemable.

The share issue costs during the year were paid by Bricklane Investments Services Ltd, the group's Investment Advisor.

4. Auditor remuneration

Fees of £18,000 (2017: £3,000) are payable to the group's auditor for the audit of the group's annual accounts. This fee will be paid by Bricklane Investment Services Ltd on behalf of Bricklane London REIT plc.

5. Property, plant and equipment

	Furniture, fixtures and fittings £
Period ended 30 June 2017	
Opening carrying amount	-
Additions	-
Depreciation charge	-
Carrying amount	-
As at 30 June 2017	
Cost	-
Accumulated depreciation	-
Carrying amount	-
Year ended 30 June 2018	
Opening net book amount	-
Additions	14,172
Depreciation charge	(1,604)
Carrying amount	12,568
As at 30 June 2018	
Cost	14,172
Accumulated depreciation	(1,604)
Carrying amount	12,568

6. Investment Property

	30 June 2018 £	30 June 2017 £
Fair value		
Brought forward	-	-
Additions:		
- Direct acquisitions	2,697,500	-

- Capitalised acquisition costs	1,524	-
Gain from fair value adjustments on investment property	102,500	-
Carried forward	<u>2,801,524</u>	<u>-</u>

7. Investment in subsidiary (company only)

	30 June 2018	30 June 2017
	£	£
Cost		
Brought forward	-	-
Additions	<u>1</u>	<u>-</u>
Carried forward	<u>1</u>	<u>-</u>

Bricklane London REIT Plc holds 100% of the ordinary shares in Bricklane London Acquisitions Ltd, a dormant company incorporated in the United Kingdom.

8. Receivables

	30 June 2018	30 June 2017
	£	£
Accounts receivable	640	-
Share issue receivable*	71,263	0.01
Prepayments	<u>7,414</u>	<u>-</u>
	<u>79,317</u>	<u>0.01</u>

*Prior to year end new shares were issued by the company. The funds to purchase these shares were held in the company's AIFM and due for settlement after the year end. As these funds are no longer refundable the shares are considered fully paid.

9. Current liabilities

	30 June 2018	30 June 2017
	£	£
Accounts payable	381	-
Accruals	7,182	-
Other creditors	1,026	-
Provision	<u>950</u>	<u>-</u>
	<u>9,539</u>	<u>-</u>

10. Taxation

	30 June 2018	30 June 2017
	£	£
Tax charge for the year	1,026	-

Effective 1 December 2017 the Bricklane London REIT Plc elected for UK REIT status. Consequently, Bricklane London REIT Plc does not pay corporation tax on its property rental business profits (property income and gains on property disposals), provided that at least 90% of the REIT's property income is distributed to shareholders. This distribution is taxed as property income in the shareholders' hands. Any group profits which do not qualify for exemption under the REIT regime are subject to UK tax in the normal way.

The tax charge for the year (prior to obtaining REIT status) is different to the tax charge for the year derived by applying the standard rate of corporation tax in the UK of 19% to the profit before tax. The differences are explained below:

30 June 2018	30 June 2017
£	£

Profit/(Loss) before tax	(53,321)	-
Tax calculated at UK standard rate of corporation tax of 19%	(10,131)	-
Valuation gains on investment property	(18,089)	-
Non-deductible expenditure	33,026	-
Property rental business profits	4,806	-
Rental profits exempt under REIT regime	(3,780)	-
Tax charge for the year	1,026	-

11. Employees and directors

The group does not have any employees.

Three of the four Directors do not receive any remuneration for their roles as Directors of the group. One director received a total fee of £14,291 during the year, however this fee was paid by Bricklane Investment Services Ltd.

12. Operating leases

The future aggregate minimum lease payments due to the group under non-cancellable operating leases are as follows:

	30 June 2018	30 June 2017
	£	£
Expiring within one year	48,660	-
Expiring later than one year but not later than five years	28,050	-

13. Earnings per share

Basic earnings per share is calculated by dividing the Profit and total comprehensive income for the year by the weighted average number of ordinary shares in issue during the year. There are no dilutive instruments outstanding and so basic and diluted earnings per share are identical.

	30 June 2018	30 June 2017
Profit and total comprehensive income for the year	£(53,321)	-
Earnings per share	(3.7p)	-

Weighted average number of ordinary shares in the year	1,450,155	1
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14. Events after the balance sheet date

After the 30 June 2018 Bricklane London REIT Plc continued to issue shares on a fortnightly basis. Since the year end, a further 895,227 shares were issued.

15. Total adjusted profit to Shareholders

The directors intend to expand the group through a programme of share issues and purchase additional investment properties with the proceeds. The group will incur acquisition costs as a result of each of these purchases, and under IFRS these will immediately impact the income statement.

Due to the continued purchase of properties, the group may continue to generate a loss under IFRS, such as in this year. In order to provide shareholders with useful information and to show a result that reflects the underlying performance of the property portfolio, shareholders have been provided with an adjusted profit calculation, which excluded acquisitions costs incurred during the year.

In order to treat existing investors fairly, when the company issues shares, the issue price used is calculated using net asset value and is adjusted for the amortisation of property acquisition costs. These acquisition costs are amortised over the first five years for each property from purchase. This practice is in line with other real estate investment companies.

16. Financial Risk Management

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

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

Market risk

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

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

Liquidity risk

Liquidity risk is the risk that the group may encounter difficulty in raising funds to meet commitments associated with financial liabilities, which would result in a large draw on cash resources. As a REIT, the group is required to distribute at least 90% of the group's net property income to shareholders within specified time limits.

The table below analyses financial liabilities into relevant maturity groupings, based at the statement of financial position date on the remaining year to maturity date.

30 June 2018	Less than 1 year £	Total £
Payables held at amortised cost	9,539	9,539
	9,539	9,539

30 June 2017	Less than 1 year £	Total £
Payables held at amortised cost	-	-
	-	-

Credit risk

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

All cash balances at the year end were held with Metro Bank PLC.

Fair value hierarchy disclosures

The table below sets out fair value measurements using the IFRS 13 Fair Value hierarchy for investment property, which is the only asset type held at fair value.

30 June 2018	Level 1 £	Level 2 £	Level 3 £	Total £
Investment Property	-	-	2,801,524	2,801,524

	-	-	2,801,524	2,801,524
30 June 2017	Level 1	Level 2	Level 3	Total
	£	£	£	£
Investment Property	-	-	-	-
	-	-	-	-

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 - valued using quoted prices in an active market for identical assets

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data

There were no transfers between levels during the year.

17. Related party transactions

Unless otherwise disclosed in these Financial Statements, the only related party transaction during the year, was a credit facility of £50,000 was provided by Bricklane Investment Services Ltd to Bricklane London REIT on a commercial basis for 28 days. The credit facility enabled the group to take advantage of a property acquisition opportunity. This loan was repaid with £268 of interest.

Bricklane London REIT plc

Company registration number: 10759361

Half Yearly Consolidated Financial Report

for the six months ended 31 December 2018 (unaudited)

Directory

Non-executive Directors	Simon Heawood Michael Young Paul Windsor Craig Hallam
Registered office	Floor 2 6-8 Bonhill Street London EC2A 4BX
Registered number	10759361 (England and Wales)
Alternative Investment Fund Manager	Gallium Fund Solutions Ltd Gallium House Station Court Borough Green Sevenoaks TN15 8AD
Independent Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Investment Advisor	Bricklane Investment Services Ltd 2nd floor 6-8 Bonhill Street London EC2A 4BX <i>An appointed representative of Gallium Fund Solutions Ltd</i>
Legal advisors	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Standing Independent Valuer	Allsop LLP 33 Park Place Leeds LS1 2RY
TISE Listing Sponsor	Carey Olsen Corporate Finance Ltd 47 Esplanade St Helier Jersey JE1 0BD

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Group statement of financial position	7
Group statement of changes in equity	8
Group statement of cash flows	9
Selected notes to the financial statements	10 – 13

Interim Strategic Report

The Directors present their interim strategic report for the six months ended 31 December 2018

Incorporation

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

Bricklane London REIT plc became the principal company in a UK REIT (Real Estate Investment Trust) group on 1 December 2017. A UK REIT is a group that carries on a property rental business and meets HM Revenue & Customs (HMRC) requirements for UK REIT status. After the Company had completed the purchase of its third property, it had met all the HMRC requirements and so was able to enter the REIT regime. As a consequence of being a REIT group, Bricklane London REIT plc does not pay tax on the profits of its property rental business. However, when the company pays a distribution (Property Income Dividends), tax may be due from shareholders. The REIT regime requires that 90% of the group's property rental income is distributed to its shareholders.

Bricklane London REIT plc owns a subsidiary entity, which together are referred to as the 'Group'.

Business review and principal activities

The principal activity of Bricklane London REIT plc is property investment in the United Kingdom. The Group's investment objective is to make long-term investments in residential property in London and areas commutable to it. During the period, the Group purchased 2 properties and a further property was purchased since the period end.

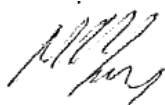
London can be separated into three sections – Prime Central London, Inner London, and Outer London. The Group is focussed on purchasing properties location in Inner and Outer London and valued between £350,000 and £850,000. By focussing on mainstream assets, the Directors believe that returns (both rental and price-driven) respond to shifts in demographics, working habits, transport and culture relating to the population at large, and are more readily comprehensible to a wide range of investors. Momentum has slowed in the London market recently, as has recently been covered in the press. With fewer active buyers, and a number of motivated sellers, we believe that London is currently a buyer's market, and there are opportunities to be had for sophisticated, dispassionate investors. The Investment Advisers continues to bid on multiple properties for every one intended for acquisition, as a means to secure favourable pricing, and as cash buyers who can move quickly, offer an attractive proposition to many vendors in the current environment. As a result, the Group purchased a number of properties at a discount to market value. During the period, the market value of the investment property portfolio increased by £17k (0.5%), (2017: £45.2k; 3.8%) prior to the impact of acquisitions costs, of which £12k related to discounts to market value negotiated upon purchase and £5k related to subsequent revaluations.

The weighted average net rental yield for the current portfolio properties is forecast to be 3.1% over the next 5 years. However, actual performance may vary as more properties are added to the portfolio, and existing properties are revalued.

In order to treat existing investors fairly, when the Company issues shares, the issue price used is calculated using net asset value and is adjusted for the amortisation of property acquisition costs. These acquisition costs are amortised over the first five years for each property from purchase. Over the period the issue price for new shares has increased by 0.76% to £1.1052 (2017: 6.4%; £1.0644). The NAV per share increased by 0.09% to £1.0541 (2017: 1.02%; £1.0191). Since the period end, the Company has issued a further 473,575 shares.

The results for the period are set out on page 5, which shows that the Adjusted Profit to Shareholders was £49,294 (2017: £51,561), which takes into account the impact of acquisition costs incurred during the period. Prior to this adjustment the loss for the period was £6,017 (2017: (£23,708)).

This report was approved by the Directors on 29 April 2019 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'M Young', is positioned above the printed name and title.

Michael Young
Director

Group Statement of Comprehensive Income
For the period ended 31 December 2018 (unaudited)

		1 Jul 2018	1 Jul 2017	(Audited) 1 Jul 2017
		31 Dec 2018	31 Dec 2017	30 Jun 2018
		£	£	£
Rental Income		69,364	12,798	51,255
Property Management Expenses				
Property Management Fees & Letting Costs		(5,158)	(855)	(3,719)
Service Charges & Ground Rent		(3,975)	(162)	(2,234)
Repairs & Maintenance Costs		(8,057)	(1,175)	(3,632)
Depreciation		(1,588)	(387)	(1,604)
Other Expenses		(2,072)	(3,812)	(5,274)
Rental Profit		48,514	6,407	34,792
Unrealised Capital Gains	4	17,000	45,204	95,204
Property Acquisition Costs during the Period		(55,311)	(74,243)	(172,215)
Net change in fair value on investment property		(38,311)	(29,039)	(77,011)
Property Profit		10,203	(22,632)	(42,219)
Fund Expenses				
Bank Charges		(110)	(50)	(166)
Bricklane.com Management Fee		(16,110)	-	(9,476)
Interest Payable		-	-	(434)
Profit/(loss) before Taxation		(6,017)	(22,682)	(52,295)
Taxation	2	-	(1,206)	(1,206)
Profit/(loss) and total comprehensive income for the period		(6,017)	(23,708)	(53,321)
Analysed as:				
Rental Profit		48,514	6,407	34,792
Unrealised Capital Gains		17,000	45,204	95,204

Bank Charges	(110)	(50)	-
Bricklane.com Management Fee	(16,110)	-	(9,476)
Other Fund Expenses	-	-	(600)
Adjusted profit to Shareholders	49,294	51,561	120,086
Property Acquisition Costs during the Period	(55,311)	(74,243)	(172,215)
Profit/(loss) before Taxation	(6,017)	(22,682)	(52,295)
Taxation	-	(1,026)	(1,026)
- Profit/(loss) and total comprehensive income for the year	(6,017)	(23,708)	(53,321)

Earnings per ordinary share (basic & diluted)	10	(0.2p)	(2.7p)	(3.7p)
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Group Statement of Financial Position
As at 31 December 2018 (unaudited)

	Notes	31 Dec 2018 £	31 Dec 2017 £	30 Jun 2018 £
Non-Current assets				
Investment property	5	3,687,597	1,242,184	2,801,524
Property, plant and equipment	4	18,479	10,513	12,568
		3,706,076	1,252,697	2,814,092
Current assets				
Receivables	6	24,876	106,349	79,317
Cash and cash equivalents		325,211	164,878	163,370
		350,087	271,227	242,687
Payables: amounts falling due within one year	7	(15,891)	(9,409)	(9,539)
Net Assets		4,040,272	1,514,515	3,047,240
Capital and reserves				
Share capital	3	38,300	14,861	29,222
Share premium		4,061,310	1,523,362	3,071,339
Retained profit		(59,338)	(23,708)	(53,321)
Shareholders' funds		4,040,272	1,514,515	3,047,240
Net asset value per share (£)		1.0549	1.0191	1.0428

These financial statements were approved by the Board of Directors and authorised for issue on 29 April 2019 and are signed on behalf of the board by:



Michael Young
Director

Company registration number 10759361

The accompanying notes set out on page 10 to 13 form an integral part of these financial statements.

Group Statement of Changes in Equity

For the period ended 31 December 2018 (unaudited)

Proceeds from the issue of Ordinary Shares	14,361	1,547,977	-	1,562,338
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	Share Capital	Share Premium	Retained Earnings	Total
	£	£	£	£

Balance at 30 June 2017	0.01	-	-	0.01
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Proceeds from the issue of Ordinary Shares	14,861	1,523,362	-	1,538,223
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Total Comprehensive Income for the Period	-	-	(23,708)	(23,708)
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Balance at 30 June 2017	14,861	1,523,362	(23,708)	1,514,515
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Total Comprehensive Income for the Period	-	-	(29,613)	(29,613)
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Balance at 31 Jun 2018	29,222	3,071,339	(53,321)	3,047,240
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Proceeds from the issue of Ordinary Shares	9,078	989,971	-	999,049
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Total Comprehensive Income for the Period	-	-	(6,017)	(6,017)
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Balance at 31 Dec 2018	38,300	4,061,310	(59,338)	4,040,272
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Group Statement of Cash Flows

As at 31 December 2018 (unaudited)

	Notes	1 Jul 2018 - 31 Dec 2018 £	1 Jul 2017 - 31 Dec 2017 £	(Audited) 1 Jul 2017 – 30 Jun 2018 (£)
Cash Flows from Operating Activities				
Total comprehensive income for the Operating Period		(6,017)	(23,708)	(53,321)
Adjusted for;				
Unrealised valuation gains on investment property	4	(17,000)	(45,204)	(95,204)
Property acquisitions costs		55,311	74,243	172,215
Decrease / (Increase) in receivables	5	54,441	(106,349)	(79,317)
Increase in payables	6	6,352	9,409	9,539
Depreciation		1,588	387	1,604
Net Cash Flows used in Operating Activities		94,675	(91,222)	(44,484)
Cash Flows from Investing Activities				
Acquisition and refurbishment of investment property		(924,385)	(1,271,223)	(2,878,535)
Purchase of property, plant and equipment		(7,498)	(10,900)	(14,172)
Net Cash Flows from Investing Activities		(931,883)	(1,282,123)	(2,892,707)
Cash Flows from Financing Activities				
Proceeds from the issue of ordinary shares		999,049	1,538,223	3,100,561
Net Cash Flows from Financing Activities		999,049	1,538,223	3,100,561
Increase in cash and cash equivalents		164,841	164,878	163,370
Cash and cash equivalents at the start of the period		163,370	-	-
Cash and cash equivalents at the end of the period		325,211	164,878	163,370

Notes to the Consolidated and Company Financial Statements

for the period ended 31 December 2018 (unaudited)

1. Accounting policies

Basis of preparation

Bricklane London REIT plc (the 'Company') is a company incorporated and domiciled in the UK. It is a public limited liability company listed on The International Stock Exchange. The Group financial statements consolidate those of the company and its subsidiary, together referred as the 'Group'

This consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial performance and position of the Group since the last financial statements for the year ended 30 June 2017. This consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards. The financial statements are unaudited and do not constitute statutory accounts as defined in section 434(3) of the Companies Act 2006.

A copy of the annual audited accounts for the year ended 30 June 2018 has been delivered to the Registrar of Companies.

The financial statements have been prepared under the historical cost convention except investment property which are stated at their fair value. The financial statements have therefore been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on the Directors' best knowledge of the events and amounts involved, actual results may differ from those estimates.

The areas involving a higher degree of judgement or complexity or areas where estimates or assumptions are significant to the financial statements are disclosed in note 2.

Property, plant and equipment

These assets are stated at historical cost less accumulated depreciation. Depreciation is charged using the straight-line method over 3 to 5 years.

Property, plant and equipment relates solely to furniture which is situated across the REIT's investment properties and can be reallocated between the different properties as tenancies require.

Revenue Recognition

Rental income comprises the fair value of the consideration received or receivable during ordinary operating activities. Revenue is recognised when the amount of revenue and related cost can be reliably measured and the collectability of the related receivables is reasonably assured. Rental income (net of any incentives given to the lessees, such as rent-free periods) is recognised on a straight-line basis over the lease term.

Segmental analysis

The Directors, who together are the Chief Operating decision makers, consider that the Group comprises of one operating segment and that it operates in the country of incorporation. The Group provides directors with financial information that is on an aggregated level with the exception of the fair value of the investment properties. As such, there is no segmental information to disclose.

Expense Recognition

All expenses are accounted for on an accruals basis. Letting costs and costs associated with setting up a lease are recognised on a straight-line basis over the lease term.

Investment Properties

Investment properties are initially recognised at cost (including acquisition costs) and subsequently carried at fair value, as provided by Allsop LLP. Allsop LLP are external valuers who hold a recognised and relevant qualification and have experience in valuing residential property. Changes in fair values are recognised as unrealised gains or losses through the profit or loss. Investment properties are subject to renovations or improvements at regular intervals. The costs of renovations and improvements are capitalised. The costs of maintenance, repairs and minor improvements are recognised in the profit or loss when incurred. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in income statement.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

Receivables

Rents receivable are recognised and carried at the original payment amount, less an allowance of uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Functional and presentational currency

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

2. Critical accounting estimates and assumptions

The following is intended to provide further details relating to those accounting policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements.

REIT status

Bricklane London REIT plc is the principal company of a Real Estate Investment Trust ("REIT") group, and as such, does not pay corporation tax on its property rental business profits (property income and gains on property disposals) provided that at least 90% of the Groups' property income is distributed to shareholders within specified time limits. This distribution (Property Income Dividend) is taxed as property income in the shareholders' hands. In addition, the Group must meet other obligations of the REIT regime, which includes limits on the levels of non-property rental business it can undertake. The Directors' view is that all REIT compliance tests have been met to ensure that the Group maintains its REIT status. It is the Directors' intention that the Group will continue as a REIT for the foreseeable future.

Investment Property

The Directors are required to make an assessment of the value of the Group's investment property portfolio using the valuation prepared by Allsop LLP. The fair value provided by the Allsop LLP is based on the market value of the individual residential units.

3. Called up share capital

	31 Dec 2018	31 Dec 2017	30 June 2018
Share capital	£38,300	£14,861	£29,222
Ordinary shares of £0.01 each (Allotted, called up and fully paid)	3,829,975	1,486,160	2,922,193

During the period 907,782 ordinary shares were issued. Each ordinary share has equal right to dividends, and is entitled and has equal rights to participate in a distribution arising from a winding up of the Group. The ordinary shares are not redeemable.

The initial listing costs and share issue costs during the period were paid by Bricklane Investments Services Ltd, the Group's Investment Advisor.

4. Investment Property

31 Dec 2018	31 Dec 2017	30 June 2018
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	£	£	£
Fair value at start of the period	2,801,524	-	-
Additions:			
- Direct acquisitions	867,999	1,189,684	2,697,500
- Subsequent expenditure	1,074	7,296	-
- Capitalised acquisition costs	-	-	1,524
Gain from fair value adjustments on investment property	17,000	45,205	102,500
Fair value at end of the period	3,687,597	1,242,184	2,801,524

5. Receivables

	31 Dec 2018 £	31 Dec 2017 £	30 June 2018 £
Accounts receivable	2,660	293	640
Share issue receivable*	113,876	48,520	71,263
Prepayments	8,340	3,536	7,414
Property deposit	-	54,000	-
	24,876	106,349	79,317

*Prior to period end new shares were issued by the company. The funds to purchase these shares were held in the company's AIFM and due for settlement after the year end. As these funds are no longer refundable the shares are considered fully paid.

**At the period end the company transferred funds to its lawyers' client money account in advance of the completion of a property acquisition. These funds were unrestricted and so continue to be an asset of the company.

6. Payables

	31 Dec 2018 £	31 Dec 2017 £	30 June 2018 £
Accounts payable	381	624	381
Accruals	13,534	7,760	7,182
Other creditors	1,026	1,025	1,026
Provision	950	-	950
	15,891	9,409	9,539

7. Employees and directors

The Group does not have any employees.

Three of the four Directors do not receive any remuneration for their roles at Directors of the Group. One director received a total fee of £7,250 (2017: £7,041) during the period, however this fee was paid by Bricklane Investment Services Ltd.

8. Earnings per share

Basic earnings per share is calculated by dividing the Profit and total comprehensive income for the period by the weighted average number of ordinary shares in issue during the period. There are no dilutive instruments outstanding and so basic and diluted earnings per share are identical.

	31 Dec 2018	31 Dec 2017	30 June 2018
Profit and total comprehensive income for the period	£(6,017)	£(22,682)	£(53,321)

Weighted average number of ordinary shares in the period	3,524,438	£833,216	1,450,155
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9. Events after the balance sheet date

After the 31 December 2018 Bricklane London REIT Plc continued to issue shares on a fortnightly basis. Since the period end, a further 473,575 shares were issued.

10. Total adjusted profit to Shareholders

The directors intend to expand the Group through a programme of share issues and purchase additional investment properties with the proceeds. The Group will incur acquisition costs as a result of each of these purchases, and under IFRS these will immediately impact the income statement.

Due to the continued purchase of properties, the Group may continue to generate a loss under IFRS, such as in this period. In order to provide shareholders with useful information and to show a result that reflects the underlying performance of the property portfolio, shareholders have been provided with an adjusted profit calculation, which excluded acquisitions costs incurred during the period.

In order to treat existing investors fairly, when the Company issues shares, the issue price used is calculated using net asset value and is adjusted for the amortisation of property acquisition costs. These acquisition costs are amortised over the first five years for each property from purchase. This practice is in line with other real estate investment companies.

PART 6
VALUATION REPORT

Our Ref: AWW/RS



30 June 2019

Bricklane London REIT plc
3rd Floor
26 Finsbury Square
London
EC2A 1DS

Dear Sirs

BRICKLANE LONDON REIT PLC ('THE FUND')
UPDATED VALUATION AS AT 30 JUNE 2019

1. INTRODUCTION

In accordance with our Terms of Engagement dated 8 May 2017, we have valued the interests in the nine properties listed below held by The Fund ('The Properties') as at 30 June 2019 ('The Effective Date') on a Market Value basis. The valuation is prepared for fund reporting purposes. The Properties all comprise residential dwellings held for investment:

- 1-bedroom flat on Ferndale Road, London
- 1-bedroom flat on Twyford Avenue, London
- 1-bedroom flat on Cheshire Street, London
- 3-bedroom flat in 398 Seven Sisters Road, London
- 2-bedroom flat in Dibdin House, Maida Vale, London
- 3-bedroom flat in Dunoon House, London
- 3-bedroom flat in Verebank, London
- 1-bedroom flat in Prince of Orange Court, London
- 3-bedroom flat in Greenview Close, London

In accordance with our Terms of Engagement, we inspected internally all of The Properties at the month of purchase and have not re-inspected for this report. We have made the same assumptions on internal condition as stated in our Purchase Valuation. We have assumed that there have been no material changes to either The Properties or the legal structure under which the Fund owns the properties and receives income.

We have received updated rental and tenancy information from you or your managers this month in order for us to provide this updated valuation (see Appendix). We have relied upon this information as being complete and correct.

You have also informed us of any physical improvements to any of The Properties which we may take into account in providing updated valuations.

The valuation falls within the RICS definition of a Regulated Purpose Valuation. The valuer responsible for the valuation is Andrew Wells BSc MBA FRICS, who has undertaken this work for you since May 2017. Our policy is to ensure that the valuer responsible is rotated periodically, so that, as a maximum, he/she will not be responsible for a particular recurring valuation for more than seven consecutive years. This complies with the RICS view of "Best Practice".

We have not been involved (other than in providing an independent valuation) in any of The Properties you have purchased and thus do not have a conflict of interest in providing these valuations to you.

During our last Financial Year, the proportion of the total fee income of Allsop LLP which was payable by The Fund or connected companies was less than 5%.

2. VALUATION ASSUMPTIONS

The valuations have been carried out in accordance with the Valuation Standards in the RICS Valuation Global Standards 2017 – including the International Valuation Standards.

The basis of valuation is 'Market Value'. 'Market Value' means:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

We have assumed good titles which are not subject to any adverse easements, restrictive covenants, or unusual or unduly onerous provisions which would otherwise depress the values. We have assumed that there are no disputes relating to The Properties and that all covenants have been complied with. We have also assumed that The Properties and their value are unaffected by any matters which would be revealed by Local Searches and replies to the usual enquiries, or by a Statutory Notice.

The Properties have been valued subject to, and with the benefit of any tenancies as notified.

No planning consents have been inspected, save those disclosed by you or your managers, and it is assumed that The Properties were erected, are occupied, and used in accordance with all requisite consents and that there are no statutory requirements or notices outstanding.

We have not tested the services which are assumed to be in satisfactory working order. We have not carried out building surveys, nor have we inspected those parts of The Properties which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of un-inspected parts and this report should not be taken as making any implied representation or statement about such parts.

The Properties have been valued on the assumption that no known deleterious materials or techniques have been used in the construction of any of the buildings and that the ground is not susceptible to subsidence, shrinkage, flooding or any other similar hazard. No investigations have been undertaken by us in these regards. No responsibility is accepted for any existing defects, nor for those which may arise in the future.

We have assumed that The Properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would adversely affect the present or future use of The Properties.

3. VALUATION APPROACH

The valuation covers nine dwellings which are owned by you at the Effective Date.

We adopt the comparable approach to valuation. Where properties are subject to tenancies our valuations reflect this.

At the time of purchase we prepared a valuation ('The Purchase Valuation') for your benefit. For this month's updated valuation we have relied upon the information gained from our Purchase Valuation but have adjusted our valuation to the Effective Date by use of a combination of factors including:

- a) Consideration of published house price indices;
- b) 'Desktop' reappraisal of comparable sales in the same building or locally;
- c) Our own experience; and

- d) Discussions with your managing agents (if relevant).

The Properties have all been subject to inspection between 8 May 2017 and 14 January 2019.

Our valuations are of the individual dwellings if sold as a single asset and not as part of a portfolio. Where there are multiple dwellings held in the same building we have assumed that The Properties would be sold in an orderly fashion so as not to 'flood' the market with similar dwellings.

However, as agreed with you in our Terms of Engagement, we accept no liability to you for the line-by-line individual valuations and these are indicative only. We do, however, accept liability to you for the aggregate of all of The Properties as reported in Section 4 below.

4. AGGREGATE OF VALUATIONS

Having regard to the foregoing, it is considered that the aggregate Market Value of the interests held by The Fund in The Properties as at 30 June 2019 totals:

£4,165,000
(Four Million One Hundred and Sixty Five Thousand Pounds)

The aggregate valuation is attributed between leasehold and freehold properties as follows:

	Leasehold	Freehold
Investment assets	£4,165,000	£0
Total	£4,165,000	£0

The valuation of The Properties included in The Fund's audited financial statements for the period ended 30 June 2018 was £2,800,000. The difference between the Market Value of the Properties at 30 June 2019 and the Market Value of the Properties in The Fund's audited financial statements for the period ended 30 June 2018 is explained as follows:

Market Value as at 30 June 2018	£2,800,000
Increase/(decrease) in Market Value in Properties held as at 30 June 2018*	(£35,000)
Market Value of additional Properties purchased since 30 June 2018	£1,400,000
Market Value as at 30 June 2019	£4,165,000

*Increase / decrease in Market Value due to sales of comparable properties that evidenced an increase in value for one of the Property held by The Fund and decrease in value for four of The Properties held by The Fund.

5. GENERAL

It is confirmed that our valuations have been carried out by us as Independent Valuers and by valuers who are qualified and competent for the purposes required.

Our valuations are supported by market evidence.

This valuation may be subject to monitoring under the RICS conduct and disciplinary regulations.

This Valuation is issued for the sole use of the persons to whom it is addressed, and may be relied upon for accounts and fund reporting purposes, but for no other purpose. It is confidential to you and your professional advisers. We accept no responsibility whatsoever to any other parties. Any such parties rely upon the report at their own risk.

Neither the whole nor any part of this valuation or any reference hereto may be included in any published document, circular or statement or published in any way without our written approval of the form and context in which it may appear.

6. RESPONSIBILITY

This Valuation Report has been prepared for inclusion in the Prospectus and may not be reproduced or used in connection with any other purpose without our prior consent.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with Annex 1 item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This acknowledgement is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Andrew Wells', with a stylized, flowing script.

ANDREW WELLS BSC MBA FRICS (Registered Valuer No. 0075274)

Partner

For Allsop LLP

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Valuation Schedule

Address	City	Postcode	Beds	Baths	Floor area (sq. ft)	Parking (Y/N)	Outside space (Y/N)	Furnished (Y/N)	Date of original inspection	Month of Purchase	Agreed Purchase Price
Ferndale Road	London	SW4 7SE	1	1	431	N	N	N	27/04/2017	Jul-17	£400,000
Twyford Avenue	London	W3 9QF	1	1	583	N	N	Y	12/09/2017	Oct-17	£367,500
Cheshire Street	London	E2 6FE	1	1	481	N	Y	Y	02/08/2017	Nov-17	£420,000
Seven Sisters Road	London	N4 2EP	3	1.5	861	Y	N	Y	19/10/2017	Mar-18	£540,000
Dibdin House, Maida Vale	London	W9 1QH	2	1	672	N	N	Y	07/10/2017	Apr-18	£445,000
Dunoon House	London	N1 0AR	3	1	818	N	Y	Y	09/04/2018	Jun-18	£525,000
Verebank, Wimbledon Park Road	London	SW19 6PG	4 (or 3 and study)	1.5	996	N	Y	Y	05/06/2018	Sep-18	£520,000
Prince of Orange Court, Orange Place	London	SE16 2UH	1	1	506	N	N	Y	17/08/2018	Nov-18	£348,000
Greenview Close	London	W3 7DZ	3	1	947	Y	Y	N	16/08/2018	Apr-19	£515,000

PART 7

THE SHARE ISSUANCE PROGRAMME

INTRODUCTION

The Company currently has authority to issue up to 200 million Shares (less Shares already issued to date) on a non-pre-emptive basis pursuant to the Share Issuance Programme. Such authority will expire on 18 July 2020 (unless previously renewed, varied or revoked by the Company in general meeting).

The maximum number of Shares available under the Share Issuance Programme should not be taken as an indication of the number of Shares to be issued. The allotment and issue of Shares under the Share Issuance Programme is at the discretion of the Directors. Allotments and issuances may take place at any time prior to the final closing date of 16 July 2020. The Share Issuance Programme is intended to satisfy market demand for the Shares and to raise further money for investment in accordance with the Company's investment policy. The Share Issuance Programme is not underwritten.

DETAILS OF THE SHARE ISSUANCE PROGRAMME

Application has been made to the Authority to extend the original offer period of the 2018 Share Issuance Programme. The extended offer period of the Share Issuance Programme will commence on 17 July 2019 and close on 16 July 2020 (or any earlier date on which it is fully subscribed) using the extended offer facility as provided by TISE.

The Company shall make Shares available for subscription directly by potential investors through the Share Issuance Programme. The Company shall utilise various distribution channels for the Shares, including making subscription available via connected websites. Subscriptions received shall be aggregated together, and Shares issued pursuant to the Share Issuance Programme in tranches on a monthly basis, with the option reserved to add extra issuances more regularly.

The Issue Price will be calculated by reference to the unaudited estimated prevailing Net Asset Value of the existing Shares (cum-income) together with a premium intended to at least cover the amortisation of purchase costs and taxes in relation to the acquisition of additional investment properties as a result of further issues of Shares under the Share Issuance Programme. Fractions of Shares will not be issued.

Where Shares are issued, the total assets of the Company will increase by that number of Shares multiplied by the Issue Price. It is not expected that there will be any material impact on the earnings and Net Asset Value per Share, as the net proceeds of the Share Issuance Programme, after providing for the Company's operational expenses, will be used to purchase investments sourced by the Investment Adviser in line with the Company's investment policy (details of which are set out in Part 1 of the Prospectus).

It is anticipated that (subject to demand) issues of Shares will be made on the last Business Day of each month together with such other dates as the Directors may in their discretion determine prior to the final closing date of 16 July 2020. An announcement of each issue of Shares including details of the number of Shares and the applicable Issue Price will be released via a TISE announcement.

The Shares will rank *pari passu* with the Shares then in issue and will have the rights set out in the Company's Articles which are summarised at paragraph 6 of Part 9 of the Prospectus (save for any dividends or distributions which are declared, made or paid by reference to a record date prior to the issue of the new Shares).

The ISIN number of the Shares is GB00BF0P2J29.

The Company does not guarantee that at any particular time market-makers will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the NAV per Share.

CONDITIONS

The Terms and Conditions which shall apply to any subscription for new Shares pursuant to the Share Issuance Programme are set out in Part 11 of the Prospectus.

The issue of new Shares pursuant to the Share Issuance Programme is conditional upon Admission of the relevant Shares occurring pursuant to an issuance of Shares. In circumstances where this condition is not fully met, the relevant issue of Shares pursuant to the Share Issuance Programme will not take place.

ADMISSION

Applications will be made on a per issue basis, using the extended offer facility as provided by TISE, for the new Shares to continue to be admitted to TISE Official List. It is anticipated that (subject to demand) issues of Shares pursuant to the Share Issuance Programme will be made on the last Business Day of each month together with such other dates as the Directors may in their discretion determine. No new Shares will be issued if they will not be so admitted. No application is expected to be made for the Shares to be listed or dealt in on any stock exchange or investment exchange other than TISE.

CERTIFICATES AND CREST

Shares will be issued in registered form and transferred to successful applicants through the CREST system. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so. Dealings in the Shares in advance of the crediting of the relevant CREST account or the issue of share certificates will be at the risk of the persons concerned. It is expected that share certificates will be despatched approximately two weeks after Admission of the relevant Shares. No temporary documents of title will be issued.

MONEY LAUNDERING

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents, the Investment Adviser and the AIFM may require evidence in connection with any application for Shares, including further identification of the applicant(s), before any Shares are issued.

The Company and its agents, the Investment Adviser and the AIFM reserve the right to request such information as is necessary to verify the identity of the prospective Shareholder and (if any) the

underlying prospective beneficial owner of the Shares. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the AIFM, may refuse to accept any subscription for Shares.

TYPICAL INVESTOR

A typical investor is an individual or institution who is seeking capital growth and income from investing in a diversified portfolio of residential properties and who understands and accepts the risks inherent in the investment policy. Investors may wish to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

DILUTION FROM FURTHER SHARE ISSUANCES

The Company intends to issue new Shares pursuant to TISE's extended offer facility. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of Shares in consideration for cash, such rights can be disapplied, and have been disapplied in relation to the maximum amount of Shares that may be issued pursuant to the Share Issuance Programme. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing. As the statutory pre-emption rights have been disapplied, new investors subscribing for Shares under the Share Issuance Programme will participate in existing investments of the Company, diluting the interests of existing holders of Shares.

In order to avoid having to provide a supplemental Prospectus, in the event of continuous subscriptions being received in excess of 10 per cent. of the issued Share Capital of the Company, Shareholders should be aware that should such an event occur for any particular subscription day, or over a period on a cumulative basis, a dilution of their shareholding may occur as a result of additional Shares being issued and listed over and above those referred to within this Prospectus. Continuous subscriptions are announced on TISE website under the listing details for the Company.

If 200 million Shares are issued pursuant to the Share Issuance Programme (being the maximum number of Shares available under the Share Issuance Programme) there would be a dilution of approximately 98 per cent. in the existing Shareholders' economic rights in the Company. Existing Shareholders who do not participate in the Share Issuance Programme will have their percentage holding in the Company diluted on the issue of new Shares.

PART 8

REIT STATUS AND TAXATION

1 INTRODUCTION

1.1 *Principal advantage of REIT status*

The principal advantage of REIT status is that the Group is exempt from both UK corporation tax on rental profits and chargeable gains on disposals of properties held by the Property Rental Business. This will remove the effective double tax charge currently suffered by many investors in UK companies (see paragraph 2.1 of this Part 8 for more information).

1.2 *Principal disadvantages of REIT status*

The principal disadvantages of REIT status are as follows:

- 1.2.1 in order for it to remain a REIT, the Group and the Company will have to comply with the various tests outlined in paragraph 2.2 of this Part 8 on an on-going basis; and
- 1.2.2 withholding tax of 20 per cent. must be deducted from certain distributions made to certain Shareholders (see paragraph 4 of this Part 8 for further details).

Overall, the Board believes that the advantage of REIT status outweighs the disadvantages

1.3 *Dividend policy under REIT regime*

The Group has to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. Of the income profits (broadly, calculated using normal UK tax rules) of the Property Rental Business for each accounting period. The Board believes that the Company's dividend policy will enable the Group to meet this minimum distribution requirement.

1.4 *The Substantial Shareholder rule*

Under the REIT Regime, a tax charge may be levied on the Group if the Company makes a distribution to a Substantial Shareholder, unless the Company has taken "reasonable steps" to avoid such a distribution being paid. This tax charge may be imposed only if, after joining the REIT regime, the Company pays a dividend in respect of a Substantial Shareholding and the dividend is paid to a person who is a Substantial Shareholder. The charge is not triggered merely because a Shareholder is a Substantial Shareholder, or if the person beneficially entitled to the dividend is a Substantial Shareholder. The amount of the charge is calculated by reference to the whole dividend paid to the Substantial Shareholder, and not just that part of the dividend attributable to Shares held by the Substantial Shareholder in excess of 10 per cent. of the Company's issued share capital.

A summary of the Articles is set out at paragraph 6 of Part 9 and the relevant provisions intended to give the Board the powers it needs to demonstrate to HMRC that "reasonable steps" have been taken to avoid making distributions to Substantial Shareholders are set out in paragraph 5 of this Part 8.

1.5 *Non-close company condition*

As mentioned below in paragraph 2.2.1 of this Part 8, the Company must not be a close company other than only by virtue of having as a participator an institutional investor. An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership, a registered social landlord or an open-ended investment company. However the Company may be close for tax purposes for up to three years after joining the regime. If the non-close company requirement is not met at the start of the first day after the end of the first three-year period, the Group will lose its REIT status at the end of the three-year period. If the non-close company requirement is not met at any time after the first day following the first three-year period, the Group will cease to be a REIT at the end of the accounting period preceding the accounting period in which the breach began or, if later, the end of the first three-year period. Loss of REIT status would have a material impact on the Group because of the loss of tax benefits conferred by the REIT regime.

Although the Board does not expect the close company condition to be breached in the ordinary course of events, there is a risk that the Company may fail to meet this condition for reasons beyond its control. However, under certain circumstances a breach of this condition may be disregarded if the reason for the breach is because the Company becomes a member of another group REIT or if the breach is the result of anything done (or not done) by a person other than the Company and the Company remedies the breach before the end of the accounting period after that in which the breach began.

1.6 *Exit from the REIT regime*

The Company can give notice to HMRC at any time that it wants the Group to leave the REIT regime. The Board retains the right to decide to exit the REIT regime at any time in the future without the consent of Shareholders if it considers this to be in the best interests of the Group and the Shareholders.

If the Group voluntarily leaves the REIT regime within ten years of joining and disposes of any property or other asset that was involved in its qualifying Property Rental Business within two years of leaving, any uplift in the base cost of any property held by the Group as a result of the deemed disposal on entry into the REIT regime, movement into the ringfence or exit from the REIT regime would be disregarded in calculating the gain or loss on the disposal. It is important to note that the Company cannot guarantee continued compliance with all of the REIT conditions and that the REIT regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT regime if:

- 1.6.1 it regards a breach of the conditions (including failure to satisfy the conditions relating to the Property Rental Business), or an attempt by the Group to avoid tax, as sufficiently serious;
- 1.6.2 the Company or the Group has committed a certain number of breaches of the conditions within a specified period; or
- 1.6.3 HMRC has given members of the Group two or more notices in relation to the avoidance of tax by the Company within a ten year period.

The Group may lose its status as a REIT from the first day of joining the REIT regime if during the first accounting period certain conditions have not been met. In such circumstances the REIT status may not apply for the whole period.

In addition, the Group would automatically lose REIT status if any of the following were to occur:

1.6.4 the conditions for REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached;

1.6.5 the Company ceases to be solely UK resident for tax purposes; or

1.6.6 the Company becomes an open-ended company.

Future changes in legislation may cause the Group to lose its REIT status.

If the Group is required to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how the Group should be taxed, including in relation to the date on which the Group is treated as exiting the REIT regime.

Shareholders should note that it is possible that the Group could lose its status as a REIT as a result of actions by third parties (for example, if the Company is taken over by a company that is not itself a REIT).

2 THE REIT REGIME

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Company's understanding of current UK law and HMRC practice, each of which is subject to change. They do not constitute advice.

2.1 Overview

The REIT regime is intended to encourage greater investment in the UK property market and follows similar legislation in other European countries, as well as the long-established regime in the United States.

Investing in property through a corporate investment vehicle (such as a UK company) has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholders (but not most UK companies) effectively suffer tax twice on the same income: first, indirectly, when the vehicle pays UK direct tax on its profits; and secondly, directly, when the shareholder receives a dividend. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT in a manner they do not suffer if they invest directly in the property assets.

Provided certain conditions and tests are satisfied (see "Qualification as a REIT" below), REITs will not pay UK corporation tax on the profits of their Property Rental Business. Instead, distributions in respect of the Property Rental Business will be treated for UK tax purposes as property income in the hands of shareholders. However, UK corporation tax will still be payable in the normal way in respect of income and gains from any Residual Business

(generally including any property trading business) not included in the Property Rental Business.

While within the REIT regime, the Property Rental Business will be treated as a separate business for UK corporation tax purposes to the Residual Business, and a loss incurred by the Property Rental Business cannot be set off against profits of the Residual Business (and vice versa).

A REIT will be required to distribute to its shareholders (by way of a dividend in cash or by way of an issue of share capital in lieu of a cash dividend), on or before the filing date for the REIT's tax return for the accounting period in question, at least 90 per cent. of the income profits (calculated using normal tax rules) of the Property Rental Business arising in each accounting period. Where a stock dividend has been issued and a market value of the stock dividend has had to be used which causes the distribution requirement not to be met, an extended time limit of up to six months beginning with the filing date applies for complying with the distribution requirement. Failure to meet this requirement will result in a UK corporation tax charge calculated by reference to the extent of the failure, although this charge can be avoided if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level.

In the Prospectus, references to a company's accounting period are to its accounting period for tax purposes. This period can differ from a company's accounting period for other purposes.

Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the UK tax treatment of Shareholders after entry into the REIT regime are contained in paragraph 4 of this Part 8.

2.2 *Qualification as a REIT*

A group becomes a REIT by serving notice on HMRC on or before the date from which it wishes to come under the REIT regime. In order to qualify as a REIT, the Company and the Group must satisfy certain conditions set out in Part 12 of the CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the Company and the Group must satisfy the conditions set out in paragraphs 2.2.1 to 2.2.4 below.

2.2.1 *Company conditions*

The principal company of a REIT must be a solely UK tax-resident company whose ordinary shares are admitted to trading on a recognised stock exchange, which includes TISE Official List. Additionally, the principal company of a REIT must not be an open-ended investment company. After the first 3 year period, the principal company of a REIT must also not be a close company for UK tax purposes other than by virtue of having as a participator an institutional investor. Broadly, a close company, is a UK resident company controlled by five or fewer participants, or by participants who are directors. A participant is a person having a share or interest in the income or capital of a company. An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership, a registered social landlord or an open-ended investment company.

2.2.2 Share capital restrictions

The principal company of a REIT must have only one class of ordinary shares in issue and the only other shares it may issue are particular types of non-voting restricted preference shares.

2.2.3 Interest restrictions

The principal company of a REIT must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets. A loan is not treated as carrying results-dependant interest by reason only that the terms of the loan provide for interest to reduce if the results improve or to increase if the results deteriorate. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

2.2.4 Conditions for the Property Rental Business

The Property Rental Business must satisfy the conditions summarised below in respect of each accounting period during which it is to be treated as a REIT:

- the Property Rental Business must, throughout the accounting period, involve at least three properties. A self-contained studio flat or a one to three bedroom flat within a residential block counts as a single property for these purposes;
- throughout the accounting period, no one property may represent more than 40 per cent. of the total value of all the properties involved in the Property Rental Business. Assets must be valued in accordance with IFRS, and at fair value when IFRS offers a choice between a cost basis and a fair value basis;
- at least 90 per cent. of the amounts shown in the financial statements of the group as income profits (broadly, calculated using normal tax rules) must be distributed to shareholders of the REIT in the form of a PID on or before the filing date for the REIT's tax return for the accounting period (the "**90 per cent. distribution test**"). For the purpose of satisfying the 90 per cent. distribution test, any dividend withheld in order to comply with the rule relating to Substantial Shareholders (as described in paragraph 2.3.2 below) will be treated as having been paid. The issue of stock dividends will count towards the 90 per cent. threshold;
- the income profits arising from the qualifying Property Rental Business must represent at least 75 per cent. of the company's total profits for the accounting period (the "**75 per cent. profits test**"). Profits for this purpose means profits before deduction of tax and excludes realised and unrealised gains and losses (for example, gains and losses on the disposal of property,

and gains and losses on the revaluation of properties) calculated in accordance with IFRS; and

- at the beginning of the accounting period the value of the assets in the Property Rental Business must represent at least 75 per cent. of the total value of assets held by the group (the “**75 per cent. assets test**”). Cash held on deposit and gilts may be added to the value of assets relating to qualifying Property Rental Business for the purpose of meeting the 75 per cent. assets test. Non-cash assets must be valued in accordance with IFRS and at fair value where IFRS offers a choice of valuation between cost basis and fair value. In applying this test, no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically).

2.2.5 Investment in other REITs

Any distribution of profits or gains of the Property Rental Business by the principal company of a group UK REIT received by another REIT are treated as tax exempt profits of the Property Rental Business of the investing REIT. The investing REIT would be required to distribute 100 per cent. of such distributions to its shareholders. For the purposes of the 75 per cent. assets test, the investment by a REIT in the shares of another REIT will be included as an asset of the investing REIT's Property Rental Business.

2.3 *Effect of becoming a REIT*

2.3.1 Tax savings

As a REIT, a group will not pay UK corporation tax on profits and gains from the Property Rental Business. UK corporation tax will still apply in the normal way in respect of the Residual Business which includes certain trading activities, incidental letting in relation to property trades and letting of administrative property which is temporarily surplus to requirements.

A REIT would also continue to pay indirect taxes such as VAT, stamp duty land tax and stamp duty and payroll taxes (such as national insurance) in the normal way.

2.3.2 The Substantial Shareholder rule

A REIT will become subject to an additional tax charge if it pays a dividend to, or in respect of, a Substantial Shareholder. The additional tax charge will be calculated by reference to the whole dividend paid to a Substantial Shareholder, and not just by reference to the proportion which exceeds the 10 per cent. threshold. It should be noted that this restriction only applies to shareholders that are bodies corporate and to certain entities which are deemed to be bodies corporate for tax purposes in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement or in accordance with such a double taxation agreement. It does not apply to nominees.

This tax charge will not be incurred if the REIT has taken “reasonable steps” to avoid paying dividends to such a shareholder. HMRC guidance describes certain actions

that a REIT may take to show it has taken such “reasonable steps”. One of these actions is to include restrictive provisions in the REIT’s articles of association to address this requirement. The Articles of Association are consistent with such provisions.

2.3.3 Dividends

When a REIT pays a dividend (including a stock dividend), that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution test. If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business. Any remaining balance of the dividend (or other distribution) will be deemed to be a PID: firstly, in respect of the income profits out of which a PID can be paid and which have not been distributed in full; and secondly, a PID paid out of certain chargeable gains which are exempt from tax by virtue of the REIT regime. Any remaining balance will be attributed to any other profits.

2.3.4 Interest cover ratio

A tax charge will arise if, in respect of any accounting period, the ratio of the Group’s income profits (before capital allowances) in respect of its Property Rental Business to the financing costs incurred in respect of the Property Rental Business is less than 1.25. The ratio is based on the cost of debt finance taking into account interest, amortisation of discounts or premiums and the financing expense implicit in payments made under finance leases. The corporation tax charge is capped at a maximum of 20 per cent. of the profits of the Property Rental Business for the accounting period in question.

2.3.5 Certain tax avoidance arrangements

If HMRC believes that a member of a REIT has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Property Rental Business.

2.3.6 Movement of assets in and out of the Property Rental Business

In general, where an asset owned by a REIT and used for the Property Rental Business begins to be used for the Residual Business, there will be a tax-free step up in the base cost of the property. Where an asset used for the Residual Business begins to be used for the Property Rental Business, this will generally constitute a taxable market value disposal of the asset, except for capital allowances purposes. Special rules apply to disposals by way of a trade and of development property.

2.3.7 Joint ventures

If a REIT is beneficially entitled to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding-up, that joint venture company is carrying on a qualifying property rental

business which satisfies the 75 per cent. profits test and the 75 per cent. assets test (the “**JV company**”) and certain other conditions are satisfied, the REIT may, by giving notice to HMRC, elect for the relevant proportion of the assets and income of the JV company to be included in the Property Rental Business for tax purposes. In such circumstances, the income and assets of the JV company will count towards the 90 per cent. distribution test, the 75 per cent. profits test and the 75 per cent. assets test to the extent of a REIT’s interest in the JV company. Note that these rules also apply to joint venture groups.

2.3.8 Acquisitions and takeovers

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Property Rental Business and chargeable gains on disposal of properties in the Property Rental Business.

The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT and will therefore be treated as leaving the REIT regime at the end of its accounting period preceding the takeover and ceasing from the end of this accounting period to benefit from tax exemptions on the profits of its Property Rental Business and chargeable gains on disposal of property forming part of its Property Rental Business. The properties in the Property Rental Business are treated as having been sold and reacquired at market value for the purposes of UK corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax-free as they are deemed to have been made at a time when the company was still in the REIT regime and future chargeable gains on the relevant assets will, therefore, be calculated by reference to a base cost equivalent to this market value. If the company ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be re-characterised retrospectively as normal dividends.

3 DESCRIPTION OF THE REIT PROVISIONS INCLUDED IN THE ARTICLES

3.1 *Introduction*

The Articles contain provisions designed to enable the Company to demonstrate to HMRC that it has taken “reasonable steps” to avoid paying a dividend (or making any other distribution) to any Substantial Shareholder.

If a distribution is paid to a Substantial Shareholder and the Company has not taken reasonable steps to avoid doing so, the Company would become subject to a UK corporation tax charge.

The Articles contain special articles for this purpose (the “**Special Articles**”). The text of the Special Articles is set out in paragraph 5 of this Part 8.

The Special Articles:

- provide directors with powers to identify its Substantial Shareholders (if any);
- prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met;
- allow dividends to be paid on Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Shares; and
- seek to ensure that if a dividend is paid on Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in the preceding paragraph are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend.

The effect of the Special Articles is explained in more detail below.

3.2 *Identification of Substantial Shareholders*

The share register of the Company records the legal owner and the number of Shares they own but does not identify the persons who are beneficial owners of the Shares or are entitled to control the voting rights attached to the Shares or are beneficially entitled to dividends. While the requirements for the notification of interests in shares provided in Part VI of the Companies Act and the Board's rights to require disclosure of such interests (pursuant to Part 22 of the Companies Act and article 4 of the Articles) should assist in the identification of Substantial Shareholders, those provisions are not on their own sufficient.

Accordingly, the Special Articles require a Substantial Shareholder and any registered Shareholder holding Shares on behalf of a Substantial Shareholder to notify the Company if his Shares form part of a Substantial Shareholding. Such a notice must be given within two business days. The Special Articles give the Board the right to require any person to provide information in relation to any Shares in order to determine whether the Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which is seven days after a request is made or such other period as the Board may decide), the Board is entitled to impose sanctions, including withholding dividends (as described in paragraph 3.3 below) and/or requiring the transfer of the Shares to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph 3.6 below).

3.3 *Preventing payment of a dividend to a Substantial Shareholder*

The Special Articles provide that a dividend will not be paid on any Shares that the Board believes may form part of a Substantial Shareholding unless the Board is satisfied that the Substantial Shareholder is not beneficially entitled to the dividend.

If in these circumstances payment of a dividend is withheld, the dividend will be paid subsequently if the Board is satisfied that:

- the Substantial Shareholder concerned is not beneficially entitled to the dividends (see also paragraph 3.4 below);
- the shareholding is not part of a Substantial Shareholding;

- all or some of the Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, a Substantial Shareholder (in which case the dividends will be paid to the transferee); or
- sufficient Shares have been transferred (together with the right to the dividends) such that the Shares retained are no longer part of a Substantial Shareholding (in which case the dividends will be paid on the retained Shares).

For this purpose references to the “**transfer**” of a Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Share.

3.4 *Payment of a dividend where rights to it have been transferred*

The Special Articles provide that dividends may be paid on Shares that form part of a Substantial Shareholding if the Board is satisfied that the right to the dividend has been transferred to a person who is not, and does not thereby become, a Substantial Shareholder and the Board may be satisfied that the right to the dividend has been transferred if it receives a certificate containing appropriate confirmations and assurances from the Substantial Shareholder. Such a certificate may apply to a particular dividend or to all future dividends in respect of Shares forming part of a specified Substantial Shareholding, until notice rescinding the certificate is received by the Company. A certificate that deals with future dividends will include undertakings by the person providing the certificate:

- to ensure that the entitlement to future dividends will be disposed of; and
- to inform the Company immediately of any circumstances which would render the certificate no longer accurate.

The Directors may require that any such certificate is copied or provided to such persons as they may determine, including HMRC.

If the Board believes a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described in paragraph 3.3 above). In addition, the Board may require a Substantial Shareholder to pay to the Company the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to a Substantial Shareholder in reliance on the inaccurate certificate. The Board may require a sale of the relevant Shares and retain the amount claimed from the proceeds.

Certificates provided in the circumstances described above will be of considerable importance to the Company in determining whether dividends can be paid. If the Company suffers loss as a result of any misrepresentation or breach of undertaking given in such a certificate, it may seek to recover damages directly from the person who has provided it. Any such tax may also be recovered out of dividends to which the Substantial Shareholder concerned may become entitled in the future.

The effect of these provisions is that there is no restriction on a person becoming or remaining a Substantial Shareholder provided that the person who does so makes appropriate arrangements to divest itself of the entitlement to dividends.

3.5 *Trust arrangements where rights to dividends have not been disposed of by Substantial Shareholder*

The Special Articles provide that if a dividend is in fact paid on Shares forming part of a Substantial Shareholding (which might occur, for example, if a Substantial Shareholding is split among a number of nominees and is not notified to the Company prior to a dividend payment date) the dividends so paid are to be held on trust by the recipient for any person (who is not a Substantial Shareholder) nominated by the Substantial Shareholder concerned. The person nominated as the beneficiary could be the purchaser of the Shares if the Substantial Shareholder is in the process of selling down their holding so as not to cause the Company to breach the Substantial Shareholder rule. If the Substantial Shareholder does not nominate anyone within 12 years, the dividend concerned will be held on trust for the Company or such charity as the Board may nominate.

If the recipient of the dividend passes it on to another without being aware that the Shares in respect of which the dividend was paid were part of a Substantial Shareholding, the recipient will have no liability as a result. However, the Substantial Shareholder who receives the dividend should do so subject to the terms of the trust and as a result may not claim to be beneficially entitled to those dividends.

3.6 *Mandatory sale of Substantial Shareholdings*

The Special Articles also allow the Board to require the disposal of Shares forming part of a Substantial Shareholding if:

- a Substantial Shareholder has been identified and a dividend has been announced or declared and the Board has not been satisfied that the Substantial Shareholder has transferred the right to the dividend (or otherwise is not beneficially entitled to it);
- there has been a failure to provide information requested by the Board; or
- any information provided by any person proves materially inaccurate or misleading.

In these circumstances, if the Company incurs a charge to tax as a result of one of these events, the Board may, instead of requiring the Shareholder to dispose of the Shares, arrange for the sale of the relevant Shares and for the Company to retain from the sale proceeds an amount equal to any tax so payable.

3.7 *Takeovers*

The Special Articles do not prevent a person from acquiring control of the Company through a takeover or otherwise, although as explained above, such an event may cause the Company to cease to qualify as a REIT.

3.8 *Other*

The Special Articles also give the Company power to require any Shareholder who applies to be paid dividends without any tax withheld to provide such certificate as the Board may require to establish the Shareholder's entitlement to that treatment.

The Special Articles may be amended by special resolution passed by the Shareholders in the future, including to give powers to the Directors to ensure that the Company can comply with the close company condition described in paragraph 2.2.1 of this Part 8, which powers may include the ability to arrange for the sale of Shares on behalf of Shareholders.

4 UNITED KINGDOM TAX TREATMENT OF SHAREHOLDERS

4.1 *Introduction*

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice as at the date of this Prospectus, each of which is subject to change, possibly with retrospective effect. They do not constitute advice.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Shares in the Company, in each case, assuming the Company maintains REIT status. Except where otherwise indicated, they apply only to Shareholders who are resident for tax purposes solely in the United Kingdom. They apply only to Shareholders who are the absolute beneficial owners of both their PIDs and their Shares and who hold their Shares as investments. They do not apply to Substantial Shareholders. They do not apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Shares by reason of their or another's employment, persons who hold their Shares as part of hedging or conversion transactions, or persons who hold their Shares in connection with a UK branch, agency or permanent establishment. Except where otherwise indicated at paragraph 4.3(d) (Withholding tax) below, they do not apply to persons holding Shares by virtue of an interest in any partnerships, insurance companies, life insurance companies, mutual companies, collective investment schemes, charities, trustees, local authorities, or pension scheme administrators.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

4.2 *UK taxation of Non-PID Dividends*

4.3 *Individual Shareholders*

Where a Shareholder is an individual resident for UK tax purposes in the UK and receives a Non-PID Dividend from the Company, the dividend received will be part of the Shareholder's total income for UK income tax purposes and will be regarded as the top slice of that income.

Dividend income of the Shareholder will not be subject to tax to the extent that the Shareholder has either their general tax-free personal allowance available, or their specific £2,000 p.a. "dividend allowance" available.

In the case of such a Shareholder who is not liable to UK income tax at either the higher or the additional rate, that Shareholder will be subject to UK income tax on the dividend at the rate of 7.5 per cent.

In the case of a Shareholder who is liable to UK income tax at the higher rate, the Shareholder will be subject to UK income tax on the dividend at the rate of 32.5 per cent., to the extent that the dividend is unrelieved by an allowance and falls above the threshold for the higher rate of UK income tax but below the threshold for the

additional rate of UK income tax when it is treated (as mentioned above) as the top slice of the Shareholder's income.

In the case of a Shareholder who is liable to UK income tax at the additional rate, the Shareholder will be subject to UK income tax on the dividend at the rate of 38.1 per cent., to the extent that the dividend is unrelieved by an allowance and falls above the threshold for the additional rate of UK income tax when it is treated (as mentioned above) as the top slice of the Shareholder's income.

(b) *Corporate Shareholders*

A Shareholder within the charge to UK corporation tax which is a "small company" (for the purposes of UK taxation of dividends) will not generally be subject to tax on Non- PID Dividends from the Company, provided certain conditions are met.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on Non-PID Dividends from the Company so long as they fall within an exempt class and do not fall within certain specified anti-avoidance provisions. Examples of dividends that are within an exempt class are dividends paid on "non-redeemable ordinary shares" for UK tax purposes and dividends in respect of portfolio holdings, where the recipient owns less than 10 per cent. of the issued share capital of the payer (or any class of that share capital).

4.3 *UK taxation of PIDs*

(a) *UK taxation of individual Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that surplus expenses from a Shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business.

Please see also paragraph 4.3(d) on withholding tax below.

(b) *UK taxation of corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to UK corporation tax as profit of a UK property business (as defined in section 205 of the Corporation Tax Act 2009). This means that, subject to the availability of any exemptions or reliefs, such Shareholders should be liable to UK corporation tax on income on the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a different UK property business carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder's UK property profits.

Please see also paragraph 4.3(d) on withholding tax below.

(c) *UK taxation of Shareholders who are not resident for tax purposes in the UK*

Where a Shareholder who is resident outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding by the Company.

Please see also paragraph 4.3(d) on withholding tax below. (d) Withholding tax

(d) *Withholding tax*

(i) *General*

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs. The Company will provide Shareholders with a certificate setting out the amount of tax withheld.

(ii) *Shareholders solely resident in the UK*

Where UK income tax has been withheld at source, Shareholders who are individuals may, depending on their circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are bodies corporate may, depending upon their circumstances, be liable to pay UK corporation tax on their PID but they should note that, where income tax is (exceptionally) withheld at source, the tax withheld can be set against the Shareholder's liability to UK corporation tax in the accounting period in which the PID is received.

(iii) *Shareholders who are not resident for tax purposes in the UK*

It is not possible for a Shareholder to make a claim under a relevant double taxation treaty with the UK for a PID to be paid by the Company gross or at a reduced rate. The Shareholder may be able to claim repayment of any part of the tax withheld from a PID, depending on the existence and terms of any such double taxation treaty between the UK and the country in which the Shareholder is resident for tax purposes.

(iv) *Exceptions to requirement to withhold income tax*

Shareholders should note that in certain circumstances the Company may not be obliged to withhold UK income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a charity, or a body which is allowed the same exemption from tax as a charity. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the sub-scheme administrator of certain pension sub-schemes or the account manager of an ISA, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

The Company will also not be required to withhold income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership each member of which is a body described in the paragraph above.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that

purpose the Company will require such Shareholders to submit a valid claim form

4.4 *UK taxation of chargeable gains, stamp duty and stamp duty reserve tax ("**SDRT**") in respect of Shares*

Subject to paragraph 4.1 above, the following comments apply to both individual and corporate Shareholders, regardless of whether or not such Shareholders are resident for tax purposes in the UK.

(a) UK taxation of chargeable gains

A sale or other disposal of Shares by a Shareholder may give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder's particular circumstances and subject to any available exemption or relief.

It should be noted that new legislation introduced in Finance Act 2019 (the "**2019 NRCGT Rules**") means that, from 6 April 2019, a non-resident person disposing of shares in a company that is "UK property rich" will be chargeable to UK capital gains tax (in the case an individual) or UK corporation tax on chargeable gains (in the case of companies or entities treated as companies) in respect of that disposal. Where the shares disposed of are shares in a "collective investment vehicle", or otherwise have a relevant connection with a collective investment vehicle, there is no minimum level of shareholding required in order for the non-resident to fall within the new rules. The Company is considered to be "UK property rich" for these purposes and is also a "collective investment vehicle". As such non-resident Shareholders disposing of Shares on or after 6 April 2019 may, depending on their circumstances, be required to pay UK tax on any chargeable gain arising on that disposal (or, if relevant, may realise an allowable loss) under the 2019 NRCGT Rules.

Where a non-resident holds Shares in the Company on 5 April 2019, it will, for the purpose of calculating any chargeable gain or allowable loss arising on a disposal on or after 6 April 2019, generally be treated as having a base cost in those Shares equal to their market value on 5 April 2019. This means that, for a non-resident who comes into charge to UK tax on a disposal of Shares as a result of the 2019 NRCGT Rules, only those gains accruing on or after 6 April 2019 should generally be brought into charge to UK tax. Where the non-resident's base cost in its Shares would otherwise have been higher than their market value as at 5 April 2019, the non-resident Shareholder may be able to elect to instead use that higher base cost in calculating any chargeable gain on a disposal on or after 6 April 2019 (but this election cannot be used to give rise to or increase an allowable loss). Shareholders who are already resident in the United Kingdom on 5 April 2019 will not benefit from any rebasing under the new rules.

A non-resident that makes (or is treated as making) a disposal of Shares on or after 6 April 2019 will generally be required to provide a tax return to HM Revenue & Customs and account for any tax due in respect of any chargeable gain. Depending on the Shareholder's particular circumstances, exceptions from the requirement to file a tax return in relation to a disposal of Shares may apply in certain cases where no tax would be required to be accounted for or where the disposal has already been accounted for on a tax return.

Non-resident Shareholders should seek independent professional advice as to the consequences of the new 2019 NRCGT rules for them, in particular with regard to their obligations to file UK tax returns and pay UK tax in relation to disposals of Shares. It should be noted that non-resident Shareholders may, depending on their circumstances, also be subject to non-UK tax, in their jurisdiction of tax residence, on disposals of Shares. Non-resident Shareholders should seek independent

professional advice as to whether any relief is available under applicable double tax treaties or whether any other exemptions or reliefs are available.

UK resident individuals are generally entitled to an annual exemption from capital gains tax. This is £12,000 for the tax year 2019/2020. This annual exemption will generally also be available to non-resident individual Shareholders who, as a result of the 2019 NRCGT Rules, come within the charge to UK capital gains tax on disposals of the Shares from 6 April 2019. Capital gains tax chargeable will usually be at the current rate of 10 per cent. (for basic rate tax payers) and 20 per cent. (for higher and additional rate tax payers) for the tax year 2019/2020.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax on chargeable gains arising on a disposal of their Shares.

Capital losses realised on a disposal of Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

(b) *UK stamp duty and SDRT*

No UK stamp duty or SDRT will generally be payable on the issue, allotment and registration of Shares.

Transfers on the sale of Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

(c) *ISA, SSAS and SIPP*

Other than pursuant to the Share Issuance Programme, Shares are eligible for inclusion in ISAs. Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder's annual limit (£20,000 for the tax year 2019/2020); but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Subject to the rules of the trustees of the SIPP or SSAS, the Shares are eligible for inclusion in a SIPP or SSAS provided, broadly, that the pension scheme member (or a connected person) does not occupy or use any residential property held by the Company and the SIPP or SSAS in question does not hold (directly or indirectly) more than 10 per cent. of any of the Shares or the Company's voting rights or rights to income or amounts on a distribution or rights to the assets on a winding up.

5 THE SPECIAL ARTICLES

The following sets out in full the Special Articles (being Articles 3 to 8) contained in the Company's Articles:

REAL ESTATE INVESTMENT TRUST

3 CARDINAL PRINCIPLE

- 3.1 It is a cardinal principle that, for so long as the Company qualifies as a REIT or is the principal company of a group REIT for the purposes of Part 12 of the CTA 2010, it should not be liable to pay tax under Section 551 of the CTA 2010 on or in connection with the making of a Distribution.
- 3.2 Articles 4 to 8 support such cardinal principle by, among other things, imposing restrictions and obligations on the members and, indirectly, certain other persons who may have an interest in the Company, and shall be construed accordingly so as to give effect to such cardinal principle.

4 NOTIFICATION OF SUBSTANTIAL SHAREHOLDER AND OTHER STATUS

- 4.1 Each member and any other relevant person shall serve notice in writing on the Company at the Office on:
 - 4.1.1 him becoming a Substantial Shareholder (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the member(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the Directors may require from time to time);
 - 4.1.2 him becoming a Relevant Registered Shareholder (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the Directors may require from time to time); and
 - 4.1.3 any change to the particulars contained in any such notice, including on the relevant person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.

Any such notice shall be delivered by the end of the second Business Day after the day on which the person becomes a Substantial Shareholder or a Relevant Registered Shareholder or the change in relevant particulars or within such shorter or longer period as the Directors may specify from time to time.

- 4.2 The Directors may at any time give notice in writing to any person requiring him, within such period as may be specified in the notice (being seven days from the date of service of the notice or such shorter or longer period as the Directors may specify in the notice), to deliver to the Company at the Office such information, certificates and declarations as the Directors may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such person shall deliver such information, certificates and declarations within the period specified in such notice.

5 DISTRIBUTIONS IN RESPECT OF SUBSTANTIAL SHAREHOLDINGS

- 5.1 In respect of any Distribution, the Directors may, if the Directors determine that the condition set out in Article 5.2 is satisfied in relation to any Ordinary Shares, withhold payment of such Distribution on or in respect of such Ordinary Shares. Any Distribution so withheld shall be paid as provided in Article 5.3 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

- 5.2 The condition referred to in Article 5.1 is that, in relation to any Ordinary Shares and any Distribution to be paid or made on and in respect of such Ordinary Shares:

5.2.1 the Directors believe that such Ordinary Shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and

5.2.2 the Directors are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid, and, for the avoidance of doubt, if the Ordinary Shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.

- 5.3 If a Distribution has been withheld on or in respect of any Ordinary Shares in accordance with Article 5.1, it shall be paid as follows:

5.3.1 if it is established to the satisfaction of the Directors that the condition in Article 5.2 is not satisfied in relation to such Ordinary Shares, in which case the whole amount of the Distribution withheld shall be paid; and

5.3.2 if the Directors are satisfied that sufficient interests in all or some of the Ordinary Shares concerned have been transferred to a third party so that such transferred Ordinary Shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such Ordinary Shares shall be paid (provided the Directors are satisfied that following such transfer such Ordinary Shares concerned do not form part of a Substantial Shareholding); and

5.3.3 if the Directors are satisfied that as a result of a transfer of interests in Ordinary Shares referred to in Article 5.3.2 above the remaining Ordinary Shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such Ordinary Shares shall be paid.

In this Article 5.3, references to the "transfer" of an Ordinary Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Ordinary Share.

- 5.4 A Substantial Shareholder may satisfy the Directors that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The Directors shall be

entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the Directors shall be entitled to require such other information, certifications or declarations as they think fit.

- 5.5 The Directors may withhold payment of a Distribution on or in respect of any Ordinary Shares if any notice given by the Directors pursuant to Article 5.2 in relation to such Ordinary Shares shall not have been complied with to the satisfaction of the Directors within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the Directors unless the Directors withhold payment pursuant to Article 5.1 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 5.6 If the Directors decide that payment of a Distribution should be withheld under Article 5.1 or Article 5.5, they shall within seven Business Days give notice in writing of that decision to the Relevant Registered Shareholder. If any Distribution shall be paid on a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall pay the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to Article 7.2 or out of any subsequent Distribution in respect of the Ordinary Shares to such person or to the members of all Ordinary Shares in relation to or by virtue of which the Directors believe that person has an interest in the Company (whether that person is at that time a Substantial Shareholder or not).

6 DISTRIBUTION TRUST

- 6.1 If a Distribution is paid in respect of a Substantial Shareholding in circumstances where the Substantial Shareholder is not beneficially entitled to the Distribution, the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution is transferred by the payee on trust absolutely for the persons nominated by the relevant Substantial Shareholder under Article 6.2 in such proportions as the relevant Substantial Shareholder shall in the nomination direct, subject to and in default of such nomination being validly made within 12 years after the date the Distribution is made, for the Company or for such charity as may be nominated by the Directors from time to time.
- 6.2 The relevant Substantial Shareholder of Shares in respect of which a Distribution is paid shall be entitled to nominate in writing any two or more persons (not being Substantial Shareholders) to be the beneficiaries of the trust on which the Distribution is held under Article 6.1 and the Substantial Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated persons, failing which the Distribution shall be held on trust for the nominated persons in equal proportions. No person may be nominated under this Article 6.2 who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial Shareholder making the nomination is not by virtue of Article 6.1 the trustee of the trust, the nomination shall not take effect until it is delivered to the person who is the trustee.
- 6.3 Any income arising from a Distribution which is held on trust under Article 6.1 shall until the earlier of (i) the making of a valid nomination under Article 6.2 and (ii) the expiry of the period of 12 years from the date when the Distribution is paid, be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.

- 6.4 No person who by virtue of Article 6.1 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- 6.5 No person who by virtue of Article 6.1 holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated person, the fraud or wilful wrongdoing of its directors, officers or employees.

7 OBLIGATION TO DISPOSE

- 7.1 If at any time, the Directors believe that:

- 7.1.1 in respect of any Distribution declared or announced, the condition set out in Article 5.2 is satisfied in respect of any Shares in relation to that Distribution; or
- 7.1.2 a notice given by the Directors pursuant to Article 4.2 in relation to any Shares has not been complied with to the satisfaction of the Directors within the period specified in such notice; or
- 7.1.3 any information, certificate or declaration provided by a person in relation to any Shares for the purposes of this Article 7.1 was materially inaccurate or misleading,

the Directors may give notice in writing (a "**Disposal Notice**") to any persons they believe are Relevant Registered Shareholders in respect of the relevant Shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the Directors consider to be appropriate in the circumstances) to dispose of such number of Shares the Directors may in such notice specify or to take such other steps as will cause the condition set out in Article 5.2 no longer to be satisfied. The Directors may, if they think fit, withdraw a Disposal Notice.

- 7.2 If:

- 7.2.1 the requirements of a Disposal Notice are not complied with to the satisfaction of the Directors within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or
- 7.2.2 a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable,

the Directors may arrange for the Company to sell all or some of the Shares to which the Disposal Notice relates or, as the case may be, that form part of the Substantial Shareholding concerned. For this purpose, the Directors may make such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant Share and, in the case of Shares in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant Share through a relevant system.

- 7.3 Any sale pursuant to Article 7.2 above shall be at the price which the Directors consider is the best price reasonably obtainable and the Directors shall not be liable to the holder or holders

of the relevant Share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.

- 7.4 The net proceeds of the sale of any Share under Article 7.2 (less any amount to be retained pursuant to Article 5.5 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant Share upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.
- 7.5 The title of any transferee of Shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this Article 7.

8 GENERAL

- 8.1 The Directors shall be entitled to presume without enquiry, unless any Director has reason to believe otherwise, that a person is not a Substantial Shareholder or a Relevant Registered Shareholder.
- 8.2 The Directors shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular person) pursuant to Articles 3 to 8 and any such determination or decision shall be final and binding on all persons unless and until it is revoked or changed by the Directors. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to Articles 3 to 8 shall be binding on all persons and shall not be open to challenge on any ground whatsoever.
- 8.3 Without limiting their liability to the Company, the Directors shall be under no liability to any other person, and the Company shall be under no liability to any member or any other person, for identifying or failing to identify any person as a Substantial Shareholder or a Relevant Registered Shareholder.
- 8.4 The Directors shall not be obliged to serve any notice required under Articles 3 to 8 upon any person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any person upon whom notice is required to be served under Articles 3 to 8 shall not prevent the implementation of or invalidate any procedure under Articles 3 to 8.
- 8.5 The provisions of Articles 161 to 166 shall apply to the service upon any person of any notice required by Articles 3 to 8. Any notice required by Articles 3 to 8 to be served upon a person who is not a member or upon a person who is a member but whose address is not within the United Kingdom shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that person or member at the address if any, at which the Directors believe him to be resident or carrying on business or, in the case of a holder of depository receipts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.
- 8.6 Any notice required or permitted to be given pursuant to Articles 3 to 8 may relate to more than one Share and shall specify the Share or Shares to which it relates.

- 8.7 The Directors may require from time to time any person who is or claims to be a person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such certificates or declarations as they may require from time to time.
- 8.8 Any of Articles 3 to 8 may be amended by special resolution from time to time, including to give powers to the Directors to take such steps as they may require in order to ensure that the Company can satisfy Condition D of Section 528 of the CTA 2010 which relates to close company status, which powers may include the ability to arrange for the sale of Shares on behalf of members.
- 8.9 Where any certificate or declaration may be or is required to be provided by any person (including, without limitation, a Distribution Transfer Certificate) pursuant to any of Articles 3 to 8, such certificate or declaration may be required by the Directors (without limitation):
- 8.9.1 to be addressed to the Company, the Directors or such other persons as the Directors may determine (including HMRC);
 - 8.9.2 to include such information as the Directors consider is required for the Company to comply with any Reporting Obligation;
 - 8.9.3 to contain such legally binding representations and obligations as the Directors may determine;
 - 8.9.4 to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;
 - 8.9.5 to be copied or provided to such persons as the Directors may determine (including HMRC); and
 - 8.9.6 to be executed in such form (including as a deed or deed poll) as the Directors may determine.
- 8.10 The provisions of Articles 3 to 8 shall apply notwithstanding any provisions to the contrary in any other Article (including, without limitation, Articles 147 to 159)."

PART 9

GENERAL INFORMATION

1 THE COMPANY

- 1.1 The Company was incorporated in England and Wales on 8 May 2017 with registered number 10759361 as a public company limited by shares under the Companies Act. The Company has an indefinite life.
- 1.2 The principal place of business and the registered office of the Company is Floor 3, 26 Finsbury Square, London, EC2A 1DS with telephone number +44(0)203 1111 432.
- 1.3 The principal legislation under which the Company operates is the Companies Act. The Company is not regulated as a collective investment scheme by the FCA. However, the Shares are admitted to listing on TISE Official List. The Company and Shareholders are subject to the Prospectus Rules and TISE Listing Rules.
- 1.4 On 29 November 2017 the Company changed its accounting reference date to 30 June. The Company's accounting period ends on 30 June of each year. The current accounting period will end on 30 June 2020. The annual report and accounts are prepared in Sterling according to the accounting standards laid out under IFRS.
- 1.5 The Company is neither regulated nor authorised by the FCA. The Shares are admitted to listing and to trading on TISE Official List.
- 1.6 On 6 July 2017, the Company was granted a certificate under Section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.7 The Company is domiciled in England and Wales and, as at the date of the Prospectus, does not have any employees and does not own any premises.

2 THE GROUP

- 2.1 The Company is the holding company of the Group and has the following subsidiary (which is incorporated in England and Wales): Bricklane London Acquisitions Ltd.

3 SHARE CAPITAL

- 3.1 The principal legislation under which the Company operates, and under which the Shares were created, is the Companies Act. The Shares are denominated in Sterling.
- 3.2 On incorporation, one Share was issued at £0.01 (fully paid) for the purposes of incorporation to Simon Heawood as the subscriber to the Company's memorandum of association.
- 3.3 The following changes in the share capital of the Company have taken place between 5 July 2017 and the date of the Prospectus:
 - (a) on 5 July 2017, 50,000 Restricted Shares of £1.00 each in aggregate were issued at par (fully paid) to Simon Heawood;

- (b) on 18 July 2017, the 50,000 Restricted Shares were redeemed out of the proceeds of the initial issue pursuant to the 2016 Share Issuance Programme at par value and cancelled;
- (c) the following Ordinary Shares were issued pursuant to the 2017 Share Issuance Programme:

<i>Date</i>	<i>Number of Ordinary Shares issued</i>	<i>Issue price per Share (£)</i>
18 July 2017	501,021	1.0000
22 August 2017	53,862	1.0205
05 September 2017	83,450	1.0475
20 September 2017	122,695	1.0480
03 October 2017	111,295	1.0483
17 October 2017	197,347	1.0485
31 October 2017	141,363	1.0615
14 November 2017	63,288	1.0620
28 November 2017	63,357	1.0638
12 December 2017	102,897	1.0638
27 December 2017	45,584	1.0644
09 January 2018	35,564	1.0673
23 January 2018	45,168	1.0675
06 February 2018	37,018	1.0680
21 February 2018	66,773	1.0685
06 March 2018	30,981	1.0868
20 March 2018	95,805	1.0874
04 April 2018	195,293	1.0878
17 April 2018	461,421	1.0883
1 May 2018	49,048	1.0886
15 May 2018	112,049	1.0964
29 May 2018	104,499	1.0965
12 June 2018	137,447	1.0967
26 June 2018	64,967	1.0969
10 July 2018	139,299	1.0972

- (a) the following Ordinary Shares were issued pursuant to the 2018 Share Issuance Programme:

24 July 2018	66,722	1.0976
07 August 2018	77,646	1.0983
21 August 2018	170,222	1.0985
04 September 2018	98,466	1.1017
18 September 2018	91,026	1.102
02 October 2018	86,828	1.1036
16 October 2018	65,626	1.1038
30 October 2018	48,624	1.1041
14 November 2018	33,802	1.1048
27 November 2018	9,737	1.1051

12 December 2018	7,229	1.1053
24 December 2018	12,555	1.1052
08 January 2019	1,882	1.1058
22 January 2019	2,984	1.1061
05 February 2019	20,257	1.1058
19 February 2019	75	1.1066
05 March 2019	1,404	1.1071
19 March 2019	54,786	1.1072
02 April 2019	151,794	1.1023
16 April 2019	240,393	1.1046
30 April 2019	70,365	1.1042
14 May 2019	99,931	1.0914
28 May 2019	88,867	1.0906
11 June 2019	42,439	1.0910

3.4 The Company's share capital as at the date of the Prospectus is as follows:

	<i>Shares</i>	
	<i>Nominal Value</i>	<i>Number</i>
	<i>(£)</i>	
As at the date of the Prospectus	46,051.52	4,605,152

3.5 By ordinary and special resolutions passed on 7 March 2019:

- (a) the Directors are generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot up to 200 million Shares, such authority to expire on 16 July 2020 (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;
- (b) conditionally upon the passing of Resolution (a) above, the Directors are generally empowered (pursuant to section 570 of the Act) to allot Shares for cash pursuant to the authority referred to in Resolution (a) above as if section 561 of the Act did not apply to any such allotment, such power to expire on 16 July 2020 (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Shares to be allotted after the expiry of such power and the Directors may allot Shares in pursuance of such an offer or agreement as if such power had not expired;
- (c) the Company is authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Shares provided that the maximum number of Shares authorised to be purchased is 30 million Shares. The

minimum price which may be paid for a Share is one penny. The maximum price which may be paid for a Share must not be more than the higher of: (i) five per cent. above the average of the midmarket value of the Shares for the five Business Days before the purchase is made; or (ii) the higher of the last independent trade and the highest current independent bid for Shares. Such authority will expire on the earlier of the conclusion of the next annual general meeting of the Company and 30 June 2020 save that the Company may contract to purchase Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Shares in pursuance of such contract; and

- (d) a general meeting of the Company other than an annual general meeting may be called on not less than 14 days' notice.

- 3.6 In accordance with the power granted to the Directors, it is expected that the Shares to be issued pursuant to the Share Issuance Programme will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission of such Shares in accordance with the Companies Act.
- 3.7 Save as disclosed in this paragraph 3, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash. No shares in the capital of the Company are held by or on behalf of the Company.
- 3.8 The Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 3.9 All Shares are capable of trading on an equal basis.
- 3.10 The Shares may not be converted into a different class without the approval of a majority of the holders of the ordinary shares.

4 **DIRECTORS' AND OTHER INTERESTS**

- 4.1 The interests of the Directors (including the interests of their spouses and infant children and the interests of any persons connected with them within the meaning of sections 252 to 255 and 820 to 825 of the Companies Act), all of which are beneficial, in the Shares, as at the date of publication of the Prospectus are set out below.

<i>Director</i>	<i>Shares</i>	<i>Percentage of issued share capital</i>
Simon Heawood	138,176	3.0 %
Michael Young	5,322	0.2 %
Craig Hallam	-	-

Paul Windsor

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- 4.2 Save as disclosed above, no Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.
- 4.3 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 4.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 4.5 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 4.6 Over the five years preceding the date of the Prospectus, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Simon Heawood	Bricklane Residential REIT plc Bricklane Regional Acquisitions Ltd Bricklane London Acquisitions Ltd Bricklane Technologies Ltd Bricklane Investment Services Ltd PropertyLift Trading Ltd	None
Michael Young	Bricklane Residential REIT plc Bricklane Technologies Ltd Bricklane Investment Services Ltd 92 Ferndale Road Limited 94 Twyford Avenue Limited	None
Craig Hallam	Bricklane Residential REIT plc Portland Private Office Limited HC Global Limited	None
Paul Windsor	Bricklane Residential REIT plc Appian Roy Holdco UK Limited CUKPF Limited Spingside (General Partner) Limited Crestbridge Property Partnerships Limited Crestbridge Operator Services Limited Hotel Stansted Limited Quabott Corporation Dadeland Advisory Corp. Tower One OpCo Limited VSB Investments Limited Chalky Lane Ltd Angel Gardens (General Partner) Limited	FCH1 (UK) Limited Wimbledon Arts KGAL UK Limited 283 Lonsdale Road Limited Traderconsensus.com Limited Stamford House Management Limited LCHC Limited Valcon Management Consultant UK Limited Polka Children's Theatre Limited Coughlan Lewis Limited JarJam Limited My Nominees (Albert Bridge

Cumberland Place (General Partner) Limited	Road) Limited
Broad Street (General Partner) Limited	Lowndes London Limited
Crestbridge Nominees Limited	Love Wimbledon Limited
Caballo Limited	
Gregory Park Holding Limited	
Inn on the Park (London) Limited	
Lapsent Limited	
PL Hotel Limited	
FSHNY (UK) Limited	
Inn on BW (UK) Limited	
Poles Limited	
CUKG Limited	
Crestbridge UK Limited	
WSM Advisors Limited	
WSM Partners LLP	
The Invicta Film Partnership No. 37 LLP	
Scion Films Sale and Leaseback Sixth LLP	
35 BGM Limited	
26 Kings Road Management Limited	
Tecref Sheds Ltd	
Great Charles Street Limited	
Holland Street Opco Limited	
Audley Nightingale Lane Limited	
Broad Street Opco Limited	
Realty Income Limited	
RI Crown CMC Limited	
RI SB Archer Limited	
RI SB Banbury Limited	
RI SB Bodmin Limited	
RI SB Bradford Limited	
RI SB Bridgwater Limited	
RI SB Cardiff Limited	
RI SB Grimsby Limited	
RI SB Hereford Limited	
RI SB Kempston Limited	
RI SB Lockbottom Limited	
RI SB Northampton Limited	
RI SB Southampton Limited	
B.L.C.T (11546) Limited	
B.L.C.T (38775) Limited	
RI SB Limited	
RI Crown Limited	
Crestbridge Family Office Holdings Limited	
Crestbridge Fiduciary Company One Limited	
Crestbridge Fiduciary Company Two Limited	

4.7 In the five years before the date of the Prospectus, the Directors:

4.7.1 did not have any convictions in relation to fraudulent offences;

- 4.7.2 were not associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- 4.7.3 did not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and were not disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 4.8 Save as disclosed in the section entitled "Conflicts of interest" in Part 4 of the Prospectus, as at the date of the Prospectus, none of the Directors had any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 4.9 As at the date of the Prospectus, insofar as is known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.
- 4.10 As at the date of the Prospectus, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 4.11 All Shareholders have the same voting rights in respect of the share capital of the Company.
- 4.12 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 4.13 None of the Directors or equivalent relevant officer of the Company is materially interested in any contract or arrangement subsisting at the date of the Prospectus which is significant in relation to the business of the Company.

5 DIRECTORS' LETTERS OF APPOINTMENT

- 5.1 Each non-executive Director has entered into a letter of appointment with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. All Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment or Articles for the removal of non-executive Directors. The Articles provide that the office of Director shall be terminated by, amongst other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) the written request of all of the other Directors.

Details of the remuneration for the non-executive Directors as at the date of this document is as follows:

<i>Director</i>	<i>Fee (£)</i>	<i>Appointment date</i>
Simon Heawood	Nil	8 May 2017
Michael Young	Nil	8 May 2017

Craig Hallam	Nil	6 July 2017
Paul Windsor	14,500	6 July 2017

The Non-Executive Directors are entitled to out-of-pocket expenses incurred in the proper performance of their duties. These expenses are to be paid by the Investment Adviser.

- 5.2 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

6 THE ARTICLES

The Articles contain provisions, inter alia, to the following effect:

6.1 *Objects/purposes*

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

6.2 *Voting rights*

- (a) Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (b) Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

6.3 *Dividends*

- (a) Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (c) All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (d) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (e) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- (f) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

6.4 *Winding up*

If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, divide among the shareholders in specie the whole or any part of the assets of the Company and may, for that

purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

6.5 *Transfer of shares*

(a) Subject to such of the restrictions in the Articles as may be applicable, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.

(b) The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

- (i) it is in respect of a share which is fully paid up;
- (ii) it is in respect of only one class of shares;
- (iii) it is in favour of a single transferee or not more than four joint transferees;
- (iv) it is duly stamped (if so required); and
- (v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.

(c) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days

and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a bona fide sale to an unconnected party.

- (d) If the Board refuses to register a transfer of a Share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (e) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- (f) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 6.5(g) below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- (g) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by

the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).

- (h) Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

6.6 *Variation of rights*

- (a) If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Companies Act.
- (b) The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

6.7 *Alteration of share capital*

The Company may, from time to time, by ordinary resolution:

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (c) subject to the provisions of the Companies Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (d) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

6.8 *General meetings*

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (b) A general meeting shall be convened by such notice as may be required by law from time-to-time.
- (c) The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
 - (i) whether the meeting is convened as an annual general meeting or any other general meeting;
 - (ii) the place, the day, and the time of the meeting;
 - (iii) the general nature of the business to be transacted at the meeting;
 - (iv) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
 - (v) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- (d) The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.
- (e) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- (f) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- (g) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so

entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.

- (h) A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
 - (i) the chairman of the meeting;
 - (ii) at least five members having the right to vote on the resolution;
 - (iii) a member or members representing not less than ten per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
 - (iv) a member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

6.9 *Borrowing powers*

Subject to the provisions of the Companies Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

6.10 *Issue of shares*

- (a) Subject to the provisions of the Companies Act, and to any relevant authority of the Company required by the Companies Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

- (b) Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.
- (c) The business of the Company shall be managed by the Directors who, subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

6.11 *Directors' interests*

- (a) The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.
- (b) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

- (c) Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:
- (i) may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (ii) may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries);
 - (iii) may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
 - (iv) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
 - (v) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.
- (d) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- (e) The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

6.12 *Restrictions on Directors voting*

- (a) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:

- (i) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
 - (ii) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
 - (iii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iv) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
 - (v) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (vi) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments in such body corporate;
 - (vii) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - (viii) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
 - (ix) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
 - (x) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- (b) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

6.13 *Number of Directors*

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be not less than two and the number is not subject to a maximum.

6.14 *Directors' appointment and retirement*

- (a) Each Director shall retire from office at the third annual general meeting after the annual general meeting or general meeting (as the case may be) at which he was previously appointed.
- (b) Any Director who has held office with the Company, other than employment or executive office, and who, at the date of the annual general meeting, has held such office for nine years or more, shall be subject to re-appointment at each annual general meeting.

6.15 *Directors' fees*

- (a) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board, or any committee authorised by the Board, may from time to time determine (not exceeding £400,000 per annum or such other sum as the Company in general meeting by ordinary resolution shall from time to time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.
- (b) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.
- (c) If by arrangement with the Board, or any committee authorised by the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board, or any committee authorised by the Board, may from time to time determine.
- (d) The Board, or any committee authorised by the Board, may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit-sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit, any person who is or has at any time been a Director or employee of the Company, and any member of his family and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Companies Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any

financial or other assistance in connection with, any of such matters. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not be obliged to account for it to the Company.

6.16 *Notice requiring disclosure of interest in shares*

- (a) The Company may, by notice in writing under section 793 of the Companies Act, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.
- (b) If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

6.17 *Untraced shareholders*

Subject to the Articles, the Company may sell any shares registered in the name of a member if and provided that during the period of 12 years immediately prior to the date of the publication of the advertisement of an intention to make such a disposal the Company has paid at least three cash dividends on the shares and no cash dividend payable on the shares has either been claimed or cashed. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

6.18 *Indemnity of Officers*

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except

the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Companies Act). In addition, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

6.19 *REIT provisions*

A summary of the REIT provisions included in the Articles is set out in Part 8 of the Prospectus.

7 **CITY CODE ON TAKEOVERS AND MERGERS**

7.1 *Mandatory bid*

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

7.2 *Compulsory acquisition*

Under Sections 974 – 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to Section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the

offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

8 MATERIAL CONTRACTS OF THE GROUP

The following are the only contracts, not being contracts entered into in the ordinary course of business, which have been entered into by the Group in the two years immediately preceding the date of the Prospectus and which are, or may be, material or which have been entered into at any time by the Group and which contain any provision under which any obligation or entitlement is, or may be, material to the Group at the date of the Prospectus.

8.1 AIFM Agreement

The AIFM Agreement dated 12 July 2017 entered into between the Company, the Investment Adviser and the AIFM pursuant to which the AIFM has been given responsibility, subject to the supervision of the Board, for the management of the Company in accordance with the Company's investment objective and policy.

The fees payable to the AIFM are payable by the Investment Adviser from the Annual Management Charge set out in paragraph 8.2 below.

The AIFM Agreement is terminable on either party giving the other not less than six months' written notice or on immediate notice on the occurrence of certain events. The Company has given certain market standards indemnities to the AIFM in respect of losses suffered by the AIFM in the performance of its duties.

The initial term of Gallium Fund Solutions Limited's appointment is 18 months from 18 July 2018 (being the date of the Company's initial admission pursuant to the 2017 Share Issuance Programme) and thereafter the appointment will continue unless it is terminated on six months' written notice expiring at any time after expiry of the initial 18-month period. Following the expiry of the initial 18-month term of the AIFM Agreement, and subject to Bricklane Investment Services Ltd receiving all necessary permissions and authorisations from the FCA to act as an alternative investment fund manager (which at the date of the Prospectus it has not yet applied to the FCA), Bricklane Investment Services Ltd may, at its discretion, act as AIFM in substitution for Gallium Fund Solutions Limited as the Company's AIFM on the terms of the AIFM Agreement.

If Bricklane Investment Services Ltd exercises its right to replace Gallium Fund Solutions Limited as AIFM, it will charge no further fee in addition to the Annual Management Charge set out in paragraph 8.2.

The AIFM Agreement is governed by the laws of England and Wales.

8.2 Investment Advisory Agreement

The Investment Advisory Agreement dated 12 July 2017 entered into between the Company, the AIFM and the Investment Adviser pursuant to which the Company has appointed the Investment Adviser to provide investment advice, subject to the overall control and supervision of the AIFM and the Directors. The services include advising the Company in respect of the Investment Portfolio, locating, evaluating, negotiating and executing investment opportunities for the Company in accordance with instructions on implementation of the investment policy from the Board and the AIFM, and reviewing and monitoring the performance of the Investment Portfolio.

The Investment Advisory Agreement may be terminated by either the Company or the Investment Adviser giving to the other 12 months' written notice of termination save that such notice shall not be served earlier than the 18 July 2022 (being the fifth anniversary of the Company's initial admission pursuant to the 2017 Share Issuance Programme) (the "**Initial Term**").

Notwithstanding the Initial Term, the Investment Advisory Agreement may also be terminated with immediate effect earlier in certain circumstances, including a material unremedied breach by either party, if the Company's Shares cease to be listed on TISE Official List or in the event of the Company's insolvency (or an analogous event). The Company may terminate the Investment Advisory Agreement with immediate effect by giving written notice to the Investment Adviser in the event of the Investment Adviser's insolvency (or analogous event) or if the Investment Adviser is prevented by *force majeure* from performing its services under the agreement for at least 60 consecutive days.

The Company has given certain market standard indemnities in favour of the Investment Adviser in respect of losses suffered by the Investment Adviser in the performance of its services.

Under the terms of the Investment Advisory Agreement the Company will pay the Annual Management Charge equal to the sum of 0.85 per cent. per annum of the Net Asset Value of the Company (exclusive of VAT). The Annual Management Charge is paid monthly in arrears.

The Investment Advisory Agreement is governed by the laws of England and Wales.

8.3 TISE Sponsorship Agreement

TISE Sponsorship Agreement dated 14 July 2017 between the Company and TISE Sponsor whereby TISE Sponsor was appointed to act as TISE listing sponsor to the Company.

TISE Sponsor has been appointed to provide guidance and advice in respect of preparing the application to list the Company's securities on TISE, to assist in ensuring that the Company has satisfied all relevant conditions for listing of the Shares and that the Directors understand the nature of their responsibilities and intend to honour their obligations under TISE Listing Rules and to communicate with the Authority on all matters arising in connection with the continuing obligations of the Company. The liability of TISE Sponsor to the Company is limited and the Company indemnifies TISE Sponsor in relation to its role and the Prospectus, except to the extent of the fraud, bad faith, wilful default or gross negligence of TISE Sponsor.

TISE Sponsorship Agreement may be terminated, including by either party by sixty days' notice or immediately upon the occurrence of certain events (including the insolvency of the Company, the Shares being suspended from dealing on TISE, or a party committing a material breach of TISE Sponsorship Agreement which has not been remedied).

TISE Sponsorship Agreement is governed and construed in accordance with the laws of the island of Jersey.

8.4 Depositary Agreement

The Depositary Agreement dated 12 July 2017 entered into between the Company, the AIFM, the Investment Adviser and Gallium P E Depositary Limited pursuant to which the Company appointed the Depositary to act as the sole depositary of the Company and be responsible for: (i) ensuring the Company's cash flows are properly monitored; (ii) the safe keeping of the assets of the Company; and (iii) the oversight and supervision of the Company in conjunction with the AIFM.

The fees payable to the Depositary are payable by the Investment Adviser from the Annual Management Charge set out in paragraph 8.2 above.

The Depositary Agreement is terminable by either the Company or the Depositary on three months' written notice. The Depositary Agreement may be terminated with immediate effect by either the Company or the Depositary on the occurrence of certain events, including inter alia: the Depositary ceasing to be an Authorised Person permitted under FSMA to act as a depositary, a breach of warranty by the Company or in the case of insolvency of the Company.

The Company has given certain market standard indemnities in favour of the Depositary in respect of the Depositary's potential losses in carrying on its responsibilities under the Depositary Agreement.

The Depositary Agreement is governed by the laws of England and Wales.

8.5 Property Management Agreement

The Property Management Agreement dated 9 June 2017 entered into between the Company and the Property Manager pursuant to which the Company has appointed the Property Manager to provide property management services to the Company, including letting and management.

The initial term for the Property Manager's appointment is two years from 9 June 2017 unless terminated by either party for cause (breach of the agreement, insolvency event etc.) There is also a six month break clause which can be triggered if either party is not happy with performance of the Property Management Agreement. The Property Management Agreement has been extended for a further period of two years subject to the satisfactory meeting of key performance indicators.

The Property Manager is entitled to a fee for ongoing management services, equal to five per cent. (exclusive of VAT) of the gross rent received per calendar month for each managed property. In addition, the Property Manager subcontracts lettings to local

agents, who charge a fee for each property that is let, which is agreed on a case by case basis.

The Property Management Agreement is governed by the laws of England and Wales.

9 LITIGATION

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability during the 12 months preceding the date of this Prospectus.

10 RELATED PARTY TRANSACTIONS

Save for the issue of Shares to Directors and Restricted Shares to Simon Heawood, and entry into of the Investment Advisory Agreement, the Company has not entered into any other related party transaction at any time during the period from incorporation to the date of the Prospectus.

11 CAPITALISATION AND INDEBTEDNESS

As at the date of the Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness, and has not entered into any mortgage, charge or security interest, and the Company's issued share capital consists of 4,605,152 Shares of one penny each (fully paid).

12 WORKING CAPITAL

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of the Prospectus.

13 NO SIGNIFICANT CHANGE

Save to the extent disclosed below, as at the date of this document, there has been no significant change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest financial statements of the Group have been published:

(i) the Company issuing 775,177 Shares pursuant to the 2018 Share Issuance Programme which raised gross proceeds of £0.85 million for the period; and

(ii) the acquisition of an asset at Greenview Close, London on 10 April 2019 for an acquisition price of £515,000.

14 GENERAL

14.1 There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business.

- 14.2 The costs and expenses of the Share Issuance Programme are estimated to be £20,000 excluding VAT. These costs are not payable by the Company and will be paid by the Investment Adviser.
- 14.3 The AIFM was incorporated as a private limited company on 1 July 2008 with registered number 06634506. The AIFM operates under the Companies Act. The AIFM is regulated under FSMA to carry on AIF services business and fund services business. The registered address of the AIFM is Gallium House Unit 2, Station Court, Borough Green, Sevenoaks, Kent, TN15 8AD and its telephone number is 01732 882 642. The AIFM has given and not withdrawn its written consent to the issue of the Prospectus with references to its name in the form and context in which such references appear.
- 14.4 The Investment Adviser was incorporated as a private limited company on 23 February 2016 with registered number 10021399. The Investment Adviser operates under the Companies Act. The registered office of the Investment Adviser is Floor 3, 26 Finsbury Square, London, EC2A 1DS with telephone number +44(0)203 1111 432. The Investment Adviser has given and not withdrawn its written consent to the issue of the Prospectus with references to its name in the form and context in which such references appear.
- 14.5 TISE Sponsor was incorporated as a private company on 14 October 1999 with registered number 75332. TISE Sponsor operates under the Companies (Jersey) Law 1991. The registered office of TISE Sponsor is 47 Esplanade, St Helier, Jersey JE1 0BD. TISE Sponsor has given and not withdrawn its written consent to the issue of the Prospectus with references to its name in the form and context in which such references appear.
- 14.6 Grant Thornton UK LLP of 30 Finsbury Square, London EC2P 2YU is the auditor for the Group and has been the only auditor of the Company since its incorporation. Grant Thornton UK LLP is a member firm of the Institute of Chartered Accountants in England and Wales.
- 14.7 Allsop LLP of 33 Park Place, Leeds, LS1 2RY is a member firm of the Royal Institution of Chartered Surveyors and is the external independent valuer for the Group. Allsop LLP has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its report in Part 6 of this Prospectus, and the references to its name in the form and context in which they appear, and has authorised the contents of its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.
- 14.8 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than TISE.
- 14.9 Where third party information has been referenced in the Prospectus, the source of that third party information has been disclosed. All information in the Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 14.10 The assets of the Group are held and controlled by the Group directly and no assets are held in third party custody arrangements.

15 AVAILABILITY OF THIS DOCUMENT

Copies of the Prospectus are available, for inspection only from the date of the Prospectus from the National Storage Mechanism (www.morningstar.co.uk/uk/nsm) and may be obtained from the date of the Prospectus until 16 July 2020 from the registered office of the Company.

16 DOCUMENTS AVAILABLE FOR INSPECTION

16.1 Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Carey Olsen Corporate Finance Limited, 47 Esplanade, St Helier, Jersey, JE1 OBD during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of the Prospectus until 16 July 2020:

- (a) the memorandum of association of the Company and the Articles;
- (b) the Prospectus;
- (c) the AIFM Agreement;
- (d) the Investment Advisory Agreement;
- (e) TISE Sponsorship Agreement; and
- (f) the Depositary Agreement.

PART 10

AIFMD – ARTICLE 23 DISCLOSURES

This Part 10 contains the information required to be made available to investors in the Company before they invest, pursuant to Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and UK implementing measures (the Alternative Investment Fund Managers Regulations No.1773/2013, and consequential amendments to the FCA Handbook).

The table below sets out information required to be disclosed pursuant to the AIFM Directive and related national implementing measures.

This Part 10 contains solely that information that the Company is required to make available to investors pursuant to the AIFM Directive and should not be relied upon as the basis for any investment decision.

DISCLOSURE REQUIREMENT	DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE
1(a) a description of the investment strategy and objectives of the Company	<p>The investment objective of the Company is to provide Shareholders with regular, sustainable and growing long-term dividends coupled with the potential for capital appreciation over the medium to long term.</p> <p>Investment policy</p> <p>The Company intends to meet its investment objective by purchasing and then letting, to the extent not already let, a portfolio of residential properties in key locations within London (and areas commutable to London), where the Directors believe the income and value potential is greatest.</p> <p>Consistent with its investment objective, it will aim to identify properties which are expected to achieve long-term house price growth and rental yields at an average or above average level for the region. In researching properties and the associated risks, the Investment Adviser will consider factors such as location, property type, demand indicators, and physical and environmental factors.</p> <p>The Company will acquire both houses and flats which will be both new build and existing properties. Where appropriate, discounts will be sought on purchases that mitigate or eliminate the transactional costs of investment or provide an element of additional performance.</p> <p>The Company will maintain a let Investment Portfolio, but it will not aim to reflect the London property market at large, including geographic mix. The Company will specifically avoid exposure to prime property and rural areas. Attention will also be given to maintain appropriate diversification and a prudent spread of risk at all times. Initially the Company intends to focus investment in London and this may extend to areas commutable to London in the future. However the Company reserves the right to invest</p>

	<p>elsewhere in opportunities that align with its investment objective.</p> <p>Properties will generally be let on an assured shorthold tenancy (“AST”) basis. Where opportunities arise and fit with the Company’s investment objective, units may be let on a ‘part sale, part rent’ basis, or let to specialist operators for use as serviced apartments, or units obtained from residential developers on a sale and leaseback basis. Properties subject to non-AST leases will be managed to ensure that the Company is not unduly exposed to counterparty or liquidity risk.</p> <p>The Company may invest in land or buildings for the purposes of development and sale and/or letting subject to the below investment restriction limits. Before purchasing any property for development, the AIFM and the Investment Adviser will take all reasonable steps to ensure the provenance, reliability and financial stability of third parties issuing the purchase contract. Any deposit monies payable under development contracts will be held in escrow and only released to the third party on phased completion of the development or works.</p> <p>The Company will maintain the ability to invest in property related securities, including shares in other REITs, units in authorised property unit trusts, participation in property partnerships and/or property limited partnerships, units in regulated collective investment schemes, and other transferable securities.</p>
(b) if the Company is a feeder fund, information on where the master fund is established;	N/a
(c) if the Company is a fund of funds, information on where the underlying funds are established;	N/a
(d) a description of the types of assets in which the Company may invest;	The Company meets its investment objective through purchasing and then letting, to the extent not already let, a portfolio of residential properties in key locations within London (and areas commutable to London), where the Directors believe the income and value potential is greatest.
(e) the investment techniques that the Company may employ and all associated risks;	<p>Investment origination</p> <p>The Investment Adviser takes a location-led approach to sourcing opportunities. Areas of interest will be identified based on analysis of past price and rent trends, planned supply, demographic shifts, length of commute, customer demand indicators and other key data points.</p> <p>Opportunities will be sourced by the Investment Adviser for approval by the AIFM and the Company from new build developers, estate agents managing existing properties and, in time, directly from individuals themselves. Where possible,</p>

	<p>properties will be bought at a discount in order to seek to minimise Stamp Duty Land Tax and other costs of acquisition.</p> <p>In purchasing individual houses and flats, opportunities can easily be sourced on the mass market from portals such as Zoopla, as well as through existing relationships with housing associations and developers.</p> <p>Due Diligence</p> <p>All further investments, whether originated by the Investment Adviser or otherwise, will be subject to appropriate due diligence and agreement on acquisition price, and RICS valuation by an independent third party valuer.</p> <p>Before presentation to the AIFM and the Company, the Investment Adviser will undertake comprehensive and rigorous due diligence on each opportunity, its alignment to the Investment Objective of the Company and the fit with the Investment Portfolio as a whole. The Investment Adviser will undertake investment monitoring on behalf of the Company and AIFM, with reports on performance delivered on a quarterly basis.</p> <p>Approval and execution</p> <p>Once full due diligence is undertaken, proposed purchases will be presented to the Board and AIFM for final approval, based on quality of the opportunity and fit with the Company's investment objective. Initially, these approvals will take place on an ad hoc basis, and will become more regular in time.</p> <p>Once approved, the Investment Adviser will execute transactions on the Company's behalf, liaising with appropriate legal and financial suppliers, as well as surveyors and valuers.</p> <p>Summary of key risks</p> <ul style="list-style-type: none"> • The Company has a limited operating history. • The Company may not meet its investment objective. • Conditions affecting the London property market. • Concentration risk. • Investor returns will be dependent upon the performance of the Investment Portfolio and the Company may experience fluctuations in its operating results. • The Company's performance will depend on occupancy
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	<p>rates, the rental income it produces and the duration of tenancies which may be influenced by external factors outside the Company's control.</p> <ul style="list-style-type: none"> • The Company is dependent on the AIFM, the Investment Adviser and other third party suppliers. • Changes in laws, regulations and/or government policy may adversely affect the Group's business. • Property valuation is inherently subjective and uncertain. • Availability of investment opportunities. • If the Company fails to maintain REIT status for UK tax purposes, its profits and gains will be subject to UK corporation tax.
(f) any applicable investment restrictions;	<p>Investment restrictions</p> <p>The Company will, once Fully Invested, observe the following investment restrictions:</p> <ul style="list-style-type: none"> • the value of no single asset at the time of investment will represent more than 20 per cent. of the Gross Asset Value of the Investment Portfolio; • at least 50 per cent. of the Gross Asset Value of the Investment Portfolio will be invested in directly held properties; • no more than 15 per cent. of the Gross Asset Value of the Investment Portfolio may at any time consist of property that is under development. For these purposes, "development" excludes refurbishment work and includes forward funding development and forward commitments; • no more than 20 per cent. of the Gross Asset Value of the Investment Portfolio may consist of property where income in respect of such portion of the Investment Portfolio is dependent on the successful completion of structural refurbishment work; and • no more than 15 per cent. of the Gross Asset Value shall be invested in any one collective investment undertaking. <p>The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and</p>

	<p>will not, at any time, conduct any trading activity which is significant in the context of the business of the Company as a whole.</p> <p>The Directors currently intend to conduct the affairs of the Company so as to enable it to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).</p> <p>In the event of a breach of the investment policy and investment restrictions set out above, the Directors upon becoming aware of such breach will consider whether the breach is material, and if it is, notification will be made through a TISE announcement.</p>
(g) the circumstances in which the Company may use leverage;	<p>The Company does not currently intend to utilise gearing to amplify returns. However, the Group may, in the future use gearing in order to generate short term cash flow facilities and create short term liquidity in respect of redemptions.</p> <p>If, in the future, the Group does decide to introduce gearing it will look to maintain a conservative level of gearing and would intend to limit the Group borrowings to a maximum of 40 per cent. of the Group's gross assets at the relevant time.</p>
(h) the types and sources of leverage permitted and the associated risks;	<p>The Group may in the future take on leverage in accordance with the Company's borrowing policy. Investors should be aware that, whilst the use of borrowings should enhance Net Asset Value per Share, where the value of the Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is declining. In addition, in the event that the rental income derived from the Group's property assets declines, including as a result of defaults by the tenants pursuant to their leases with the Group, the use of borrowings will amplify the impact of such declines on the net revenue of the Group and, accordingly, this may have a material adverse effect on the Group's profitability, dividend payments, the Net Asset Value and the price of the Shares.</p> <p>If the value of the Group's assets falls, the Net Asset Value of the Company will reduce. Furthermore, the borrowings which certain Group companies' use (and which the Group will in the future use) are expected to contain loan to value covenants, being the accepted market practice in the UK. If real estate assets owned by Group companies and used as collateral for any borrowings decrease in value such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a call for additional capital from the lender; or payment of a fee to the lender; or in such cases where other remedies were not available, it could require a sale of an asset, or a forfeit of any asset to a lender, this could result in a total or partial loss of equity value for each specific asset, or indeed the Group as a</p>

	<p>whole.</p> <p>Any increase in Sterling interest rates could have an adverse impact on the Group's cost of borrowing or its ability to secure borrowing facilities and could result in the expected dividends of the Company being reduced and a reduction in the price of the Shares.</p> <p>Any amounts that are secured by a Group Company under a loan facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Group's assets generate insufficient returns to cover the Group's operating costs and interest expense, Shareholders may not recover their initial investment on a liquidation of the Company or when they sell their Shares.</p>
(i) any collateral and asset reuse arrangements;	Borrowings employed by the Group may either be secured on individual assets without recourse to the Company or by a charge over some or all of the Company's assets to take advantage of potentially preferential terms.
(j) the maximum level of leverage which the Company is entitled to employ;	<p>The Company does not intend to use borrowing. However if, in the future, it does decide to, the level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds, whilst maintaining flexibility in the underlying security requirements.</p> <p>The AIFM Directive prescribes two methods of measuring and expressing leverage (as opposed to gearing) and requires disclosure of the maximum amount of 'leverage' the Company might be subject to. The definition of leverage is wider than that of gearing and includes exposures that are not considered to be gearing.</p> <p>Without prejudice to the foregoing (in compliance with the investment policy concerning gearing), the Company has set a maximum leverage limit of 1.66x (on both a "gross" and "commitment" basis).</p>
(2) a description of the procedures by which the Company may change its investment strategy or investment policy, or both;	No material change will be made to the investment policy and investment restrictions except in accordance with TISE Listing Rules.
(3) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence	The Company is a company limited by shares, incorporated in England and Wales. While investors acquire an interest in the Company on subscribing for or purchasing shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the

<p>or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Company is established;</p>	<p>debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them. Shareholders' rights in respect of their investment in the Company are governed by the Company's Articles and the Companies Act. Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>Jurisdiction and applicable law</p> <p>As noted above, Shareholders' rights are governed principally by the Company's Articles and the Companies Act. By subscribing for Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of England and Wales.</p> <p>Recognition and enforcement of foreign judgments</p> <p>Regulation (EC) 593/2008 ("Rome I") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.</p> <p>Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the</p>
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	<p>Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.</p>
<p>(4) the identity of the AIFM, the Company's depositary, the auditor and any other service providers and a description of their duties and the investors' rights;</p>	<p>AIFM</p> <p>Gallium Fund Solutions Limited, Gallium House Unit 2, Station Court, Borough Green, Sevenoaks, Kent, TN15 8AD</p> <p>Gallium Fund Solutions Limited has been appointed as the Company's external AIFM. The AIFM is responsible for the Company's risk and portfolio management.</p> <p><i>Investment Adviser</i></p> <p>Bricklane Investment Services Ltd, Floor 3, 26 Finsbury Square, London, EC2A 1DS.</p> <p>Bricklane Investment Services Ltd has been appointed as the Investment Adviser for the Company with responsibility for providing investment advice in accordance with the Company's investment objectives and policy, subject to the overall supervision and control of the Directors.</p> <p><i>TISE Sponsor</i></p> <p>Carey Olsen Corporate Finance Limited, 47 Esplanade, St Helier, Jersey, JE1 0BD</p> <p>Carey Olsen Corporate Finance Limited has been appointed as TISE Sponsor to the Company.</p> <p>Depositary:</p> <p>Gallium P E Depositary Limited, Gallium House Unit 2, Station Court, Borough Green, Sevenoaks, Kent, TN15 8AD</p> <p>Gallium P E Depositary Limited has been appointed as depositary to the Company. The Depositary acts as the sole depositary of the Company and is, amongst other things, responsible for:</p> <ul style="list-style-type: none"> ensuring the Company's cash flows are properly monitored;

	<ul style="list-style-type: none"> • the safe keeping of the assets of the Group; and • the oversight and supervision of the Company in conjunction with the AIFM. <p>Auditor</p> <p>Grant Thornton UK LLP, 30 Finsbury Square London EC2P 2YU</p> <p>Grant Thornton UK LLP provides audit services to the Group. The auditor's principal responsibilities are to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts are prepared according to accounting standards laid out under IFRS.</p> <p>Investors' Rights</p> <p>The Company is reliant on the performance of third party service providers, including the AIFM, the Investment Adviser, the Depositary and the Auditor.</p> <p>Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.</p> <p>In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.</p> <p>Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against FCA authorised service providers to the Financial Ombudsman Service ("FOS")</p>
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	<p>(further details of which are available at www.fscs.org.uk). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against an FCA authorised service provider which is in default. There are limits on the amount of compensation. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.</p>
(5) a description of how the AIFM complies with the requirements referred to in IPRU-INV 11.3.11G (Professional negligence) relating to professional liability risk;	Professional liability risks resulting from those activities which the AIFM carries out pursuant to the AIFM Directive, are, to the extent required by law, covered by the AIFM through additional own funds.
(6) a description of:	N/a
(a) any management function delegated by the Manager;	
(b) any safe-keeping function delegated by the depositary;	N/a
(c) the identity of each delegate appointed in accordance with FUND 3.10 (Delegation); and	N/a
(d) any conflicts of interest that may arise from such delegations;	N/a
(7) a description of the Company's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in line with FUND 3.9 (Valuation);	<p>Property valuation:</p> <p>The Directors use professional independent property valuers to value properties owned by the Company on a monthly basis. There is an in-person valuation before purchase, followed by a monthly 'desk valuation' based on review of the market over the past month. Further in-person inspections will be performed as considered necessary by the Directors, likely to be every three to five years. The valuations of the Group's properties are at fair value as determined by the Valuer on the basis of market value in accordance with the internationally accepted RICS Red Book.</p> <p>Details of each monthly valuation, and of any suspension in the making of such valuations, are announced by the Company via a TISE announcement as soon as practicable after the relevant valuation date.</p>

	<p>Calculation of Net Asset Value</p> <p>The Net Asset Value (and Net Asset Value per Share) is calculated monthly by the AIFM. Calculations are made in accordance with IFRS. Details of each monthly valuation, and of any suspension in the making of such valuations, are announced by the Company via a TISE announcement as soon as practicable after the end of the relevant half year. The monthly valuations of the Net Asset Value (and Net Asset Value per Share) are calculated on the basis of the most recent valuation of the Company's Investment Portfolio.</p>
(8) a description of the Company's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors;	<p>The Company is a closed-ended investment company incorporated in England and Wales on 8 May 2017 which carries on business as the principal company of a REIT. Shareholders are entitled to participate in the assets of the Company attributable to their shares in a winding-up of the Company or other return of capital, but they have no rights of redemption.</p> <p>Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company mitigates this risk by maintaining a balance between continuity of funding and flexibility through the use of bank deposits and loans.</p>
(9) a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors;	<p>The annual running costs of the Company excluding fees for property valuation, the Annual Management Charge and SDLT costs are estimated to be in the region of 1.00 – 2.00 per cent. of Net Asset Value of the Company. This figure excludes any non-recurring or extraordinary expenses. The Annual Management Charge is 0.85 per cent. per annum of the Net Asset Value of the Company (exclusive of VAT).</p> <p>Given that many of the fees are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.</p>
(10) a description of how the Company ensures a fair treatment of investors;	<p>As directors of a company incorporated in England and Wales, the Directors have certain statutory duties with which they must comply. These include a duty upon each Director to act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.</p> <p>No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not</p>

	<p>give preferential treatment to any investors.</p> <p>The Shares rank <i>pari passu</i> with each other.</p>
(11) whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of:	N/a
(a) that preferential treatment;	N/a
(b) the type of investors who obtain such preferential treatment; and	N/a
(c) where relevant, their legal or economic links with the Company;	N/a
(12) the procedure and conditions for the issue and sale of units or shares;	<p>The Shares are admitted to listing and to trading on TISE Official List. Accordingly, the Shares may be purchased and sold on TISE.</p> <p>New Shares may be issued at the Board's discretion and providing relevant Shareholder issuance authorities are in place. Shareholders do not have the right to redeem their Shares. While the Company will typically have Shareholder authority to buy back Shares any such buy back is at the absolute discretion of the Board and no expectation or reliance should be placed on the Board exercising such discretion.</p>
(13) the latest net asset value of the Company or the latest market price of the unit or share of the Company, in line with FUND 3.9 (Valuation);	<p>As at 7 July 2019, the unaudited Net Asset Value per Share was £1.0396.</p> <p>When published, Net Asset Value announcements can be found on the Company's website: http://bricklane.com/plc/london.</p>
(14) the latest annual report, in line with FUND 3.3 (Annual report of an AIF);	<p>The Company has published its annual report for the period ending 30 June 2018 in line with FUND 3.3.</p> <p>When published, annual reports can be found on the Company's website: http://www.bricklane.com/plc/london.</p>
(15) where available, the historical performance of the Company;	<p>The Company has published its audited financial statements for the period ended 30 June 2018 and unaudited interim financial statements for the six months ended 31 December 2018.</p> <p>When published, annual and interim financial statements can be found on the Company's website:</p>

	http://www.bricklane.com/plc/london .
(16)	
(a) the identity of the prime brokerage firm;	N/a
(b) a description of any material arrangements of the Company with its prime brokerage firm and the way any conflicts of interest are managed;	N/a
(c) the provision in the contract with the depositary on the possibility of transfer and reuse of Company assets; and	N/a
(d) information about any transfer of liability to the prime brokerage firm that may exist; and	N/a
(17) a description of how and when the information required under FUND 3.2.5 R and FUND 3.2.6 R will be disclosed.	<p>In order to meet the requirements of FUND 3.2.5 R, the Company intends to disclose annually in the Company's annual report (pursuant to FUND 3.3):</p> <p>(1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature, if applicable;</p> <p>(2) any new arrangements for managing the liquidity of the Company; and</p> <p>(3) the current risk profile of the Company and the risk management systems employed by the Company to manage those risks.</p> <p>Information will also be provided to investors regarding any changes to:</p> <p>(a) the maximum level of leverage that the Company may employ;</p> <p>(b) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and</p> <p>(c) the total amount of leverage employed by the Company.</p> <p>To meet the requirements of FUND 3.2.6 R, this information will</p>

	be provided to investors by way of an update to these disclosures or in such other manner the Company deems appropriate.
	<p>Amendment of this Part 10</p> <p>When there is a material change to the information contained in these disclosures, it shall be updated.</p>

PART 11

TERMS AND CONDITIONS OF SHARE ISSUANCE PROGRAMME

1 INTRODUCTION

Applications must be made by placing a revocable order to subscribe for Shares on <https://bricklane.com> (the "**Application**" and the "**Website**" respectively). Investors will be required to register with Bricklane Investment Services Ltd and sign-up to Bricklane investor terms (also available on the Website) prior to making an Application. If there is any conflict between these Terms and Conditions and Bricklane investor terms available on the Website, the provisions of these Terms and Conditions will prevail. Applications may be accepted through other means, e.g. a paper form, at the discretion of Bricklane Investments Services Ltd.

2 EFFECT OF APPLICATION

Applications under the Share Issuance Programme must be for a minimum subscription amount of £100 as a one-off transaction, after which an applicant may subscribe to a monthly regular payment, subject to a minimum of £50 per month. Multiple applications will be accepted. If an issue does not proceed, any subscription monies received will be returned, without interest, at the risk of the applicant. The minimum subscription may be revised at the discretion of Bricklane Investment Services Ltd.

2.1 Offer to acquire Shares

By completing and submitting an Application on the Website, you as an applicant:

- (a) indicate that you are willing to offer to subscribe for such number of: Shares as may be purchased by the subscription amount specified in your Application on the Website (being a minimum of £100 worth of Shares as a one-off payment, after which an applicant may subscribe to a monthly regular payment, subject to a minimum of £50 per month) on the terms, and subject to the conditions, set out in this document, which include Bricklane investor terms set out on the Website (which are incorporated by reference);
- (b) undertake that sufficient funds will be held in the bank account for which you have provided payment details to the Company or the Company's payment provider from which the subscription amount specified in your Application will be collected in full. You agree that if such remittance is not so received you will not be entitled to any Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Company (which acceptance shall not constitute an acceptance of your Application under the issue and shall be in its absolute discretion and on the basis that you indemnify the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque in

your favour at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application, without interest);

- (c) agree, in respect of applications for Shares, that no allotment shall be made:
 - (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraph 2.4(a), (b), (f), (h), (m), (n), (o), (p) or (q) below or any other suspected breach of these Terms and Conditions; or
 - (iii) pending any verification of identity which is, or which the Company considers may be, required for the purpose of the UK Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (d) agree, on the request of the Company to disclose promptly in writing to them such information as the Company may request in connection with your Application and authorise the Company to disclose any information relating to your Application which they may consider appropriate;
- (e) agree that if evidence of identity satisfactory to the Company is not provided to the Company within a reasonable time (in the opinion of the Company) following a request therefor, the Company may treat your Application as terminated and, in such case, your subscription monies will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- (f) agree that you are not applying on behalf of a person engaged in money laundering;
- (g) undertake to pay interest at the rate described in paragraph 2.2 below if the remittance accompanying your Application is not honoured on first presentation;
- (h) authorise the Company to return any monies returnable by electronic bank transfer or a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
- (i) confirm that you have read and complied with paragraph 2.7 below;
- (j) agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of Gallium Fund Solutions Limited;
- (k) agree that your Application is addressed to the Company;
- (l) agree that the number of Shares to be allotted will be rounded down to the nearest whole number and excess funds shall be retained by Gallium Fund Solutions Limited and will be included in any future Share subscriptions by yourself;
- (m) acknowledge that the offer to the public of Shares is being made only in the United Kingdom, and is not available to non-UK residents; and

- (n) agree that any application may be rejected in whole or in part at the discretion of the Company.

2.2 Acceptance of your offer

Your offer to subscribe (if your Application is received, valid (or treated as valid), processed and not rejected) shall be deemed to be accepted by the Company on the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any Application on a 'first come first served' basis. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions or not in all respects completed or delivered in accordance with the instructions accompanying the Application. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions.

Investors will be notified of their allocations under an issue via the Website. The payment provider instructed by the Company will collect in the subscription amount by debit card payment and remit to Gallium Fund Solutions Limited all cash payments received within 5 to 10 business days of initial request.

The Company may require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus four percent per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any Application.

Payments may be made electronically by debit card via the Website's payment provider, via Faster Payment or other electronic bank transfer, or any other means accepted at the discretion of Bricklane Investments Services Ltd. Each Investor will be required to agree to such payment provider's terms and conditions before the Application is made.

2.3 Return of application monies

Where application monies have been banked and/or received, if any Application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by electronic bank transfer, cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Company in a separate account.

2.4 Warranties

By completing an Application, you:

- (a) undertake and warrant to the Company that, you are making the Application in your own name and on behalf of yourself and if you make the Application on behalf of a corporation, you have due authority to do so on behalf of that corporation and that corporation will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant to the Company that you have complied with the laws of all relevant territories, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the AIFM or the Investment Adviser or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction in connection with an issue in respect of your application;
- (c) confirm to the Company that (save for advice received from your financial adviser (if any)) in making an Application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- (e) acknowledge that no person is authorised in connection with an issue to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company;
- (f) warrant to the Company that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by, from or on behalf of the Company, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address and/or bank account as set out in your Application;
- (h) confirm to the Company that you have reviewed the restrictions contained in paragraph 2.7 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;

- (i) agree that, in respect of those Shares for which your Application has been received and processed and not rejected, acceptance of your Application shall be constituted by the Company allotting the Shares;
- (j) agree that all Applications, acceptances of Applications and contracts resulting therefrom under the Share Issuance Programme shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the Courts of England and Wales and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company to execute any documents required therefor and to enter your name on the Register;
- (l) agree to provide the Company with any information which it may request in connection with your Application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including without limitation satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations;
- (m) warrant to the Company in connection with your Application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, the AIFM or the Investment Adviser acting in breach of the regulatory or legal requirements of any territory in connection with an issue or your application;
- (n) represent and warrant to the Company that: (i) you are acquiring the Shares in a transaction meeting the requirements of Regulation S or Regulation D; (iii) you understand and acknowledge that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons unless there is a relevant exemption;
- (o) represent and warrant to the Company that if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Shares, you will do so only (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise, or (ii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

- (p) agree that the Company will not treat you as its customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Shares or concerning the suitability of the Shares for you or be responsible to you for the protections afforded to their customers and any relationship between you and the Company will be governed by the terms and conditions set out on the Website;
- (q) warrant to the Company that you (i) fully understand the risks associated with an investment in Shares; and (ii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- (r) warrant to the Company that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Shares; and
- (s) warrant to the Company that the information contained in the Application is true and accurate.

2.5 Money Laundering

You agree that, in order to ensure compliance with the UK Money Laundering Regulations and any other applicable regulations, the Company may at its absolute discretion require verification of identity of you (the "**holder(s)**") as the applicant lodging an Application and further may request from you and you will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the "**payor**") of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker's draft or cheque; or
- (b) where it appears to the Company that a holder or the payor is acting on behalf of some other person or persons.

Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents.

If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and the payor an original or a copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of the following no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees' risk) together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the UK Money Laundering Regulations or otherwise a person making an application for Shares will not be considered as forming a business relationship with the Company but will be considered as effecting a one-off transaction with the Company.

The person(s) submitting an application for Shares will ordinarily be considered to be acting as principal in the transaction unless the Company determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

2.6 Non-United Kingdom Investors

If you receive a copy of this document in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, make an Application.

None of the Shares have been or will be registered under the laws of Canada, Japan, Australia, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S. Person or a resident of Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the U.S., Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Shares for the account of any U.S. Person or resident of Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S. Person or person resident in Canada, Japan, Australia or the Republic of South Africa. No Application will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, Japan, Australia or the Republic of South Africa.

2.7 The General Data Protection Regulation

Pursuant to The General Data Protection Regulation 2016/679 (the "**DP Legislation**") the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. The Registrar will process such personal data at all times in compliance with DP Legislation and for the purposes set out in the Company's privacy notice (the "**Purposes**") which is available for consultation on the Company's website at www.bricklane.com/plc/london (the "**Privacy Notice**"). Such personal data held is used by the Registrar to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (i) effecting the payment of dividends and other distributions to Shareholders; and (ii) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Any sharing of personal data between parties will be carried out in compliance with the DP Legislation and as set out in the Company's Privacy Notice. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law).

The countries referred to in the paragraph immediately above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, India, Japan, New Zealand, the Republic of Korea, the Russian Federation, Singapore, the Republic of South Africa, Switzerland and the United States.

2.8 ***Miscellaneous***

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Share Issuance Programme.

The rights and remedies of the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company may terminate the Share Issuance Programme in its absolute discretion at any time prior to Admission. If such right is exercised, the Share Issuance Programme will lapse and any monies will be returned as indicated without interest at the risk of the persons entitled thereto.

Save where the context requires otherwise, terms used in these Terms and Conditions bear the same meaning as where used in the Prospectus.

PART 12

DEFINITIONS AND GLOSSARY

The following definitions apply throughout the Prospectus unless the context requires otherwise:

2017 Share Issuance Programme	the programme under which the Company could issue Shares throughout the period commencing 18 July 2017 to 17 July 2018
2018 Share Issuance Programme	the programme under which the Company could issue Shares throughout the period commencing 17 July 2018 to 16 July 2019
Admission	admission of any Shares to listing on TISE Official List becoming effective in accordance with TISE Listing Rules
AIF	an alternative investment fund
AIFM	Gallium Fund Solutions Limited, the Company's alternative investment fund manager
AIFM Agreement	the agreement dated 12 July 2017 between the Company, the Investment Adviser and the AIFM, a summary of which is set out in paragraph 8.1 of Part 9 of the Prospectus
AIFM Directive	the European Union's Alternative Investment Fund Managers directive (No. 2071/61/EU) and all legislation made pursuant thereto, including, where applicable, the applicable implementing legislation and regulations in each member state of the European Union
AIFM Regulations	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773)
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK, including without limitation the AIFM Regulations and all relevant provisions of the FCA Handbook expressed to be binding on the AIFM
Annual Management Charge	the fee payable to the Investment Adviser, details of which are set out in Part 4 of the Prospectus
Articles or Articles of Association	the articles of association of the Company
Auditors	means the auditors from time to time of the Company, the current such auditors being Grant Thornton UK LLP who are registered with the Institute of Chartered Accountants of England and Wales

Audit Committee	the audit committee of the Board
Authority	the International Stock Exchange Authority Limited
Business Day	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
Capital gains tax or CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
certificated or in certificated form	not in uncertificated form
Companies Act or Act	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company	Bricklane London REIT PLC
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CTA 2009	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
Depositary	Gallium P E Limited, in its capacity as the Company's depositary
Depositary Agreement	the depositary agreement between the Company and the Depositary, a summary of which is set out in paragraph 8.4 of Part 9 of the Prospectus
Directors or Board	the board of directors of the Company
Distribution	any dividend or other distribution on or in respect of the Shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made
Distribution Transfer	a disposal or transfer (however effected) by a person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder

Distribution Transfer Certificate	a certificate in such form as the Directors may specify from time to time to the effect that the relevant person has made a Distribution Transfer, which certificate may be required by the Directors to satisfy them that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution
ERISA	U.S. Employee Retirement Income Security Act of 1976, as amended
EU	the European Union
Euro	the lawful currency of the EU
Excess Charge	in relation to a Distribution which is paid or payable to a person, all tax or other amounts which the Directors consider may become payable by the Company under Section 551 of the CTA 2010 and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that person
FCA	the Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
Fully Invested	for the purposes of the investment policy, means the time when gross proceeds of £10,000,000 have been raised pursuant to the Share Issuance Programme and have been fully invested (together with any borrowings incurred in respect of the acquisition of those investments)
Group	the Company and the other companies in its group for the purposes of Section 606 of the CTA 2010
Gross Asset Value	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time
HMRC	Her Majesty's Revenue and Customs
IFRS	International Financial Reporting Standards
Investment Adviser	Bricklane Investment Services Ltd
Investment Advisory Agreement	the agreement dated 12 July 2017 between the Company, the AIFM and the Investment Adviser, a summary of which is set out in paragraph 8.2 of Part 9 of the Prospectus

Investment Portfolio	the Group's aggregate property portfolio from time to time,
interest in the Company	includes, without limitation, an interest in a Distribution made or to be made by the Company
Issue Price	the applicable price at which the relevant Shares will be issued as calculated by reference to the Net Asset Value per Share at the time of the issue
ISA	UK individual savings account
ISIN	International Securities Identification Number
ITA	the Income Tax Act 2007 and any statutory modification or re-enactment thereof for the time being in force
Net Asset Value or NAV	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Asset Value per Share or NAV per Share	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation
Non-PID Dividend	a distribution by the Company which is not a PID
Office	the registered office for the time being of the Company
Overseas Persons	a potential investor who is not resident in, or who is not a citizen of, the UK
Panel	the Panel on Takeovers and Mergers
person	includes a body of persons, corporate or unincorporated, wherever domiciled
PID or Property Income Distribution	the distribution by the Company of the profits of the Company's Property Rental Business by way of a dividend in cash or the issue of share capital in lieu of a cash dividend in accordance with Section 530 of the CTA 2010
Property Manager	Touchstone Corporate Property Services Limited
Property Management Agreement	the property management agreement between the Company and the Property Manager, a summary of which is set out in paragraph 8.5 of Part 9 of the Prospectus
Property Rental Business	the qualifying property rental business in the UK and elsewhere of UK resident companies within a REIT and non-

	UK resident companies within a REIT with a UK qualifying property rental business
Prospectus Directive	the EU Prospectus Directive 2003/71/EC
Prospectus Rules	the prospectus rules made by the Financial Conduct Authority under Section 73A of FSMA
Qualifying Property Rental Business	means a Property Rental Business fulfilling the conditions in section 529 of the CTA 2010
Ravenscroft	Ravenscroft Limited
Recognised Investment Exchange	means an investment exchange in relation to which a recognition order of the FCA is in force
Register	the register of members of the Company
Regulation S	Regulation S promulgated under the U.S. Securities Act
REIT or Real Estate Investment Trust	a Real Estate Investment Trust as defined in Part 12 of the CTA 2010
REIT Notice	the notice by the Company for the Group to become a REIT
Relevant Member State	a member state of the European Economic Area which has implemented the Prospectus Directive
Relevant Registered Shareholder	a Shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
Residual Business	that part of the business of companies within a REIT that is not part of the Property Rental Business
Restricted Shares	the restricted shares of £1.00 each in the capital of the Company redeemed out of the proceeds of the initial issue pursuant to the 2017 Share Issuance Programme and cancelled
Reporting Obligation	any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company's status, or the Group's status as a REIT
RICS	Royal Institution of Chartered Surveyors
RICS Red Book	means the Royal Institution of Chartered Surveyors Valuation – Professional Standards Incorporating the International Valuation Standards, Global edition (2017) and

RPI	Retail Price Index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated on a monthly basis by the Office of National Statistics
SDLT	stamp duty land tax
SDRT	stamp duty reserve tax
Shareholder	a holder of Shares
Shares	ordinary shares of one penny each in the capital of the Company, designated as such and having the rights and being subject to the restrictions specified in the Articles
Share Issuance Programme	the programme under which the Company intends to issue Shares to investors on the Terms and Conditions set out in Part 11 of the Prospectus using TISE's extended offer facility
SIPP	a self-invested personal pension as defined in Regulation 3 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001
SSAS	a small self-administered scheme as defined in Regulation 2 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991
Sterling or £	the lawful currency of the United Kingdom
Substantial Shareholder	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under Section 551 of the CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such person including, at the date of adoption of the Articles, any holder of excessive rights as defined in Section 553 of the CTA 2010
Substantial Shareholding	the Shares in relation to which or by virtue of which (in whole or in part) a person is a Substantial Shareholder
Takeover Code	the UK City Code on Takeovers and Mergers
Terms and Conditions	the terms and conditions relating to the Share Issuance Programme set out in Part 11 of the Prospectus

TISE	The International Stock Exchange (formerly the Channel Islands Securities Exchange Authority)
TISE Listing Rules	the listing rules of TISE governing the listing of securities on TISE
TISE Membership Rules	the membership rules of TISE
TISE Official List	the official list maintained by TISE
TISE Sponsor	Carey Olsen Corporate Finance Limited
TISE Sponsorship Agreement	the agreement dated 14 July 2017 between the Company and TISE Sponsor, a summary of which is set out at paragraph 8.3 of Part 9 of the Prospectus
UK Money Laundering Regulations	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended and together with any subordinate legislation, regulations or guidance notes pursuant thereto
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	recorded on the relevant register of the shares or securities concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
U.S. Code	U.S. Internal Revenue Code, as amended
U.S. Exchange Act	U.S. Exchange Act of 1934, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Valuer	such professional independent real estate valuer as may be appointed by the Company from time to time
VAT	value added tax