

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**  
**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Claire Ann Cabot Richard Croft-Sharland Harvey Austin-Vautier
<b>Registration number</b>	120227
<b>Registered office</b>	3rd Floor 37 Esplanade St. Helier Jersey JE1 1AD
<b>Company secretary</b>	Alter Domus Secretarial Services Limited 3rd Floor, 37 Esplanade St. Helier Jersey JE1 1AD
<b>Administrator</b>	Alter Domus (Jersey) Limited 3rd Floor, 37 Esplanade St Helier Jersey JE1 1AD
<b>Independent auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

## **M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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The Directors present their report and the audited financial statements for M7 Real Estate Investment Partners V Holdco Limited (the "Company") for the year ended 31 March 2020.

#### **Principal Activity**

The Company was incorporated in Jersey on 11 December 2015 with registration number 120227.

The principal activity of the Company is to act as a holding company.

#### **Results**

Results for the year are set out on page 6.

#### **Going concern**

The capital of the Company is managed to ensure that the Company will be able to continue as a going concern in the future. The Company meets its capital requirements through receipt of loan interest income although these do not cover administrative expenditure. For this reason, the Company has a net liability position of £154,589 (2019: £104,727). The Company has net current liabilities due to the intercompany loan with M7 Real Estate Investment Partners V LP (the "Parent"). The Company has received assurances from the Parent that it will not demand full repayment of the loans within the next 12 months. The Directors therefore believe that the Company will continue as a going concern for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

The Directors have considered the impact of the COVID-19 global pandemic on the ability of the Company to continue as a going concern. The impact of the COVID-19 outbreak is far-reaching and there will be few businesses which are not negatively impacted in the short to medium term. As circumstances are changing rapidly, the actual impact on the Company will become clearer over time and might deviate from current expectations. This has been disclosed in more detail in note 17.

#### **Directors and Officers**

The Directors of the Company are as set out in page 1.

#### **Subsequent events**

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue. All material events requiring disclosure or adjustment are disclosed in note 17 of the financial statements.

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and generally accepted accounting practice.

The Directors are required to prepare financial statements for each financial period under the Companies (Jersey) Law 1991 (the "Applicable Legislation"). As permitted by the Applicable Legislation, the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 ("FRS 102"), and applicable law. The financial statements are required to give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that year.

## **M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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### **DIRECTORS' REPORT - (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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#### **Statement of Directors' responsibilities - (continued)**

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited 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 of the Company comply with the requirements of the Applicable Legislation. 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 who held office at the date of the approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

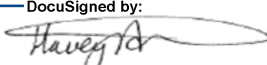
The Directors confirm that it has complied with the above requirements throughout the year and subsequently.

#### **Independent auditors**

Haysmacintyre LLP have indicated their willingness to continue in office.

This report was approved by the Board of Directors on \_\_ December 2020 and signed on its behalf by:

#### **By order of the Board**

DocuSigned by:  


**Authorised Signatory**  
Date: 30 December 2020

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**Opinion**

We have audited the financial statements of M7 Real Estate Investment Partners V Holdco Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company's affairs as at 31 March 2020 and of the loss for the period then ended;
- the financial statements have been prepared in accordance with the Companies (Jersey) Law 1991; and
- the information given in the Directors' Report is consistent with the financial statements.

**Basis of Opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs 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 12 months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## **M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper 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
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### **Use of our report**

This report is made solely to the Company's members in accordance with the Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.



Jessica Edwards (Senior Statutory Auditor)

for and on behalf of  
**Haysmacintyre LLP**  
Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG  
Date 30 December 2020

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED****STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Notes</b>	<b>31 March 2020 £</b>	<b>31 March 2019 £</b>
Administrative expenses	4	(49,547)	(26,423)
<b>Operating loss</b>		<b>(49,547)</b>	<b>(26,423)</b>
Interest receivable and similar income	5	4,602,828	4,590,252
Interest payable and expenses	6	(4,603,143)	(4,590,374)
<b>Net interest expense</b>		<b>(315)</b>	<b>(122)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(49,862)</b>	<b>(26,545)</b>

The notes on pages 9 to 18 form part of these audited financial statements.

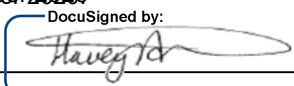


**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

	Notes	31 March 2020 £	31 March 2019 £
<b>Non-current assets</b>			
Investment in subsidiary	7	2	2
Debtors: amounts falling due after more than one year	8	-	38,252,100
		2	38,252,102
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	64,244,767	22,928,653
Cash and cash equivalents	9	-	15
		64,244,767	22,928,668
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(64,399,358)	(23,033,397)
<b>Net current liabilities</b>		(154,591)	(104,729)
<b>Total assets less current liabilities</b>		(154,589)	38,147,373
<b>Non-current liabilities</b>			
Payables: amounts falling due after more than one year	10	-	(38,252,100)
<b>Net liabilities</b>		(154,589)	(104,727)
<b>Capital and reserves</b>			
Share capital	12	2	2
Retained earnings	13	(154,591)	(104,729)
		(154,589)	(104,727)

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 30 December 2020

DocuSigned by:  
  
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 Director

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total Equity £</b>
<b>Balance as at 1 April 2018</b>	2	(78,184)	(78,182)
Total comprehensive loss for the year	-	(26,545)	(26,545)
<b>Balance as at 31 March 2019</b>	<b>2</b>	<b>(104,729)</b>	<b>(104,727)</b>
<b>Balance as at 1 April 2019</b>	2	(104,729)	104,727
Total comprehensive loss for the year	-	(49,862)	(49,862)
<b>Balance as at 31 March 2020</b>	<b>2</b>	<b>(154,591)</b>	<b>(154,589)</b>

The notes on pages 9 to 18 form part of these audited financial statements.

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**NOTES FOR THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**1. ORGANISATION AND BUSINESS PURPOSE**

M7 Real Estate Investment Partners V Holdco Limited ( the "Company") is a private company limited by shares incorporated in Jersey on 11 December 2015 with registration number 120227. The registered office and place of business is 3rd Floor, 37 Esplanade, St Helier, Jersey, JE1 1AD.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**Basis of accounting**

The financial statements have been prepared on a going concern basis in accordance with United Kingdom Accounting Standards comprising Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies (Jersey) Law 1991.

The financial statements are prepared under the historical cost convention and are stated in Pound Sterling ("£") which is the functional currency of the Company.

The preparation of the financial statements in conformity with FRS 102 requires the use of accounting estimates and the exercise of judgement by management while applying the Company's accounting policies. These estimates are based on management's best knowledge of the events which existed at the reporting date, however, the actual results may differ from these estimates. The area involving a higher degree of judgement or complexity and which involves significant assumptions is discussed in detail in note 3.

**Going concern**

The capital of the Company is managed to ensure that the Company will be able to continue as a going concern in the future. The Company meets its capital requirements through receipt of loan interest income although these do not cover administrative expenditure. For this reason, the Company has a net liability position of £154,589 (2019: £104,727). The Company has net current liabilities due to the intercompany loan with M7 Real Estate Investment Partners V LP (the "Parent"). The Company has received assurances from the Parent that it will not demand full repayment of the loans within the next 12 months. The Directors therefore believe that the Company will continue as a going concern for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

The Directors have considered the impact of the COVID-19 global pandemic on the ability of the Company to continue as a going concern. The impact of the COVID-19 outbreak is far-reaching and there will be few businesses which are not negatively impacted in the short to medium term. As circumstances are changing rapidly, the actual impact on the Company will become clearer over time and might deviate from current expectations. This has been disclosed in more detail in note 17.

**Exemptions for qualifying entities under FRS 102**

The Company has taken advantage of the following FRS 102 disclosure exemptions available to qualifying entities:

- A reconciliation of the number of shares outstanding at the beginning and end of the period.
- The requirement to prepare a Statement of Cash Flows. [Section 7 of FRS 102 and para 3.17(d)].
- Certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated. [11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26,
- Key management personnel compensation in total. [33.7].

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****Exemptions for qualifying entities under FRS 102 - (continued)**

This information is included in the consolidated financial statements of M7 Real Estate Investment Partners V LP as at 31 March 2020 and these financial statements may be obtained from 3rd Floor, 37 Esplanade, St Helier, Jersey, JE1 1AD.

**Consolidated financial statements**

The Company is a wholly owned subsidiary of M7 Real Estate Investment Partners V LP. It is included in the consolidated financial statements of M7 Real Estate Investment Partners V LP which may be obtained from its registered office. The company is therefore exempt from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is M7 Real Estate Investment Partners V LP, a limited partnership established in Jersey. The ultimate parent's registered office is 3rd Floor, 37 Esplanade, St Helier, Jersey, JE1 1AD.

**Interest income**

Interest income is recognised in the profit and loss account income using the effective interest method.

**Finance costs**

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

**Borrowing costs**

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

**Investment in subsidiary**

Investments in subsidiary is measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the profit and loss account for the year. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**Debtors**

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

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****Creditors**

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

**Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

***(i) Financial assets***

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit and loss account, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

***(ii) Financial liabilities***

Basic financial liabilities, including trade and other creditors and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****Financial instruments - (continued)*****(ii) Financial liabilities - (continued)***

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

***(iii) Offsetting***

Financial assets and liabilities are offset and the amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

**Share Capital**

The Company is authorised to issue an unlimited number of shares with no par value of one class, designated as Ordinary Shares. The liability of a member of the Company is limited to the amount unpaid (if any) on such member's share or shares. Share capital is classified as equity in the Statement of Financial Position.

**Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable. During this reporting year no dividends have been paid (2019: nil).

**Taxation**

Taxation expense for the period comprises of current tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the authorities. There is no tax applicable in 2020 (2019: nil).

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED****NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020****3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Impairment of receivables**

The Company makes an estimation of the recoverable value of loans to subsidiary undertaking. The Company does not intend to recall these loans in the next 12 months and the borrower has sufficient assets that could be sold to finance the repayment of the loan amounts should they be recalled. As such the Directors have concluded that no impairment is required on these loans as at year end.

**4. ADMINISTRATIVE EXPENSES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Administration fees	26,659	19,973
Legal & Professional Fees	7,200	4,150
Auditor Fees	9,438	2,300
Corporate administration fees	6,250	-
	<u>49,547</u>	<u>26,423</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest receivable on loan owed by subsidiary undertaking	<u>4,602,828</u>	<u>4,590,252</u>

**6. INTEREST PAYABLE AND EXPENSES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest payable on fixed rate loan notes	4,602,829	4,590,251
Bank charges	314	123
	<u>4,603,143</u>	<u>4,590,374</u>

**7. INVESTMENT IN SUBSIDIARY**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
M7 Real estate Investment Partners V Propco Limited	<u>2</u>	<u>2</u>

The Company is the sole investor in M7 Real Estate Investment Partners V Propco Limited.

**8. DEBTORS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Loan owed by subsidiary undertaking	<u>-</u>	<u>38,252,100</u>

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED****NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020****8. DEBTORS - (CONTINUED)**

	2020 £	2019 £
<b>Due within one year</b>		
Interest bearing loan owed by subsidiary undertaking	38,252,100	-
Interest free loan owed by subsidiary undertaking	22,147,901	22,147,901
Interest receivable on loan owed by subsidiary undertaking	754,562	741,986
Amounts owed by parent undertaking	3,090,204	38,766
	<u>64,244,767</u>	<u>22,928,653</u>

The interest bearing loan owed by subsidiary undertaking is unsecured and interest is payable at 12% per annum. The loan is repayable on 31 March 2021.

The interest free loan owed by subsidiary undertaking is unsecured and repayable on demand.

The amounts owed by parent undertaking are interest free, unsecured and repayable on demand.

**9. CASH AND CASH EQUIVALENTS**

	2020 £	2019 £
Cash at bank and in hand	-	15

**10. CREDITORS**

	2020 £	2019 £
<b>Due after more than one year</b>		
Fixed Rate Loan Notes	-	38,252,100

Interest of 12% is payable quarterly on the fixed rate loan notes. The loan notes are unsecured and are repayable on 31 March 2021. The company and the loan note holders have mutually agreed to amend the loan repayment date to 31 March 2024 subsequent to the signing of these financial statements.

	2020 £	2019 £
<b>Due within one year</b>		
Fixed rate loan notes	38,252,100	-
Loan owed to parent undertaking	22,197,901	22,197,901
Interest payable on fixed rate loan notes	754,562	741,986
Amounts owed to subsidiary undertaking	3,176,545	82,135
Accruals and deferred income	18,250	11,375
	<u>64,399,358</u>	<u>23,033,397</u>

Interest of 12% is payable quarterly on the fixed rate loan notes. The loan notes are unsecured and are repayable on 31 March 2021.

The loan owed to parent undertaking is an interest free loan from M7 Real Estate Investment Partners V LP, the parent entity. The loan is repayable on demand.

The amounts owed to the subsidiary are interest free, unsecured and repayable on demand.



**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED****NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020****11. FINANCIAL INSTRUMENTS*****Categorisation of financial assets and financial liabilities***

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>64,244,767</u>	<u>61,180,768</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>68,989,650</u>	<u>70,478,617</u>

Financial assets measured at amortised cost comprise of cash and cash equivalents and amounts due from subsidiary and parent undertakings.

Financial liabilities measured at amortised cost comprise of loans and amounts owed to parent and subsidiary undertaking and fixed rate loan notes.

***Financial risk management***

The Company is exposed to a number of risks arising from various financial instruments it holds. The main risks to which the Company is exposed are: credit risk; liquidity risk; and market risk (which includes foreign currency risk, interest rate risk and price risk). The risk management policies employed by the Company to manage these risks are discussed below:

***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Company.

Credit risk is managed on a group basis. The group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to a quarterly or more frequent review. The group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the group does not monitor the credit quality of receivables on an ongoing basis.

The Company assesses all counterparties for credit risk before contracting with them. It does not include any collateral nor any other credit risk enhancement, which reduces the Company's exposure.

Credit risk on cash and cash equivalents is mitigated by holding cash and cash equivalents with reputable financial institutions. Cash at bank are held with The Royal Bank of Scotland International which has a Fitch rating of F1 (2019: F2).

The maximum exposure to credit risk as at 31 March 2020 and 2019 is the carrying amount of the financial assets set out below:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	-	15
Debtors: amounts falling due within one year	64,244,767	22,928,653
Debtors: amounts falling due after more than one year	-	38,252,100
	<u>64,244,767</u>	<u>61,180,768</u>

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED****NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020****11. FINANCIAL INSTRUMENTS - (CONTINUED)*****Financial risk management - (continued)******Liquidity risk***

The Liquidity risk is the risk that the Company will not meet its financial obligations when they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Company's position.

At 31 March 2020, financial assets held by the Company were not listed and therefore they were not readily realisable. The maturity analysis of these financial assets is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Demand and less than 1 month	25,992,667	22,928,668
Between 1 to 12 months	38,252,100	-
Between 1 to 2 years	-	38,252,100
	<u>64,244,767</u>	<u>61,180,768</u>

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date. The amounts in the table are the contractual undiscounted cash flows.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Demand and less than 1 month	22,197,901	22,197,901
Between 1 to 12 months	46,791,749	5,438,324
Between 1 to 2 years	-	42,842,392
	<u>68,989,650</u>	<u>70,478,617</u>

***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risk arises from open positions in interest and non interest bearing assets and liabilities, to the extent that those are exposed to general and specific market movements.

FRS 102 requires disclosure of sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date showing how profit or loss and equity would be affected by changing the relevant risk variables that were reasonably possible at that date.

***(i) Interest rate risk***

Interest rate risk is the risk that the fair value for future cash flows arising from financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company's exposure is limited to the cash and cash equivalents in which floating interest rate apply. Interest bearing borrowings has fixed interest rates hence the Company is not exposed to interest rate risk in respect of this.

Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates.

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED****NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020****11. FINANCIAL INSTRUMENTS - (CONTINUED)*****Financial risk management - (continued)******Market risk (continued)******(i) Interest rate risk (continued)***

Due to the insignificant cash balance, a movement of 100 basis points in the interest rate for the cash at bank, with other variables held consistent, would result in an insignificant movement in the net asset value of the Company.

***(ii) Foreign currency risk***

The Company's exposure to foreign currency risk is insignificant as all of its assets and liabilities are held in GBP which is the functional and reporting currency.

**12. SHARE CAPITAL**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
Ordinary share capital	<u>2</u>	<u>2</u>

**13. RETAINED EARNINGS**

The profit and loss account represents accumulated total comprehensive losses incurred by the Company since incorporation.

**14. TAXATION**

Profits generated from activities of the Company are subject to Jersey Income Tax, which is currently charged at a rate of 0% (2019: 0%).

**15. RELATED PARTY TRANSACTIONS**

As at 31 March 2020, Harvey Austin-Vautier and Claire Ann Cabot were Directors of the Company and are Directors and employees of Alter Domus (Jersey) Limited. Administration services were provided to the Company by Alter Domus (Jersey) Limited for the year at commercial rates.

During the year, fees of £32,910 (2019: £19,660) were charged by Alter Domus (Jersey) Limited. As at 31 March 2020 £nil (2019: £4,813) was included in trade creditors for amounts owed to Alter Domus (Jersey) Limited.

The fixed rate loan notes (as disclosed per note 8) are held by majority owners of the Parent and have a value of £38,252,100 at 31 March 2020 (2019: £38,252,100). During the year interest charged was £4,602,828 (2019: £4,590,252) of which £754,562 remained unpaid at 31 March 2020 (2019: £741,986).

**16. EMPLOYEES**

The average monthly number of persons (including directors) employed by the company during the period were nil. The Company had no employees during the year (2019: nil).

**M7 REAL ESTATE INVESTMENT PARTNERS V HOLDCO LIMITED**

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**NOTES FOR THE FINANCIAL STATEMENTS - (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**17. SUBSEQUENT EVENTS**

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue and the following material events have occurred since year-end:

The impact of the COVID-19 outbreak is far-reaching and there will be few businesses which are not negatively impacted in the short to medium term.

The Company is a holding company and is dependent on the receipt of loan interest income from M7 Real estate Investment Partners V Propco Limited (the "Subsidiary") whose primary source of income is rental income.

Maintaining consistent rental income flows is of vital importance to the Subsidiary, as it is integral to the Subsidiary's overall performance and the collection of rental income is one of the key goals of all asset managers.

The Directors anticipate there will be a rise in payment difficulties from the Subsidiary's tenants in the short to medium term. The directors understand that maintaining strong and positive relationships with tenants is vital to the overall success of the Subsidiary as well as in meeting the Subsidiary's debt obligations over the short to medium term.

The following policy is being adopted by the Subsidiary in managing requests for support by tenants:

- a) support is provided as lender of 'last resort' with tenants who can demonstrate that they have explored all other options i.e. business owners, banks other lenders and the State.
- b) support is fully justified as required through provision of supporting documentation.
- c) support is on a short-term basis and appropriately documented.

Further, the Subsidiary's acquisition strategy has been defensive, including:

- buying a cash arbitrage between stabilised yields and costs of debt,
- buying in markets where there are little or no new development which limits the amount of competing vacant space in an economic downturn; and
- acquiring properties that have a useful economic life.

The above seeks to protect the Subsidiary's investment during a period of substantial economic uncertainty caused by the COVID-19 outbreak.

At a macro level, Government in the United Kingdom and across the world are intervening at unprecedented levels to support the economies in every jurisdiction in which the Subsidiary operates. The measures include financial support to businesses and employees as well as tax breaks. Governments have reacted quickly to introduce new rounds of quantitative easing and other stimulus packages.

Bank and other lenders are providing additional support to borrowers in the form of interest holidays and deferring amortisation payments. The Directors are in regular contact with the Subsidiary's lenders, providing daily and weekly updates in terms of tenant payment performance. During this time it may be necessary to defer planned capital expenditure, the Subsidiary's lenders are fully supportive of these measures.

As the impact of the Covid-19 pandemic continues and is expected to last post lifting of the lock down, an estimate as to the medium to long term financial effect of the Covid-19 on the Company cannot be made.