

**Roost Investments Holdco S.à r.l.**  
Consolidated annual accounts as at and for the financial year  
ended 31 December 2019 and  
Report of the Réviseur d'entreprises agréé

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COMPANIES HOUSE

Registered office: 19, rue Eugène Ruppert  
L-2453 Luxembourg  
R.C.S. Luxembourg B232789

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Deloitte Audit  
Société à responsabilité limitée  
20 Boulevard de l'Indépendance  
L-1851 Luxembourg  
P.B. 1073  
L-1001 Luxembourg  
  
Tél. +352 451 401  
www.deloitte.lu

To the Board of Managers of  
Roost Investments Holdco S.à r.l.  
19, rue Eugène Ruppert  
L-2453 Luxembourg  
Grand-Duchy of Luxembourg

## REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

### Opinion

We have audited the consolidated annual accounts of Roost Investments Holdco S.à r.l. (the "Group"), which comprise the consolidated balance sheet as at 31 December 2019, the consolidated profit and loss account for the year then ended and notes to the consolidated annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated annual accounts give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of the consolidated results of its operations for the year then ended, in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated annual accounts.

### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the Consolidated Annual accounts section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 20 in the consolidated annual accounts, which indicates that there is a degree of uncertainty about the next Academic Year and that it is very difficult to assess how the COVID-19 situation will ultimately impact the year. It is possible that a lockdown or suspension of on Campus University activities may continue for a longer period or that the recovery profile is slower than in the base case.



The Managers have prepared cash flow forecasts, based on what they consider reasonable scenarios given the current level of leasing and the information available in the market, for a period of 12 months from the date of approval of these consolidated annual accounts which indicate that the Group will require additional liquidity to meet its liabilities as they fall due for that period. The parent company has stated the intent, to provide financial support if and as needed to enable the Group to continue as a going concern until at least 30 June 2021. These events or conditions, along with other matters as set forth in Note 20 and in Note 21, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter – Accounting Method**

We draw attention to Notes 2.2.4 and 4 in the consolidated annual accounts, which provide a description of the accounting method utilized for the purpose of consolidating the companies held by Roost Investments Holdco S.à r.l., these being under common control.

#### **Responsibilities of the Board of Managers for the consolidated annual accounts**

The Board of Managers is responsible for the preparation and fair presentation of these consolidated annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Board of Managers is 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 Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Responsibilities of the “Réviseur d'Entreprises Agréé” for the Audit of the consolidated annual accounts**

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “Réviseur d'Entreprises Agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated annual accounts.

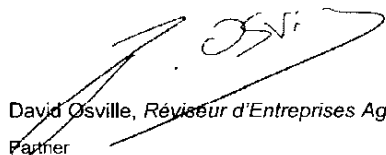


As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Managers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*



David Osville, *Réviseur d'Entreprises Agréé*  
Partner

30 June 2020

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**MANAGEMENT REPORT**  
For the year ended 31 December 2019

The Board of Managers present their management report for the year 1 January to 31 December 2019.

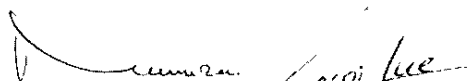
The principal activity of the Group was the leasing of Real Estate Properties, specifically Purpose-Built Student Accommodation. The Group did not acquire or dispose of any properties during the year, but two properties were completed in 2019 which have been put into use. The properties are exclusively based in the UK, and therefore all rental income is generated in the UK.

The overall performance in the year saw turnover increasing by GBP 7.8m (2019: GBP 40.4m, 2018: GBP 32.6m), resulting in a reduced loss before tax of GBP 12.6m (2018: loss of GBP 15.3m). This performance resulted in an internal valuation uplift across the properties of GBP 280m, including the newly completed buildings.

The key risks and uncertainties in the current climate are the impacts of Covid-19 to the student numbers in the UK Higher Education industry. The current forecast in the UK is for lower student numbers in the academic year 20/21 which we anticipate will result in a reduction in rental income in the year ended 31 December 2020, however we believe this to be a temporary reduction and the performance will recover in the year to 31 December 2021. Other key risks and uncertainties include the underlying strength of student rental market in the UK. Current projections are for student numbers to continue to increase year on year and with continued heavy investment in the UK Higher Education industry the UK is expected to continue to be a global leader and attract students from all around the world. The Board of managers intend to continue investing in the maintenance of the properties to ensure they are safe and preserve their quality and value.

Since the 31 December 2019 the global pandemic Covid-19 has resulted in a significant lockdown in the UK resulting in University courses being moved online and travel being restricted. This has reduced the rental income within the year as described above.

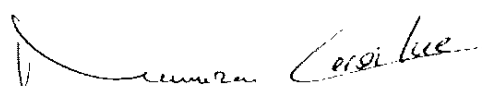
The Group does not anticipate any changes to its activities in the current year or going forwards.

  
Anwer Mirza and Luc Leroi

The Managers

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**CONSOLIDATED BALANCE SHEET**  
As at 31 December 2019  
(expressed in £'000)

<b>Assets</b>	<b>Notes</b>	<b>31 December 2019 £'000</b>	<b>31 December 2018 £'000</b>
<b>Fixed assets</b>			
<b>Tangible assets</b>	<b>5</b>	<b>569,580</b>	<b>556,661</b>
Land and buildings		566,891	554,497
Other fixtures and fittings, tools and equipment		2,689	2,164
<b>Current Assets</b>			
<b>Debtors</b>	<b>6</b>	<b>4,113</b>	<b>1,870</b>
Trade receivables • becoming due and payable within one year		3,488	1,521
Amounts owed by affiliated undertakings • becoming due and payable within one year		338	10
Other receivables • becoming due and payable within one year		287	339
<b>Cash at bank and in hand</b>		<b>20,102</b>	<b>11,711</b>
<b>Prepayments</b>	<b>7</b>	<b>5,583</b>	<b>3,084</b>
<b>Total Assets</b>		<b>599,378</b>	<b>573,326</b>



Anwer Mirza and Luc Leroi

The Managers

The accompanying notes form an integral part of these consolidated annual accounts.

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**CONSOLIDATED BALANCE SHEET**  
As at 31 December 2019  
(expressed in £'000)  
- continued -

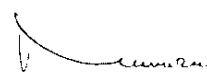
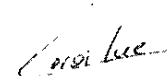
<b>Liabilities and equity</b>	<b>Notes</b>	<b>31 December 2019 £'000</b>	<b>31 December 2018 £'000</b>
<b>Capital and reserves</b>	<b>8</b>	<b>97,113</b>	<b>(54,848)</b>
Invested equity	<b>4,8.4</b>	-	<b>(54,848)</b>
Subscribed capital	<b>8.1</b>	20	-
Share premium account	<b>8.2</b>	298,036	-
Legal reserve	<b>8.3</b>	-	-
Other reserves	<b>8.4</b>	(145,666)	-
Loss brought forward	<b>8.4</b>	(42,219)	-
Loss for the financial year	<b>8.4</b>	(13,058)	-
<b>Provisions</b>	<b>9</b>	<b>5,717</b>	<b>6,143</b>
Provisions for taxation		1	513
Other provisions		5,716	5,630
<b>Creditors</b>	<b>10</b>	<b>488,151</b>	<b>616,691</b>
Amounts owed to credit institutions			
• becoming due and payable within one year	<b>10.1</b>	271	270,579
• becoming due and payable after more than one year	<b>10.1</b>	418,596	69,518
Trade creditors			
• becoming due and payable within one year	<b>10.2</b>	1,770	4,351
• becoming due and payable after more than one year	<b>10.2</b>	-	609
Amounts owed to affiliated undertakings			
• becoming due and payable within one year	<b>10.3</b>	816	260,076
• becoming due and payable after more than one year	<b>10.3</b>	64,399	9,675
Other creditors			
• becoming due and payable within one year	<b>10.4</b>	2,299	1,883
<b>Deferred income</b>	<b>11</b>	<b>8,397</b>	<b>5,340</b>
<b>Total Liabilities and equity</b>		<b>599,378</b>	<b>573,326</b>

The accompanying notes form an integral part of these consolidated annual accounts.



**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2019  
(expressed in £'000)

	Notes	31 December 2019 £'000	31 December 2018 £'000
Net turnover	12	40,358	32,565
Raw materials and consumables and other external charges			
a) Raw materials and consumables		(3,134)	(2,479)
b) Other external charges	13	(14,162)	(12,989)
Staff costs			
a) Wages and salaries	14	(3,712)	(3,138)
Value adjustments			
a) in respect of formation expenses and on tangible and intangible fixed assets	5	(14,910)	(10,567)
Other operating expenses		(103)	(980)
Other interest receivable and similar income			
b) other interest and similar income		13	-
Interest payable and similar expenses			
a) concerning affiliated undertakings	15	(5,524)	(9,244)
b) other interest and similar expenses	15	(11,470)	(8,517)
Tax on profit or loss	16	(373)	166
<b>Loss after taxation</b>		<b>(13,017)</b>	<b>(15,183)</b>
Other taxes	16	(41)	(46)
<b>Loss for the financial year</b>		<b>(13,058)</b>	<b>(15,229)</b>

Anwer Mirza and Luc Leroi

The Managers

The accompanying notes form an integral part of these consolidated annual accounts.

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS**  
As at 31 December 2019  
(expressed in £'000)  
- continued -

**NOTE 1 - GENERAL INFORMATION**

Roost Investments Holdco S.à r.l. (hereafter the 'Company') was incorporated on 26 February 2019 and organised under the laws of Luxembourg as a Société à responsabilité limitée for an unlimited period. The registered office of the Company is established at 19, rue Eugène Ruppert L-2453 Luxembourg.

The main activity of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. The Company may in particular acquire by subscription, purchase, and exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin whatsoever.

The Company may borrow in any form and may issue notes, bonds and debentures and any kind of debt and/or equity securities. The Company may lend funds including, without limitation, the proceeds of any borrowings and/or issues of debt or equity securities to its subsidiaries, affiliated companies and/or any other companies. The Company may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over all or over some of its assets to guarantee its own obligations and undertakings and/or obligations and undertakings of any other company, and, generally, for its own benefit and/or the benefit of any other company or person.

The Company may in particular perform operations pertaining to the acquisition, development, promotion, sale, management and/or lease of real estate properties either in the Grand Duchy of Luxembourg or abroad as well as all operations relating to real estate properties, including the direct or indirect holding of participation in Luxembourg or foreign companies, the principal object of which is the acquisition, development, promotion, sale, management and/or lease of real estate properties.

The Company may generally employ any techniques and instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against credit, currency exchange, interest rate risks and other risks.

The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or moveable property, which directly or indirectly favour or relate to its object.

The main activity of the Company and its subsidiaries (together the "Group") is the development of student housing in the United Kingdom ("UK").

The consolidated annual accounts of the Company have been prepared in compliance with the article 1712-2 of the law of 10 August 1915 as amended. They are available at its registered office.

The financial year of the Company starts on 1 January and ends on 31 December of each year.

The consolidated annual accounts are established in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand Duchy of Luxembourg.

The consolidated annual accounts are also included in the consolidated annual accounts of Roost Mezz Holdco S.à r.l. with a registered office located at 19, Rue Eugène Ruppert, L-2453 Luxembourg, forming the smallest body of undertakings of which the Company forms a part as a subsidiary undertaking. The consolidated annual accounts of Roost Mezz Holdco S.à r.l. are deposited with the Register of Commerce and Companies and published according to the provisions of the Luxembourg law.

The Company is also included in the consolidated financial statements of Brookfield Asset Management, with a registered office located at 181 Bay Street, Toronto, Canada, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The consolidated financial statements of Brookfield Asset Management are available online and at its registered office.

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS**  
As at 31 December 2019  
(expressed in £'000)  
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**NOTE 2 - SCOPE OF CONSOLIDATION AND CONSOLIDATION POLICIES**

**2.1. Scope of consolidation**

The consolidated annual accounts of the Company as at 31 December 2019 include its stand-alone annual accounts and those of all directly or indirectly majority owned subsidiaries (together the "Group").

Subsidiaries are all entities over which the Company exercises control. Control is defined as the direct or indirect power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights owned by other entities, are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

The companies falling within the scope of this consolidation (see table below) were all within the Group in 2018 apart from Roost Investments S.à r.l. and Roost Investments Holdco S.à r.l., ("Newcos") which were incorporated on 26 February 2019. As the original shareholder, BSREP II PBSA Topco S.à r.l., controlled all of the entities apart from the Newcos before the incorporation of the Newcos, the full year's results for the financial year ended 31 December 2019 for these companies are included within the 2019 consolidated profit and loss / balance sheet and the full year's results for the financial year ended 31 December 2018 are provided as comparative figures.

The Group and minority interests' share of profits or losses or changes in the net equity of subsidiaries are determined based on existing voting rights, without considering the effects of potential voting rights which are exercisable or convertible.

Entities included in the scope of consolidation are listed below:

**Companies consolidated by full consolidation**

<b>Name of the Company</b>	<b>Country of incorporation</b>	<b>% of direct ownership and effective interest as of 31 December 2019</b>
Roost Investments Holdco S.à r.l.	Luxembourg	Parent
Roost Investments S.à r.l.*	Luxembourg	100
BSREP II PBSA Investments S.à r.l.*	Luxembourg	100
BSREP II PBSA Investments 2 S.à r.l.*	Luxembourg	100
PBSA 4 S.à r.l.*	Luxembourg	100
PBSA 5 S.à r.l.*	Luxembourg	100
PBSA 6 S.à r.l.*	Luxembourg	100
PBSA Scotland S.à r.l.*	Luxembourg	100
PBSA Scotland 2 S.à r.l.*	Luxembourg	100
PBSA Scotland 3 S.à r.l.*	Luxembourg	100
PBSA Great Patrick Street S.à r.l.*	Luxembourg	100
PBSA Pittodrie Street S.à r.l.*	Luxembourg	100
PBSA Queen Street S.à r.l.*	Luxembourg	100
PBSA RE2 Holdings S.à r.l.*	Luxembourg	100
PBSA St James House UK Limited*	UK	100
PBSA St James Point UK Limited*	UK	100
PBSA Apollo Court UK Limited*	UK	100
PBSA Capital Gate UK Limited*	UK	100

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS**  
As at 31 December 2019  
(expressed in £'000)  
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**2.1 Scope of consolidation (continued)**

<b>Name of the Company</b>	<b>Country of incorporation</b>	<b>% of direct ownership and effective interest as of 31 December 2019</b>
PBSA The Heights UK Limited*	UK	100
PBSA Myrtle Court UK Limited*	UK	100
PBSA The Railyard UK Limited*	UK	100
PBSA The Boulevard UK Limited*	UK	100
PBSA Corfe House UK Limited*	UK	100
PBSA Mealmarket UK Limited*	UK	100
PBSA Buchanan View UK Limited*	UK	100
PBSA Gibson Street UK Limited*	UK	100
PBSA Portsburgh Court UK Limited*	UK	100
PBSA Panmure Court UK Limited*	UK	100
PBSA Lady Nicholson UK Limited*	UK	100
PBSA St Mungos UK Limited*	UK	100
PBSA Pittodrie Street UK Limited*	UK	100
PBSA College Street UK Limited*	UK	100
PBSA Great Patrick Street UK Limited*	UK	100
PBSA RE2 UK Limited*	UK	100

The entities marked “\*” are unaudited.

Through the re-structuring that took place in the current financial year (see note 4) the Company holds 100% ownership and interest in its subsidiaries, therefore there are no minority interests recognised in the Group's consolidated annual accounts. In prior year, the above companies were owned by different entities all under common control.

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the period ended 31 December 2019. Unless otherwise stated, the undertakings listed below are 100% owned, either directly or indirectly, by Roost Investments Holdco S.à r.l..

<b>Name</b>	<b>Proportion of shares held in subsidiary</b>	<b>Company number</b>
PBSA St James House UK Limited	100%	10348095
PBSA St James Point UK Limited	100%	10348100
PBSA Apollo Court UK Limited	100%	10588496
PBSA Capital Gate UK Limited	100%	10588153
PBSA Myrtle Court UK Limited	100%	10588509
PBSA The Railyard UK Limited	100%	10588415
PBSA The Heights UK Limited	100%	10588147
PBSA The Boulevard UK Limited	100%	10588146
PBSA Corfe House UK Limited	100%	10588163
PBSA Mealmarket UK Limited	100%	10588194
PBSA Buchanan View UK Limited	100%	10588018
PBSA Gibson Street UK Limited	100%	10588619
PBSA Portsburgh Court UK Limited	100%	10588503
PBSA Lady Nicholson UK Limited	100%	10588154
PBSA Panmure Court UK Limited	100%	10588519
PBSA St Mungos UK Limited	100%	10348168
PBSA Pittodrie Street UK Limited	100%	10951750
PBSA College Street UK Limited	100%	10878752

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS**  
As at 31 December 2019  
(expressed in £'000)  
- continued -

**2.1 Scope of consolidation (continued)**

<b>Name</b>	<b>Proportion of shares held in subsidiary</b>	<b>Company number</b>
PBSA Great Patrick Street UK Limited	100%	10387721
PBSA RE2 UK Limited	100%	8706273

In accordance with section 479C of the Companies Act 2006, the Company will guarantee the debts and liabilities of the above UK subsidiary undertakings. As at 31 December 2019 the total sum of these debts and liabilities is GBP 568k.

**2.2. Consolidation policies**

**2.2.1. General**

The consolidated annual accounts include the balance sheet and profit and loss account of the Company and of its subsidiaries, as well as the present accompanying notes. The Group was created on 26 February 2019 and the profit and loss account includes the results for the full year as mentioned in note 2.1.

The accounts of the Group entities have been adjusted when necessary in order to comply with the Group's accounting policies.

**2.2.2. Consolidation method**

The subsidiaries' annual accounts are consolidated using the full consolidation method. The assets and liabilities, profits and losses of the fully consolidated companies are included in full in the consolidated annual accounts.

**2.2.3. Balances and transactions between consolidated companies**

All intercompany balances and intercompany transactions have been eliminated.

**2.2.4. Merger accounting used in the re-structuring**

As Roost Investments S.à r.l., the direct subsidiary of the Company, before the Contribution, and the Company after the group re-structuring, as described in note 4, were and remained entities under common control, the transaction meets the conditions of article 323 of the law of 10 August 1915 as amended. The Company has thus accounted for this transaction using the following method:

- Carrying values of the assets and liabilities of the parties to the transaction are not required to be adjusted to fair value on consolidation, although appropriate adjustments should be made to achieve uniformity of accounting policies in the new group;
- The results of all the entities should be brought into the consolidated annual accounts of the new group from the beginning of the financial period in which the transaction occurred, adjusted so as to achieve uniformity of accounting policies;
- The difference if any between the nominal value of the shares issued plus the fair value of any other consideration given, and the nominal value of the shares received in exchange should be shown as a movement in equity in the consolidated annual accounts.

In line with the above, the comparative figures in the consolidated annual accounts include the reserves of all entities since creation which is shown under "Invested equity" on the balance sheet. The invested equity was then allocated to the relevant categories within equity and reserves in the current year to show a true and fair view of the Group's equity structure (see note 8.4).

The same principle had been applied previously by the original shareholder, BSREP II PBSA Topco S.à r.l. in the past and the treatment explained above is consistent with that.

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS**  
As at 31 December 2019  
(expressed in £'000)  
- continued -

**NOTE 3 - SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES**

**3.1. General principles**

The consolidated annual accounts of the Group have been prepared in accordance with Luxembourg legal requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended from time to time, determined and applied by the Board of Managers of the Company.

The preparation of consolidated annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the consolidated annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the consolidated annual accounts therefore present the financial position and results fairly.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results could differ from these estimates.

**3.2. Significant Group accounting policies**

The main valuation rules applied by the Group are the following:

**3.2.1. Foreign currency translation**

The Group maintains its accounting records in Pound Sterling "GBP" and the consolidated annual accounts are expressed in this currency rounded to the nearest thousands.

Transactions expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year. Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Realised and unrealised exchange losses are recorded in the profit and loss account. The unrealised exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss accounts and the unrealised exchange gains are not recognised.

**3.2.2. Formation expenses**

Formation expenses are charged to the profit and loss account as they are incurred.

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**3.2. Significant Group accounting policies (continued)**

**3.2.3. Goodwill, to the extent that it was acquired for valuable consideration**

If any, the difference between the acquisition price of the shares in the Group entities included in the consolidation and the fair value of acquired assets and liabilities at the date of the acquisition, or at the date the Group entity is included in the consolidation for the first time, is recorded as goodwill in the absence of identifiable assets or liabilities where this difference could be allocated unless the accounting treatment applied is that of merger accounting, in which case, a merger reserve is created for the premium paid for the shares in the acquired subsidiaries. Goodwill is amortised on a straight-line basis over the time the Group considers that it will benefit from it, over a maximum period of 5 years.

The negative differences are booked in the consolidated profit and loss account under the caption "Other interest receivable and similar income; other interest and similar income".

**3.2.4. Tangible fixed assets**

*Land and buildings*

Land and buildings are initially recorded at purchase price including the expenses incidental thereto. Borrowing costs are capitalised to the value of the asset and are depreciated in line with depreciation rules disclosed rules below.

Subsequent expenditure is capitalised to the carrying amount of assets only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. At each year-end provisions are made for works that are to be carried out on properties based on legal obligation (e.g. cladding works). These are accounted for at cost based on management's best estimate as at the end of the year.

The value of tangible assets with limited useful economic lives is reduced by value adjustments calculated over their estimated useful economic lives. Depreciation is calculated from the date the asset is put into use and is fully operational.

	Depreciation rate	Method
Buildings	3.03 %	Straight-line

Land is not depreciated.

Buildings under development are recorded under the caption tangible assets in the course of construction and are valued at purchase price including the expenses incidental thereto, the associated construction costs and borrowing costs.

Where the Group considers that a tangible asset has suffered a durable depreciation in value based on an internal or external valuation, an additional write-down is recorded to reflect this loss. If the decrease in value is not deemed durable, no write-down is recorded. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

*Other fixtures, fittings, tools and equipment*

Other fixtures, fittings, tools and equipment are carried at acquisition cost less accumulated depreciation. Acquisition cost includes incidental costs as well as a proportion of direct and indirect overheads attributable to the tangible fixed assets. They are amortized over a period of 2 to 5 years on a straight-line basis.

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**3.2. Significant Group accounting policies (continued)**

**3.2.5. Debtors**

Debtors are valued at their nominal value. Value adjustments are recorded at the end of the financial year if the net realisable value is lower than their book value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

**3.2.6. Prepayments**

Prepayments include expenditure incurred during the financial year but relating to a subsequent financial year.

Loan issuance expenses are amortized on a straight-line basis over the duration of the loan. The amortization for the year is recorded in the caption "Other external charges" in the profit and loss account.

**3.2.7. Provisions**

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which these will arise.

At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability.

Provisions for taxation corresponding to the tax liability estimated by the Group for the financial year are recorded under the caption "Provisions". Advance payments are shown in the assets of the balance sheet under the "Debtors" item.

**3.2.8. Creditors**

Creditors are recorded at their reimbursement value. Where the amount repayable on accounts is greater than the amount received, the difference is recorded in the profit and loss account.

**3.2.9. Taxation**

The Group is subject to taxation in the countries in which they operate. Current taxation is provided for at the applicable current rates on respective taxable profits. Significant judgement is required in determining the total provision for income taxes. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the year in which the determination is made.

Deferred income tax liabilities are provided in full, on temporary difference arising between tax bases of assets and liabilities, and their carrying amounts in the accounts. Deferred income tax assets and liabilities are determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred income tax liability is settled. Deferred income tax assets are not recognised unless their recovery is settled.

The deferred tax assets are recognized up to the amount of deferred tax liabilities.

Companies of the Group are subject to taxation in the United Kingdom and Luxembourg.



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**3.2. Significant Group accounting policies (continued)**

**3.2.10. Deferred income**

Deferred income includes income received during the financial year but relating to a subsequent financial year.

**3.2.11. Net turnover**

The net turnover includes rental income from buildings and income from related services. Rental income is recognised on a straight line basis over the lease term.

**3.2.12. Interest and other financial charges**

Interest and other financial charges mainly contain interest expenses on bank loans and other debts issued by the Group companies. These are recorded in line with agreements on an accrual basis.

**3.2.13. Derivatives**

Other investments may include derivative financial instruments such as options, futures or foreign exchange contracts.

Derivatives are initially stated at cost for derivatives purchased. At year-end, when a value adjustment is deemed necessary, a provision is set up in respect of individual unrealised losses resulting from their revaluation.

In the case of hedging an asset and/or a liability that is not recorded at fair value, unrealised gains or losses are deferred until the recognition of the realised gains or losses on the hedged items.

The fair value of any hedging instrument is disclosed in line with Article 65 paragraph (1) 17 of the amended law on the register of commerce and companies and the accounting and annual accounts of undertakings.

**NOTE 4 - GROUP RE-STRUCTURING**

**Phase 1**

On 5 April 2019 the Sole Shareholder of the Company, Roost Mezz Borrower S.à r.l. subscribed for 2 shares of the Company with a nominal value of GBP 1 each and fully paid them by way of contribution in kind consisting of 20,002 shares with the nominal value of GBP 1 each it held in the share capital of Roost Investments S.à r.l., a private limited liability company, whose registered office is at 19 rue Eugène Ruppert L-2453 Luxembourg, (the "Contribution") being the entirety of the issued share capital of Roost Investments S.à r.l. and having an aggregate fair market value of GBP 209,602,082.48, which were allocated as follows:

- An amount of GBP 2 was allocated to the subscribed capital of the Company; and
- An amount of GBP 209,602,080.48 was allocated to the share premium account of the Company.

Roost Investments S.à r.l. was fully controlled by the Sole Shareholder of the Company prior to the Contribution while the Company remained under the full control of the Sole Shareholder post Contribution.

In application of article 323 of the law of 10 August 1915 as amended, an accounting policy has been developed that results in information that is relevant and reflect the economic substance of the transaction.

As a consequence of the above, the figures of the sub-group are consolidated since 1 January 2019 despite the Company having only been incorporated on 26 February 2019.

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**NOTE 4 - GROUP RE-STRUCTURING (continued)**

Phase 2

On 23 September 2019 the Sole Shareholder of the Company, Roost Mezz Borrower S.à r.l. subscribed for 8 further shares of the Company with a nominal value of GBP 1 each and fully paid them by way of contribution in kind consisting of receivables due from indirect subsidiaries of Roost Investments S.à r.l., a private limited liability company, whose registered office is at 19 rue Eugène Ruppert L-2453 Luxembourg, (the "Contribution") having an aggregate fair market value of GBP 61,874,476.72, which were allocated as follows:

- An amount of GBP 8 was allocated to the subscribed capital of the Company; and
- An amount of GBP 61,874,468.72 was allocated to the share premium account of the Company.

**The two contributions have resulted in the Company controlling some existing group underlying investments and have been accounted for applying common control transactions accounting method.**

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**NOTE 5 - TANGIBLE FIXED ASSETS**

In £'000	Assets under construction	Land and Buildings	Other fixtures and fittings, tools and equipment	Total
<b>Gross book value:</b>				
<b>Opening balance</b>	<b>77,413</b>	<b>503,112</b>	<b>3,045</b>	<b>583,570</b>
Additions for the year	23,705	2,673	1,451	27,829
Transfers for the financial year	(101,118)	101,118	-	-
<b>At 31 December 2019</b>	<b>-</b>	<b>606,903</b>	<b>4,496</b>	<b>611,399</b>
<b>Accumulated value adjustment:</b>				
<b>Opening balance</b>	<b>-</b>	<b>(26,028)</b>	<b>(881)</b>	<b>(26,909)</b>
(Value adjustment for the year)	-	(13,878)	(926)	(14,804)
(Impairment for the year)	-	(887)	-	(887)
Reversal of impairment previous recorded	-	781	-	781
<b>At 31 December 2019</b>	<b>-</b>	<b>(40,012)</b>	<b>(1,807)</b>	<b>(41,819)</b>
<b>Net book value:</b>				
<b>At January 2019</b>	<b>77,413</b>	<b>477,084</b>	<b>2,164</b>	<b>556,661</b>
<b>At 31 December 2019</b>	<b>-</b>	<b>566,891</b>	<b>2,689</b>	<b>569,580</b>

As at 31 December 2019 the Group owns 21 properties across the United Kingdom (2018: 21, of which 2 were classed as assets under construction). These properties are located in 10 key UK university cities (Aberdeen, Newcastle, York, Poole, Sheffield, Glasgow, Birmingham, Liverpool, Belfast, and Edinburgh) in order to operate on the UK property market in the student housing sector.

These properties are used to generate rental income for the Company. The rental incomes are based on a percentage of the income of the UK affiliated undertakings which are the leaseholders of the above properties.

In the current year 2 properties were transferred from assets under construction to land and buildings as their construction was finished (2018: 4). These properties became operational in the current year and started depreciating. Additions to land and building include costs incurred in relation to bringing the properties into use. Land buildings also include works in relation to cladding provision in an amount of GBP 2,189k for one of the Group's properties in Newcastle Upon Tyne (2018: GBP 2,350k). The works are related to the cladding of the building and are a result of legal obligation to prevent accidents caused by fire.

As at 31 December 2019 the Board of Managers undertook an internal valuation of the above properties at an aggregate value of GBP 731.6m. In 2018, an external valuer undertook the valuation and the aggregate value as per their valuation, excluding the properties that completed during 2018 and 2019, in prior year was GBP 451.2m.

Based on this internal valuation the Board of Managers believed that the estimated recoverable amount of the following property is lower than the carrying value as at 31 December 2019, therefore impairment was recognised during the financial year:

1. Mealmarket Exchange for an amount of GBP 887k (2018: GBP 5,063k).

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**NOTE 5 - TANGIBLE FIXED ASSETS (continued)**

Based on this internal valuation the Board of Managers believed that the estimated recoverable amount of the remaining properties is higher than the carrying value and have reversed the impairment losses recognised in the prior financial year to bring their value back to original cost less depreciation as at 31 December 2019 for the following properties and amounts: property known as Myrtle Court for an amount of GBP 781k. Combined with the reversal of impairment in prior year (2018: GBP 1,996k), the property is now at full cost again and there is no outstanding impairment.

The lands for the 17 out of 21 properties have been valued at GBP 62,647k (2018: 41,318k).

The buildings represent student housing assets with the following ownership status:

In £'000	Quantity of properties 2019	Net book value as of 31 December 2019	Quantity of properties 2018	Net book value as of 31 December 2018
Freehold	14	335,398	14	273,322
Leasehold	5	178,395	5	148,699
Freehold/Leasehold	2	53,098	2	47,032
<b>Total</b>	<b>21</b>	<b>566,891</b>	<b>21</b>	<b>477,084</b>

**NOTE 6 - DEBTORS**

Debtors are composed as follows as of 31 December 2019:

In £'000	31/12/2019	31/12/2018
Trade receivables	3,488	1,521
Amounts owed by affiliated undertakings	338	10
Other debtors	287	339
<b>Total</b>	<b>4,113</b>	<b>1,870</b>

The amounts of Debtors are shown at their nominal value due to their short-term nature. Please refer to Note 18 for the information with regards to the related parties.

Trade receivables correspond predominantly to amounts due from students for their rental income.

The Board of Managers have considered no value adjustments in value of the intercompany receivable. As a consequence, no provision for bad debts was booked during the financial year.

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**NOTE 7 - PREPAYMENTS**

The prepayments amounting to GBP 5,583k (2018: 3,084k) represent mainly the deferred financing costs of the loan issuance expenses that are directly attributable to the facility agreements entered into during the course of the year (see note 10).

In £'000	Within one year	After more than one year	Total as at 31 December 2019	Total as at 31 December 2018
Other prepaid expenses	1,135	-	1,135	854
Loan issuance expenses	2,965	1,483	4,448	2,230
<b>Total</b>	<b>4,100</b>	<b>1,483</b>	<b>5,583</b>	<b>3,084</b>

Other prepaid expenses are mostly made up of prepaid insurance expenses for the properties operated by the Group. The loan issuance expenses are amortised over the period of the loans as described in note 10.

**NOTE 8 - CAPITAL AND RESERVES**

**8.1 Subscribed capital**

The subscribed capital amounts to GBP 20k and is divided into 20k shares fully paid-up with a nominal value of GBP 1 per share.

**8.2 Share premium account**

As at 31 December 2019, the share premium account amounts to GBP 298,036k which is distributable.

**8.3 Legal reserve**

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed. Given that the current period is the Company's first year of operation, no such allocation took place.

**8.4 Movements in the reserves and profit or loss items**

Movements in the reserves and profit or loss items during the financial year are as follows:

In £'000	Invested equity	Share Premium Account	Other Merger Reserves	Loss brought forward	Loss for the financial year
<b>At January 2019</b>	<b>(54,848)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Movements for the financial year					
- Movements as a result of re-structuring	54,848	133,017	(145,666)	(26,990)	(15,229)
- Allocation of previous year's loss	-	-	-	(15,229)	15,229
- Loss for the financial year	-	-	-	-	(13,058)
- Contribution in the financial year	-	165,019	-	-	-
<b>At 31 December 2019</b>	<b>-</b>	<b>298,036</b>	<b>(145,666)</b>	<b>(42,219)</b>	<b>(13,058)</b>

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**8.4 Movements in the reserves and profit or loss items (continued)**

Other reserves comprise the merger reserve that was created as a result of the group re-structuring in the current financial year. The amount represents the premium paid by Roost Investments Holdco S.à r.l. for the shares in its new subsidiaries and reflects the unrealised fair value gains on the properties acquired and the portfolio premium on the investment (see note 4).

Contributions in the year consist of contributions in kind made by the sole shareholder as part of the acquisition and re-structuring of the Group.

**NOTE 9 - PROVISIONS**

Provisions for taxation of GBP 1k were made during the financial year (2018: GBP 513k).

Other provisions mainly contain provisions for the services provided by external professional organisations (audit, legal, tax advisors, etc.) and utility accruals for the properties held by the Group. An amount of GBP 5,716k was accrued during the financial year (2018: GBP 5,630k). Also included in other provisions is an amount of GBP 2,189k for construction fees in relation to a cladding project on one of the Group's properties in Newcastle Upon Tyne (2018: GBP 2,350k). This amount represents costs for which the Group has assessed it would be responsible for to carry out the works to upgrade the property, as opposed to other works, not legally obliged to carry out on other properties owned by the Group.

**NOTE 10 - CREDITORS**

In £'000	Within one year	After one year and within five years	After more than five years	Total as at 31 December 2019	Total as at 31 December 2018
Amounts owed to credit institutions	271	418,596		418,867	340,097
Trade creditors	1,770	-	-	1,770	4,960
Amounts owed to affiliated undertakings	816	64,399	-	65,215	269,751
Other creditors	2,299	-	-	2,299	1,883
<b>Total</b>	<b>5,156</b>	<b>482,995</b>	<b>-</b>	<b>488,151</b>	<b>616,691</b>

**10.1 Amounts owed to credit institutions**

Amounts owed to credit institutions correspond to the facility agreements entered into by the indirect subsidiaries of Roost Investments Holdco S.à r.l., PBSA 4 S.à r.l., PBSA 5 S.à r.l., PBSA 6 S.à r.l., PBSA Scotland S.à r.l., PBSA Scotland 2 S.à r.l., PBSA Scotland 3 S.à r.l., PBSA Great Patrick Street S.à r.l., PBSA Queen Street S.à r.l., PBSA Pittodrie Street S.à r.l., and PBSA RE2 Holdings S.à r.l., on 30 April 2019 and then subsequently on 19 September 2019, with BAML and RBC for an aggregate amount of GBP 418,596k with a maturity date of 20 June 2021 and 20 September 2021. The maturity date can be extended by a further 12 months. The facility agreement bears interest at a 2.15% above the LIBOR rate. Total interest payable on the facility agreement amount to GBP 271k as at 31 December 2019.

As at 31 December 2019, there is no undrawn amount under the facility agreement.

During the course of the financial year the Group repaid its loans that had matured in 2019 by taking out a new loan and re-financing them. This settled loans granted by third parties and affiliated undertakings at the same time. The Group was in compliance with its financial covenants as at 31 December 2019.

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**10.2 Trade creditors**

Trade creditors correspond to fees outstanding at 31 December 2019 for GBP 1,770k (2018: GBP 4,960k). Included in the amount is GBP 1,562k for development expenditure incurred but not yet due (2018: GBP 3,081k).

**10.3 Amounts owed to affiliated undertakings**

Amounts owed to affiliated undertakings corresponds to the following interest-bearing loans granted by Roost Mezz Borrower S.à r.l:

1. Loan for an amount of GBP 46,507k granted on 1 May 2019 with a maturity of 5 years and at interest rate of 5.95% above LIBOR;
2. Loan for an amount of GBP 17,892k granted on 20 September 2019 with a maturity of 5 years and at interest rate of 5.95% above LIBOR.

Total interest payable on the above described debts amount to GBP 174k as at 31 December 2019.

In prior year amounts owed to affiliated undertakings included an amount of GBP 145,666k which was the premium paid on the shares of the Group's subsidiaries as represented by the merger reserve in note 8.4. The amount has been settled as part of the re-organisation that took place in the year, hence it is not outstanding as at 31 December 2019.

Amounts owed to affiliated undertakings also include interest-free and payable on demand intercompany balances as detailed in note 19.

**10.4 Other creditors**

As at 31 December 2019, other creditors correspond to amounts due to staff, tax authorities in the UK and in Luxembourg and other third parties for an amount of GBP 2,299k (2018: 1,883).

**NOTE 11 - DEFERRED INCOME**

The deferred income represents the contractual rental income mainly with individual students for an amount of GBP 8,397k (2018: GBP 5,340k).

**NOTE 12 - NET TURNOVER**

Net turnover of GBP 40,358k (2018: 32,565k) includes rental income from buildings situated in the UK and owned by the Group and income from related services. Rental income is recognised on a straight-line basis over the lease term. Turnover for the current year includes rental income received by properties that became operational in the current year (see note 5).

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**NOTE 13 - OTHER EXTERNAL CHARGES**

In £'000	From 1 January 2019 to 31 December 2019	From 1 January 2018 to 31 December 2018
Commissions and professional fees	(8,269)	(8,978)
Subcontracting, maintenance and repairs	(1,695)	(1,594)
Marketing and communicating costs	(1,458)	(444)
Insurance premiums	(349)	(174)
Other external charges/credits	(2,391)	(1,799)
<b>Total</b>	<b>(14,162)</b>	<b>(12,989)</b>

The professional fees incurred during the financial year include auditor's fees for an amount of GBP 456k (2018: 302k).

**NOTE 14 - EMPLOYEE INFORMATION**

During the financial year ended 31 December 2019, the Group had 154 employees (2018: 126).

**NOTE 15 - INTEREST PAYABLE AND SIMILAR EXPENSES**

In £'000	From 1 January 2019 to 31 December 2019	From 1 January 2018 to 31 December 2018
Interest expense on loans from affiliated undertakings	(5,524)	(9,244)
Interest expense on third party loans (note 10)	(11,439)	(8,517)
Other similar expenses	(31)	-
<b>Total</b>	<b>(16,994)</b>	<b>(17,761)</b>

**NOTE 16 - INCOME TAX AND OTHER TAXES**

Tax on profit and loss includes current income tax expenses incurred by the companies of the Group in Luxembourg and the UK. From 6 April 2020, non-resident landlord (NRL) companies with a property business in the UK will be taxed under the corporation tax regime rather than the income tax regime. This will reduce the tax rate applied to property rental profits from 20% under the income tax regime to 19% under the corporation tax regime.

**NOTE 17 - ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES**

During the financial year, no loan or advance was granted to members of the Board of Managers or other administrative bodies (2018: nil).



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**NOTE 18 - OFF-BALANCE SHEET COMMITMENTS**

The facility agreements (Note 10) entered into by the subsidiaries of Roost Investments Holdco S.à r.l. as named in note 10 on 30 April 2019 and 19 September 2019 are secured by its assets, undertakings of subsidiaries, insurance on the properties held by the indirect subsidiaries and a share pledge over the shares of all of the Company's subsidiaries. The repayment of the old loans as described in note 10 released the previous pledges from prior periods.

On 15 May 2019, the Roost Investments S.à r.l., a subsidiary undertaking also entered into an interest rate cap with BAML capping the interest on 80% of the facility for the lifetime of the debt (see note 10). The positive fair value of the cap at 31 December 2019 was GBP 3k.

There are no other off-balance sheet items after the balance sheet date ended 31 December 2019.

**NOTE 19 - RELATED PARTIES**

Transactions with related parties are described below:

Related party	Relationship	Caption	Value of transaction for the year ended 31 December 2019 £'000	Amounts owed To/by related parties as at 31 December 2019 £'000
Roost Mezz Borrower S.à r.l.	Sole shareholder	Loans	(64,399)	(64,399)
		Interest	(5,524)	(174)
		Creditors	(395)	(395)
PBSA Portfolio Advisor Limited	Affiliated undertaking	Debtors	239	239
BSREP II PBSA Topco S.à r.l.	Ultimate parent	Creditors	(188)	(188)
PBSA Letting LP	Affiliated undertaking	Debtors	29	29
PBSA 3 <sup>rd</sup> Letting LP	Affiliated undertaking	Debtors	45	45
PBSA 7 <sup>th</sup> Letting LP	Affiliated undertaking	Debtors	25	25
PBSA South Yorkshire UK Limited	Affiliated undertaking	Creditors	(59)	(59)

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**NOTE 20 - GOING CONCERN**

The Managers consider that it is appropriate to adopt the going concern basis in preparing the consolidated annual accounts. In making this statement the Managers have satisfied themselves that based on its current base case projections, the Group/Company has access to sufficient funds from its shareholder and borrowing facilities and can reasonably expect those facilities to remain available without early repayment request to meet the Group's cash requirements until at least 30 June 2021. This assessment also considers an assessment of the impact of the COVID-19 pandemic and the need for the Group Company to seek extra sources of liquidity, and provide support to its subsidiaries, which results in a material uncertainty to going concern. For further details see note 21 to the consolidated annual accounts.

**NOTE 21 - SUBSEQUENT EVENTS**

Coronavirus (COVID-19) pandemic

As at the date of approving these consolidated annual accounts, the impact of COVID-19 on the Group's trading is subject to change. Our properties are open and currently still have a significant number of residents from the Academic Year 19/20. We have also commenced the leasing cycle for the Academic Year 20/21, which is well progressed, and we currently expect all properties to be trading in that Academic Year as we also expect all of the key Universities, whose students we typically house, will be open as well.

There is, however, a degree of uncertainty about the next Academic Year and it is very difficult to assess how the COVID-19 situation will ultimately impact the year. It is possible that a lockdown or suspension of on campus University activities may continue for a longer period or that the recovery profile is slower than in the base case. The Managers have prepared cash flow forecasts, based on what they consider reasonable scenarios given the current level of leasing and the information available in the market, for a period of 12 months from the date of approval of these consolidated annual accounts which indicate that the Company will require additional liquidity to meet its liabilities as they fall due for that period.

Based on these projections:

- There would be no default of the covenants in Group during this period; and,
- There is no indication of material impairment to the carrying value of the properties, which is aligned with internal valuations of Q1 2020.

However, in the event of lower rental income, there could be scenarios where there could be covenant defaults, which in turn could lead to increased liquidity requirements.

We can also note:

- There are no material capital repayments of debt falling due within the forecast period, although £302,3m of current funding facilities are expected to be extended during the next 12 months, in line with the original expectation when the facilities were established. These extensions can be achieved without further consent from the lenders assuming certain conditions have been met including compliance with covenants;
- The business is taking appropriate measures to preserve liquidity where possible;
- We have rephased or delayed capital expenditure;
- Variable expenditure has also been reduced where possible.

**Roost Investments Holdco S.à r.l.**  
Société à responsabilité limitée  
**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS**  
As at 31 December 2019  
(expressed in £'000)  
**- continued -**

**NOTE 21 - SUBSEQUENT EVENTS (continued)**

The additional liquidity will be provided from the parent company, BSREP II PBSA Limited. As with any company placing reliance on other group entities for financial support, the Managers acknowledge that there can be no certainty that this support will continue although, at the date of approval of these consolidated annual accounts, BSREP II PBSA Limited has the ability, and has stated the intent, to provide financial support if and as needed to enable BSREP II PBSA Topco S.à r.l. and its subsidiaries to continue as a going concern until at least 30 June 2021.

Were the Group/Company to require access to further liquidity, this could also be sought through the extension of further lending facilities. Given the Group's history of cash generation, the level of assets in the Group and levels of funding currently, we would expect to be able to raise such funds as were necessary, however there is no guarantee that such funds will be available.

Based on these indications the Managers believe that it remains appropriate to prepare the consolidated annual accounts on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Group/Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The consolidated annual accounts do not include any adjustments that would result from the basis of preparation being inappropriate.

No other matters or circumstances of importance have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the affairs of the Group.