

PBSA St James Point UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

Registered number: 10348100



PBSA St James Point UK Limited

Contents	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7

PBSA St James Point UK Limited

Officers and professional advisers

Directors

Nathan Goddard
Jonathan Hire
Jeannie Wong

Company Secretary

Intertrust (UK) Limited

Registered Office

1 Bartholomew Lane
London
EC2N 2AX
United Kingdom

Bankers

Barclays Bank PLC
1 Churchill Place
Leicester
LE87 2BB
United Kingdom

Solicitors

Mishcon de Reya LLP
Africa House
70 Kingsway
London
WC2B 6AH
United Kingdom

PBSA St James Point UK Limited

Directors' report

The directors present their annual report on the affairs of PBSA St James Point UK Limited (the "company"), together with the unaudited financial statements and auditor's report for the year ended 31 December 2020.

Principal activity

The company's principal activity is to operate and manage student accommodation. PBSA Portfolio Advisor Limited, a fellow wholly-owned subsidiary of BSREP II PBSA Topco S.a.r.l, (the "group") operates the asset. The primary objectives of the company are to run a profitable business for its stakeholders by maximising student occupancy across the academic year, whilst controlling costs.

Results

The company's profit before tax for the financial year is £216,000 (2019: £54,000 loss).

Directors

The directors who served throughout the year and subsequently were as follows:

Jeannie Wong
Nathan Goddard
Jonathan Hire

Directors' indemnities

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

The Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements. In making this statement the Directors have satisfied themselves that based on its current base case projections and reasonable sensitivities, the Group/Company will generate positive operating cash flows and has access to sufficient cash funds and borrowing facilities and can reasonably expect those facilities to be available to meet the Group's foreseeable cash requirements. This assessment also considers an assessment of the impact of the COVID-19 pandemic and any potential need for the Group to seek extra sources of liquidity. Unlike last year, the Group/Company leasing cycle is well progressed for the upcoming Academic Year, which results in there being no material uncertainty that may cast significant doubt on the Group/Company's ability to continue as a going concern. For further details see note 1 to the financial statements.

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies with Part 15 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Jonathan Hire
Director

25 June 2021

Registered Office:
1 Bartholomew Lane
London
EC2N 2AX
United Kingdom

PBSA St James Point UK Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PBSA St James Point UK Limited

Statement of Comprehensive Income For the year ended 31 December 2020

		Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
	Note		
Turnover	3	2,349	2,077
Cost of sales		(1,937)	(1,975)
Gross profit		412	102
Administrative expenses		(196)	(156)
Profit/(loss) before taxation	4	216	(54)
Tax on profit/(loss)	7	(50)	57
Profit for the financial year		166	3
Other comprehensive income		-	-
Total comprehensive income for the year		166	3

All transactions derive from continued operations.

There were no other items of comprehensive income or loss for the current year or prior year. Accordingly no statement of other comprehensive income is presented.

The notes on pages 7 to 14 form part of these financial statements.

PBSA St James Point UK Limited

Balance Sheet At 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	8	249	204
		<u>249</u>	<u>204</u>
Current assets			
Debtors	9	619	1,062
Cash at bank and in hand		431	448
		<u>1,050</u>	<u>1,510</u>
Creditors: amounts falling due within one year	10	(650)	(1,231)
Net current liabilities		<u>400</u>	<u>279</u>
Total assets less current liabilities		<u>649</u>	<u>483</u>
Net assets		<u>649</u>	<u>483</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		649	483
Total shareholders' funds		<u>649</u>	<u>483</u>

Statements:

- For the financial year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 7 to 14 form part of these financial statements.

The financial statements of PBSA St James Point UK Limited (registered number 10348100) were approved by the board of directors and authorised for issue on 25 June 2021.

They were signed on its behalf by:



Jonathan Hire
Director

PBSA St James Point UK Limited

Statement of Changes in Equity For the year ended 31 December 2020

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 31 December 2018	-	480	480
Profit and other comprehensive income for the financial year	-	3	3
Total comprehensive income for the year	-	3	3
At 31 December 2019	-	483	483
Profit and other comprehensive income for the financial year	-	166	166
Total comprehensive income for the year	-	166	166
At 31 December 2020	-	649	649

PBSA St James Point UK Limited

Notes to the financial statements

For the year ended 31 December 2020

General information and basis of accounting

PBSA St James Point UK Limited ('the company') is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales (registered number 10348100). The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

Statement of compliance

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies Act 2006.

1. Accounting policies

Basis of preparation of financial statements

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding period.

The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Exemptions for qualifying entities under FRS102

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of an intermediate parent, BSREP II PBSA Topco S.a.r.l., which may be obtained at 19 Rue Eugène Ruppert L-2453 Luxembourg. The company has taken advantage of the following exemptions:

- The company has taken advantage of the exemption, under FRS102 section 7, from preparing a statement of cash flows, on the basis that it is a qualifying entity;
- From disclosing information on financial instruments, as required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues; and
- From disclosing the company key management compensation, as required by FRS102 paragraph 33.7.

Going concern

Coronavirus (COVID-19) pandemic

The Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements. In making this statement the Directors have satisfied themselves that based on its current base case projections and reasonable sensitivities, the Group/Company will generate positive operating cash flows and the Group has access to sufficient cash funds and borrowing facilities and can reasonably expect those facilities to be available to meet the Group's foreseeable cash requirements. Based on this scenario that models Universities in the UK fully reopening for the 2021/22 Academic Year there would be no default of the covenants in the Group during the 12 months from the date of approval of these financial statements.

As at the date of approving these financial statements, the impact of COVID-19 on the Group/Company's trading is subject to change, as it is possible that a further lockdown could be initiated or that the recovery profile is slower than in the base case. However, our properties are open and continue to have a significant number of residents in the Academic Year 2020/21. We have also commenced the leasing cycle for the Academic Year 2021/22, which has progressed well and is ahead of the position at the same time last year. According to UCAS data, Universities have seen increased demand for places for the Academic Year 2021/22, which is very encouraging, and we reasonably expect the key Universities, whose students we typically house, to be open with face to face teaching.

PBSA St James Point UK Limited
Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies (continued)

We can also note:

If required, the Directors believe that additional liquidity would be provided by BSREP II PBSA Topco SARL, or its other subsidiaries, or from the Group/Company's ultimate parent company, BSREP II PBSA Limited. The Directors acknowledge that there can be no certainty that this support will be provided however, at the date of approval of these financial statements, 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 SARL to continue as a going concern until at least 30 June 2022. BSREP II PBSA Topco SARL in turn has confirmed its intention to provide financial support as parent company to this company as part of the UK portfolio until at least 30 June 2022.

- There are no material capital repayments of debt falling due within the forecast period, as where applicable post year end extensions have already been obtained;
- The business is taking appropriate measures to preserve liquidity where possible, through careful cashflow management and a review of the timing of all non essential spending;
- We have rephased or delayed capital expenditure;
- There are no material future asset building programmes in place that require any new external funding to be established;
- Variable expenditure has also been reduced where possible.

Were the Group/Company to require access to further liquidity, this could also be sought through the addition of further lending facilities or the extension of existing lending. Given the Group/Company'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.

Taking all of these factors into account, the Directors conclude that it is appropriate to prepare these accounts on a going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and value-added taxes.

Rental income from property leased out under operating leases (comprised direct lets to students and leases to Universities) is recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total rental income and spread over the term of the lease.

Turnover in relation to ancillary services, such as laundry and car parking, is recognised in the accounting period in which the services are rendered.

PBSA St James Point UK Limited
Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office equipment	3-10 years
------------------	------------

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other receivables 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 the statement of comprehensive income.

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 statement of comprehensive income.

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) 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 payables, 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.

Trade payables 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 payables 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.

PBSA St James Point UK Limited
Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments and original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Called up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets:

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases relating to motor vehicles are charged to the profit and loss account on a straight-line basis over the period of the lease term.

Payments under operating leases relating to the lease of the property are charged to the profit and loss account based on the financial performance of the company in the year. The charge is calculated as 97% of profit before depreciation and tax in the year, over the lease term.

Related party transactions

The company discloses transactions with related parties which are not wholly-owned with the same group. It does not disclose transactions with members of the same group that are wholly-owned as the company has taken advantage of the exemption under paragraph 33.1A of FRS 102.

2. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements 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. The directors consider there are no critical accounting estimates and judgements involved.

3. Turnover

The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the United Kingdom.

PBSA St James Point UK Limited
Notes to the financial statements
For the year ended 31 December 2020

4. Profit/(loss) before taxation

	2020 £'000	2019 £'000
Profit/(loss) before taxation is stated after charging:		
Depreciation of tangible fixed assets (note 8)	32	39
Operating lease rentals (note 12):		
- Land and buildings	1,292	1,282
	<u> </u>	<u> </u>

5. Staff numbers and costs

The average monthly number of employees was:

	2020 Number	2019 Number
Administration	8	8
	<u> </u>	<u> </u>
	8	8
	<u> </u>	<u> </u>

	2020 £'000	2019 £'000
Their aggregate remuneration comprised:		
Wages and salaries	159	172
Social security costs	17	16
Other pension costs	4	4
	<u> </u>	<u> </u>
	180	192
	<u> </u>	<u> </u>

6. Directors' remuneration

The directors of the Company were remunerated through PBSA Portfolio Advisor Limited, a fellow wholly-owned subsidiary of BSREP II PBSA Topco S.a.r.l. It is not possible to apportion the directors remuneration in respect of the services provided to the Company however, the remuneration of the Directors of the Company is included within the total remuneration of £1,050,000 (2019: £986,000) disclosed in PBSA Portfolio Advisor Limited.

PBSA St James Point UK Limited
Notes to the financial statements
For the year ended 31 December 2020

7. Tax on profit/(loss)

The tax charge/(credit) comprises:

	2020	2019
	£'000	£'000
Current tax on profit/(loss)		
Current tax on profit/(loss) for the year	48	(2)
Adjustments in respect of previous periods	2	(55)
	<u>50</u>	<u>(57)</u>
Total tax on profit/(loss)	<u>50</u>	<u>(57)</u>

The standard rate of tax applied to reported profit/(loss) is 19.0% (2019: 19.0%).

On 11 March 2020 the government announced that the main UK corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19%. This change was substantively enacted on 17 March 2020. Therefore at 31 December 2020, unprovided amounts of deferred tax assets and liabilities have been calculated based on rates of 19%.

Subsequent to the year end, on 3 March 2021 the government announced an increase to the main UK corporation tax rate from April 2023 to 25% which has not yet been substantively enacted and therefore is not included in these financial statements. It is currently not expected that this will have a material impact on the Company.

The difference between the total tax charge/(credit) shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows:

	2020	2019
	£'000	£'000
Profit/(loss) before tax	216	(54)
	<u>41</u>	<u>(10)</u>
Tax on profit/(loss) at standard UK corporation tax rate of 19.0% (2019: 19.0%)		
Effects of:		
- Expenses not deductible for tax purposes	7	8
- Adjustments to tax charge in respect of previous periods	2	(55)
	<u>50</u>	<u>(57)</u>
Total tax charge/(credit) for year	<u>50</u>	<u>(57)</u>

PBSA St James Point UK Limited
Notes to the financial statements
For the year ended 31 December 2020

8. Tangible assets

	Office equipment £'000
Cost	
At 1 January 2020	286
Additions	77
At 31 December 2020	363
Depreciation	
At 1 January 2020	82
Charge for the year	32
At 31 December 2020	114
Net book value	
At 31 December 2020	249
At 31 December 2019	204

9. Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year		
Trade debtors	222	42
Prepayments and accrued income	49	49
Amounts owed by group undertakings	347	908
Corporation tax	-	57
Other debtors	1	6
	619	1,062

The amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

10. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	19	42
Amounts owed to group undertakings	22	1
Corporation tax payable	48	4
Taxation and social security	8	-
Accruals and deferred income	552	1,184
Other creditors	1	-
	650	1,231

The amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

PBSA St James Point UK Limited
Notes to the financial statements
For the year ended 31 December 2020

11. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 ordinary share of £1 (2019: 1 ordinary share of £1)	1	1
	<u>1</u>	<u>1</u>

The company has one class of ordinary shares.

There are no restrictions on the distribution of dividends and the repayment of capital.

12. Capital and other commitments

The company has entered an operating lease with the immediate parent company for the lease of the property that it operates. The lease is due to expire in 2040. Annual charges under the lease are based on the financial performance of the company through a calculation based on profit before depreciation and tax. As the exact level of financial performance of the company is not certain, the future minimum lease payments have not been disclosed.

13. Contingent liability

There is a contingent liability in relation to a potential claim for payment to a counterparty. The Company regularly reviews its position on any potential claim to determine any financial impact; as at 31 December 2020 no provision was considered necessary as the possibility of any outflow of resources in settlement is remote and it is impracticable to estimate its financial effect. A provision will only be recognised if it is considered more likely than not that a settlement will be required, and the value of the payment can be reliably estimated.

14. Immediate and ultimate parent undertakings and controlling parties

The company's immediate parent undertaking is PBSA 5 S.a.r.l., which is registered in Luxembourg.

Roost Investments Holdco S.a.r.l. is the undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of the group are available at the registered address of 19 Rue Eugène Ruppert L-2453 Luxembourg.

The company's ultimate controlling party and ultimate parent company is Brookfield Asset Management Inc. and is the undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of the group are available at the registered address of Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada.