

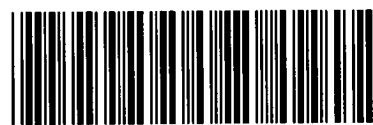
MREF III PRESTON OPERATIONS LIMITED

UNAUDITED

ANNUAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2018**

MONDAY



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COMPANIES HOUSE

MREF III PRESTON OPERATIONS LIMITED

COMPANY INFORMATION

Directors	Marc Gilbard Nicholas Edwards Charles Ferguson-Davie
Registered number	10366824
Registered office	Moorfield Group 10 Grosvenor Street London W1K 4QB

MREF III PRESTON OPERATIONS LIMITED

CONTENTS

	Page(s)
Directors' report	1
Statement of income and retained earnings	2
Balance sheet	3
Notes to the financial statements	4 - 7

MREF III PRESTON OPERATIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Principal activities

The Company's principal activity during the period was that of letting and operating student accommodation.

Results and dividends

The Company's profit for the financial period was £37,000 (2017 - loss £225,000).

No dividends were declared or paid in either the current or prior periods.

Directors

The directors who served during the year were:

Marc Gilbard
Nicholas Edwards
Charles Ferguson-Davie

Going concern

The financial statements have been prepared on the going concern basis. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of MREF III Preston Property Sarl. The directors have received confirmation that MREF III Preston Property Sarl intends to support the Company for at least 12 months from the date these financial statements are approved.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Charles Ferguson-Davie
Director

Date: 26 SEPTEMBER 2019

MREF III PRESTON OPERATIONS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year ended 2018 £000	Period ended 2017 £000
Turnover	1,396	540
Cost of sales	(1,257)	(675)
Gross profit/(loss)	<u>139</u>	<u>(135)</u>
Administrative expenses	(102)	(90)
Operating profit/(loss)	<u>37</u>	<u>(225)</u>
Tax on profit/(loss)	4 -	-
Profit/(loss) after tax	<u><u>37</u></u>	<u><u>(225)</u></u>
Retained earnings at the beginning of the year	(225)	-
Profit/(loss) for the year	37	(225)
Retained earnings at the end of the year	<u><u>(188)</u></u>	<u><u>(225)</u></u>

The notes on pages 4 to 7 form part of these financial statements.

MREF III PRESTON OPERATIONS LIMITED
REGISTERED NUMBER: 10366824

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors: amounts falling due within one year	5	-	639
Cash at bank and in hand		43	422
		<u>43</u>	<u>1,061</u>
Creditors: amounts falling due within one year	6	(231)	(1,286)
Net current liabilities		<u>(188)</u>	<u>(225)</u>
Total assets less current liabilities		<u>(188)</u>	<u>(225)</u>
Net liabilities		<u>(188)</u>	<u>(225)</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		(188)	(225)
		<u>(188)</u>	<u>(225)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



Charles Ferguson Davie
Director

Date: 26 SEPTEMBER 2019

The notes on pages 4 to 7 form part of these financial statements.

MREF III PRESTON OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Company's principal activity during the financial year was that of letting and operating student accommodation. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Moorfield Group, 10 Grovesnor Street, London, W1K 4QB. The company registered number is 10366824.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

There were no material departures from the standard.

These financial statements are presented in sterling, which is the functional currency of the Company and rounded to the nearest £1,000.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of MREF III Preston Property Sarl. The directors have received confirmation that MREF III Preston Property Sarl intends to support the Company for at least 12 months from the date these financial statements are approved.

2.3 Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group.

2.4 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 the proceeds.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.6 Debtors

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

2.7 Cash and cash equivalents

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

MREF III PRESTON OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.8 Creditors

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

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

4. Taxation

	2018 £000	2017 £000
	<hr/>	<hr/>
Total current tax	<hr/> <hr/>	<hr/> <hr/>

MREF III PRESTON OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit/(loss) on ordinary activities before tax	37	(225)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	7	(43)
Effects of:		
Prior year losses	(7)	43
Total tax charge for the year/period	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

5. Debtors

	2018 £000	2017 £000
Trade debtors	-	432
Prepayments and accrued income	-	207
	<u>-</u>	<u>639</u>

6. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	-	8
Amounts owed to group undertakings	83	258
Other creditors	-	40
Accruals and deferred income	148	980
	<u>231</u>	<u>1,286</u>

MREF III PRESTON OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	1	1

8. Related party transactions

The Company operates a student accommodation scheme which is leased from its immediate parent entity. During the year a rental expense of £730,000 (2017 - £239,000) in respect of this lease was recognised in the accounts. The Company has also received funding from its immediate parent entity. At the end of the year a balance of £83,000 (2017 - £258,000) was owed to the immediate parent entity.

On 12 December 2018 the student accommodation scheme was sold by the immediate parent entity and as a result the lease with the Company was terminated.

9. Immediate and ultimate parent undertaking and ultimate controlling party

The Company's immediate parent entity is MREF III Preston Property Sarl, which is registered in Luxembourg.

The Company's ultimate parent undertaking is MREF III Student Holdings Sarl, which is registered in Luxembourg.

At 31 December 2018 the Company's ultimate controlling parties are Moorfield Real Estate Fund III "A" Limited Partnership, Moorfield Real Estate Fund III "B" Limited Partnership and Moorfield Real Estate Fund "PC" Limited Partnership which are limited partnerships registered in England and Wales.