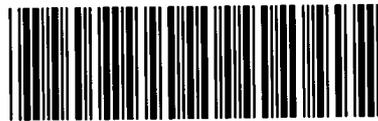


Registered number: 10409665

MREF III RUNNYMEDE OPERATIONS LIMITED

**AUDITED
ANNUAL REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2017**

TUESDAY



LD3 *L7BV2NTN* #28
07/08/2018
COMPANIES HOUSE

MREF III RUNNYMEDE OPERATIONS LIMITED

COMPANY INFORMATION

Directors	Marc Gilbard Nicholas Edwards Charles Ferguson-Davie
Registered number	10409665
Registered office	Moorfield Group 10 Grosvenor Street London W1K 4QB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Lloyds Banking Group London Chief Office PO Box 54873 London SW1Y 5WX

MREF III RUNNYMEDE OPERATIONS LIMITED

CONTENTS

	Page(s)
Directors' report	1 - 2
Independent auditors' report	3 - 5
Statement of income and retained earnings	6
Balance sheet	7
Notes to the financial statements	8 - 11

MREF III RUNNYMEDE OPERATIONS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present their report and the audited financial statements for the period from 4 October 2016 to 31 December 2017. The Company was incorporated on 4 October 2016.

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 period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- state whether applicable UK Accounting Standards, comprising FRS 102 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 they comply with the Companies Act 2006. The directors 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.

Principal activity

The Company's principal activity during the period was that of letting and operating student accommodation. The Company was incorporated on 4 October 2016 and signed an agreement for lease on 18 September 2017.

Directors

The directors who served during the period were:

Marc Gilbard
Nicholas Edwards
Charles Ferguson-Davie

Going concern

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

MREF III RUNNYMEDE OPERATIONS LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Results

The Company's loss for the financial period is £59,532.

Financial instruments

Financial Risk Management

The Group's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, liquidity risk and credit risk. The Company's principal financial instruments comprise of sterling cash and bank deposits, together with trade debtors and trade creditors that arise directly from its operations.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditor, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 on **2 August 2018** and signed on its behalf
by



Nicholas Edwards
Director

MREF III RUNNYMEDE OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MREF III RUNNYMEDE OPERATIONS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, MREF III Runnymede Operations Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the 15 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2017; and the statement of income and retained earnings for the 15 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

MREF III RUNNYMEDE OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MREF III RUNNYMEDE OPERATIONS LIMITED

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

MREF III RUNNYMEDE OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MREF III RUNNYMEDE OPERATIONS LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Hook (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place
London
WC2N 6RH

Date:

2 August 2018

MREF III RUNNYMEDE OPERATIONS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD 4 OCTOBER 2016 TO 31 DECEMBER 2017

	2017 £000
Cost of sales	(30)
Gross loss	<u>(30)</u>
Administrative expenses	(29)
Operating loss	<u>(59)</u>
Tax on loss	4 -
Loss after tax	<u>(59)</u>
Loss for the period	<u>(59)</u>
Retained earnings at the end of the period	<u>(59)</u>

The notes on pages 8 to 11 form part of these financial statements.

MREF III RUNNYMEDE OPERATIONS LIMITED
REGISTERED NUMBER:10409665

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000
Current assets		
Cash at bank and in hand		66
Creditors: amounts falling due within one year	5	(125)
Net current liabilities		<u>(59)</u>
Total assets less current liabilities		<u>(59)</u>
Net liabilities		<u>(59)</u>
Capital and reserves		
Called up share capital	6	-
Profit and loss account		(59)
Total equity		<u>(59)</u>

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:



Nicholas Edwards
Director

Date: 2/8/2018

The notes on pages 8 to 11 form part of these financial statements.

MREF III RUNNYMEDE OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

1. General information

The Company's principal activity during the financial period 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 Grosvenor Street, London, W1K 4QB. The Company registered number is 10409665.

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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

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 Runnymede Property Sarl. The directors have received confirmation that MREF III Runnymede 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 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.

2.6 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 RUNNYMEDE OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.7 Financial instruments

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

(i) Financial assets

Basic financial assets, including other receivables, loans to fellow group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction which 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 assets' 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 statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) 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 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

(iii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

MREF III RUNNYMEDE OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

4. Taxation

	2017 £000
	<u> </u>
Total current tax	<u> </u> -

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19.25%. The differences are explained below:

	2017 £000
Loss on ordinary activities before tax	(59)
	<u> </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25%	(11)
Effects of:	
Group relief claimed/(surrendered)	11
	<u> </u>
Total tax charge for the period	<u> </u> -

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act (No. 2) 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017. A further reduction to the main rate of corporation tax was enacted as part of the Finance Act 2016 to reduce the rate to 17% from 1 April 2020.

5. Creditors: Amounts falling due within one year

	2017 £000
Trade creditors	85
Deposits	1
Accruals and deferred income	39
	<u> </u>
	<u> </u> 125

MREF III RUNNYMEDE OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

6. Called up share capital

	2017 £
Allotted, called up and fully paid	
1 Ordinary share of £1	<u><u>1</u></u>

7. Related party transactions

The Company is exempt under the terms of Financial Reporting Standard 102 (FRS 102) paragraph 33.1A, from disclosing related party transactions with other group companies, on the grounds that 100% of the voting rights in the Company are controlled within the Group and the Company is included in consolidated financial statements prepared by the Group.

At the end of the period a balance of £82,583 was owed to the immediate parent entity.

8. Immediate and ultimate parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is MREF III Runnymede 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 2017 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.