PegasusLife Development (OBR) Limited

Annual report and financial statements

For the year ended 30 June 2019

Registered number 10470894

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Registered Number: 10470894

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS
I J Trinder (resigned 30 September 2019)
D J Petri (resigned 19 February 2020)
A Demargerie (appointed 1 September 2018, resigned 17 April 2019)
M D Evans (appointed 20 August 2019)
S A Bangs (appointed 27 February 2020)
D J C Clark (appointed 27 February 2020)
M J Gill (appointed 27 February 2020)
M D Dickinson (appointed 27 February 2020)

SECRETARY
M D Evans (resigned 1 August 2019)
J H Williams (appointed 16 September 2019)

REGISTERED OFFICE
Royal Court
Church Green Close
Kings Worthy
Winchester
SO23 7TW

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements for the year ended 30 June 2019. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of the development of building projects.

GOING CONCERN

Notwithstanding the net liabilities at the balance sheet date these financial statements have been prepared on the going concern basis, on the basis that the directors have received sufficient assurances from the Lifestory group and specifically Lifestory Group Limited (formerly PegasusLife Limited) that further financial support will be provided to enable the company to meet its obligations as they fall due. This support has been obtained in writing and covers a period of not less than twelve months from the date of approval of these financial statements. The directors have considered the ability of Lifestory Group Limited (formerly PegasusLife Limited) to provide such support and no concerns were identified. Accordingly, these financial statements have been prepared on a going concern basis.

RESULTS

The company was incorporated on 9 November 2016, so the comparative period is shorter, representing 8 months and unaudited.

The financial statements for the year ended 30 June 2019 are set out on pages 4 to 12. The loss for the year was £533,000 (2018: loss for the period £198,000). At 30 June 2019 the shareholders' deficit was £796,000 (2018: £263,000).

In the prior year the company was exempt from audit due to a parent guarantee under section 479A of the Companies Act 2006. Accordingly, the comparative year is unaudited.

DIVIDENDS

The directors cannot recommend the payment of a dividend (2017: £nil).

DIRECTORS

The present membership of the Board is set out on page 1. The directors served throughout the period and subsequently, unless otherwise stated.

Approved by the Board of Directors and signed on behalf of the Board

M D Dickinson
Director

17 March 2020
Royal Court
Church Green Close
Kings Worthy, Winchester
SO23 7TW

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 these financial statements, the directors are required to:

- *select suitable accounting policies and then apply them consistently;*
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2019

	Notes	*Year ended 30 June 2019 £000*	*Year ended 30 June 2018 £000*
TURNOVER		-	-
Administration costs		(533)	(198)
OPERATING LOSS, BEING LOSS BEFORE TAXATION	*2*	(533)	(198)
Taxation	*3*	-	-
LOSS FOR THE FINANCIAL PERIOD		(533)	(198)

Turnover and operating loss are all derived from continuing operations.

There are no other sources of comprehensive income in either period other than those identified above. Accordingly, no statement of comprehensive income has been presented.

The accompanying notes on pages 7 to 12 are an integral part of these financial statements.

BALANCE SHEET
At 30 June 2019

	Notes	30 June 2019 £000	30 June 2018 £000
CURRENT ASSETS			
Debtors	4	85	2,079
		85	**2,079**
CREDITORS: Amounts falling due within one year	5	(881)	(2,342)
TOTAL ASSETS LESS CURRENT LIABILTIES, BEING NET CURRENT LIABILITIES		(796)	(263)
NET LIABILITIES		**(796)**	**(263)**
CAPITAL AND RESERVES			
Called-up share capital	6	-	-
Profit and loss account	7	(533)	(263)
SHAREHOLDERS' DEFICIT		**(533)**	**(263)**

EXEMPTION FROM AUDIT BY PARENT GUARANTEE

For the year ending 30 June 2019, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

• The members have not required the company to obtain an audit of its accounts for the year ending June 2019 in question in accordance with section 476.

• The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of PegasusLife Development (OBR) Limited (registered number 10470894) were approved by the board of directors and authorised for issue on 17 March 2020. They were signed on its behalf by:

M D Dickinson
Director

The accompanying notes on pages 7 to 12 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
As at 30 June 2019

	Called Up Share Capital	Profit and Loss Account	Total
	£000	£000	£000
Balance at 30 June 2017	-	(65)	(65)
Total comprehensive loss for the year	-	(198)	(198)
Balance at 30 June 2018	-	(263)	(263)
Total comprehensive loss for the year	-	(533)	(0)
Balance at 30 June 2019	-	(796)	(263)

The accompanying notes on pages 7 to 12 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
At 30 June 2019

1. ACCOUNTING POLICIES

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

Basis of accounting

PegasusLife Development (OBR) Limited (the Company) is a Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. 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.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC).

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the group financial statements of Lifestory Group Limited (formerly PegasusLife Limited). The group financial statements of Lifestory Group Limited (formerly PegasusLife Limited) are available to the public and can be obtained as set out in note 9.

The financial statements have been prepared on the historical cost basis, as modified to include certain items at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Adoption of new and revised Standards

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Disclosure Initiative	The Company has adopted the amendments to IAS1 disclosure initiative for the first time in the current period. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on bases of aggregating and disaggregating information for disclosure purposes. However, the amendments re-iterate that a company should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance. The adoption of these amendments has not resulted in any impact on the financial performance or financial position of the company.
Annual Improvements to IFRSs: 2012-2014	The Company has adopted the various amendments to a number of standards. The majority of the amendments are in the nature of clarifications rather than substantive changes to existing requirements.

NOTES TO THE FINANCIAL STATEMENTS
At 30 June 2019

1. **ACCOUNTING POLICIES (continued)**

Going concern

Notwithstanding the net liabilities at the balance sheet date these financial statements have been prepared on the going concern basis, on the basis that the directors have received sufficient assurances from the Lifestory group and specifically Lifestory Group Limited (formerly PegasusLife Limited) that further financial support will be provided to enable the company to meet its obligations as they fall due. This support has been obtained in writing and covers a period of not less than twelve months from the date of approval of these financial statements. The directors have considered the ability of Lifestory Group Limited (formerly PegasusLife Limited) to provide such support and no concerns were identified. Accordingly these financial statements have been prepared on a going concern basis.

Taxation

Current tax is based on the taxable profit for the period. Taxable profit differs from the net result as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company does not hold any financial assets at FVTPL, 'held-to-maturity' investments or AFS financial assets.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS
At 30 June 2019

1. **ACCOUNTING POLICIES (continued)**

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The Company does not hold any financial liabilities at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS
At 30 June 2019

1. ACCOUNTING POLICIES (continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors believe no critical judgements or key sources of estimation uncertainty have been made in the process of applying the Company's accounting policies which have a significant effect on the amounts recognised in the financial statements.

2. LOSS BEFORE TAXATION

Auditor's remuneration of £nil (2018: £5,800) was borne by Lifestory Group Limited (formerly PegasusLife Limited) and was not recharged.

Other than the directors, during the current year and prior period the company had no employees. The directors received no remuneration in the current year or prior period as directors of this company. They have been remunerated by Lifestory Group Limited (formerly PegasusLife Limited) and not recharged.

3. TAXATION

	30 June 2019 £000	*30 June 2018 £000*
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total tax credit on loss	-	-

A reconciliation of the difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 19% (2017: 19%) to the loss before tax is shown below:

NOTES TO THE FINANCIAL STATEMENTS
At 30 June 2019

3. TAXATION (continued)

	30 June 2019 £000	*30 June 2018 £000*
Loss before tax	(533)	(198)
Tax on loss at standard UK tax rate of 19% (2018: 19%)	(101)	(38)
Effects of:		
Unrelieved tax losses	101	38
Total tax credit	-	-

The company has unused tax loses of £796,000 (2018:£263,000).
No deferred tax asset has been recognised in respect of tax losses as no forecast profits arise over the foreseeable future against which they could be relieved.

4. DEBTORS

	30 June 2019 £000	*30 June 2018 £000*
Intercompany balances owed from parent undertakings	-	2,014
VAT debtor	17	65
Prepayments	63	-
Sundry debtor	5	-
	85	**2,079**

Intercompany balances are unsecured, non-interest bearing and repayable on demand.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2019 £000	*30 June 2018 £000*
Trade creditors	223	921
Accruals and deferred income	53	1421
Intercompany balances due from parent undertakings	605	
	881	**2,342**

NOTES TO THE FINANCIAL STATEMENTS
At 30 June 2019

6. CALLED-UP SHARE CAPITAL

	30 June 2019	*30 June 2018*
	£000	*£000*
Authorised Called-up and fully paid		
1 Ordinary A share of £1 each	-	-
	-	-

The company has one class of ordinary shares which carries no right to fixed income. On 9 November 2016 one ordinary share was issued at par value.

7. RESERVES

	Profit and loss account
	£000
Balance at 30 June 2018	(263)
Loss for the year	(533)
Balance at 30 June 2019	**(796)**

8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS 101 not to disclose transactions between wholly-owned group undertakings.

There were no further transactions with related parties in the current year or prior period.

9. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is PegasusLife Development Limited. The parent undertaking which has included the company in its group accounts (the largest and smallest group of which the company is a member) is Lifestory Group Limited (formerly PegasusLife Limited), a company incorporated in the United Kingdom, copies of which are available from its registered offices: Royal Court, Church Green Close, Kings Worthy, Winchester, SO23 7TW.

The company is ultimately controlled by Oaktree Capital Group Holdings GP, LLC incorporated in the United States of America.