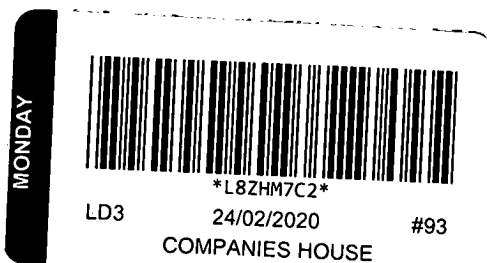


Company number 10684675

SIGMA PRS INVESTMENTS (OUR LADY'S) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019



ANNUAL REPORT AND FINANCIAL STATEMENTS

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COMPANY INFORMATION

Directors	Graham Barnet (appointed 31 October 2019) Malcolm Briselden (appointed 31 October 2019) Katy Ramsey (appointed 31 October 2019) Graeme Reay (appointed 31 October 2019) Michael Scott (appointed 31 October 2019) Robert Sumner (appointed 31 October 2019) Matthew Townson (appointed 31 October 2019) Jim Prower (appointed 20 May 2019, resigned 31 October 2019) David Steffan Francis (resigned 31 October 2019) Roderick MacRae (resigned 31 October 2019) Stephen Smith (resigned 31 October 2019)
Company Secretary	Sigma Capital Property Ltd
Company Number	10684675
Registered Office	Floor 3, 1 St. Ann Street Manchester M2 7LR
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

DIRECTORS' REPORT

The Company was incorporated on 22 March 2017.

The directors present their report with the audited financial statements for the period ended 30 June 2019.

The Company has produced financial statements for a reporting period of 6 months to 30 June 2019. The figures are not comparative to the prior reporting period.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and accordingly no strategic report has been provided.

Principal activities, trading review and future developments

The principal activity of the Company is the investment in property for private rental sector. The company owns and manages 73 residential homes which are let to tenants on shorthold assured tenancies.

Directors

The directors who served during the period are listed on page 2.

Directors' responsibilities for the financial statements

The directors are responsible for preparing the Directors' 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).

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 those 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;
- 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.

Statement of disclosure to auditor

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The directors have reviewed the trading prospects and projected cash flows of the business and the company is reliant on funding from its immediate and ultimate parent undertakings. On that basis the directors have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. Thus they have adopted the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' REPORT (CONT.)

Directors' indemnity provisions

The Company provides a directors insurance policy which was in place during the period. These provisions remain in force at the reporting date.

Auditor

The Company's auditor, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board



Malcolm Briselden
Director

21 February 2020

INDEPENDENT AUDITOR'S REPORT

to the members of Sigma PRS Investments (Our Lady's) Limited

Opinion

We have audited the financial statements of Sigma PRS Investments (Our Lady's) Ltd (the 'Company') for the period ended 30 June 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

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

- 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONT.)

to the members of Sigma PRS Investments (Our Lady's) Limited

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Euan Banks (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

21 February 2020

SIGMA PRS INVESTMENTS (OUR LADY'S) LIMITED
Period ended 30 June 2019

STATEMENT OF COMPREHENSIVE INCOME

		Period ended 30 June 2019 £	Year ended 31 December 2018 £
	Notes		
Turnover	3	315,388	199,971
Cost of sales		(43,431)	(27,217)
Gross profit		<u>271,957</u>	<u>172,754</u>
Administrative expenses		(7,157)	-
Unrealised profit on revaluation of investment property	Error! Refer ence sourc e not found		
		230,000	1,624,420
Operating profit and profit on ordinary activities before tax	4	<u>494,800</u>	<u>1,797,174</u>
Taxation	6	-	(27,283)
Total comprehensive income for the period		<u><u>494,800</u></u>	<u><u>1,769,891</u></u>

SIGMA PRS INVESTMENTS (OUR LADY'S) LIMITED
Period ended 30 June 2019

STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2019 £	31 December 2018 £
Non-current assets			
Investment property	Error! Refer ence sourc e not found	11,890,000	11,660,000
		<u>11,890,000</u>	<u>11,660,000</u>
Current assets			
Debtors	8	21,098	43,512
Cash in hand and at bank		<u>296,193</u>	<u>-</u>
		317,291	43,512
Creditors: amounts falling due within one year	9	<u>(66,332)</u>	<u>(57,353)</u>
Net current assets / (liabilities)		250,959	(13,841)
Net assets		<u>12,140,959</u>	<u>11,646,159</u>
Capital and reserves			
Called up share capital	10	100	100
Members capital contributions	11	9,311,633	9,311,633
Profit and loss account		2,829,226	2,334,426
Shareholders' funds		<u>12,140,959</u>	<u>11,646,159</u>

The accompanying notes are an integral part of this balance sheet

The financial statements on pages 7 to 13 were approved and authorised for issue by the Board of Directors on 21 February 2020 and were signed on its behalf by:



Malcolm Briselden
Director

Registered number 10684675

SIGMA PRS INVESTMENTS (OUR LADY'S) LIMITED
Period ended 30 June 2019

STATEMENT OF CHANGES IN EQUITY

	Called up share capital £	Retained earnings £	Capital contributions from members £	Total equity £
2018				
Brought forward	100	564,535	-	564,635
Profit for the period	-	1,769,891	-	1,769,891
Introduced by members	-	-	9,311,633	9,311,633
Balance at 31 December 2018	<u>100</u>	<u>2,334,426</u>	<u>9,311,633</u>	<u>11,646,159</u>
2019				
Profit for the period	-	494,800	-	494,800
Balance at 30 June 2019	<u>100</u>	<u>2,829,226</u>	<u>9,311,633</u>	<u>12,140,959</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Sigma PRS Investments (Our Lady's) Limited ("the Company") is a company incorporated and domiciled in the UK and registered at Floor 3, 1 St. Ann Street, Manchester, M2 7LR.

The Company is exempt by virtue of s.401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of Adopted IFRSs, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- related party transactions;
- disclosures in respect of capital management;
- disclosures in respect of revenue from contract with customers, and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements of The PRS REIT PLC include the equivalent disclosures, the Company has also taken the exemption under FRS101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS Financial Instrument Disclosures.

Measurement convention

The accounts have been prepared under the historical cost convention, amended for investment property held at valuation and in accordance with applicable accounting standards.

Reporting period

The company has produced financial statements for a reporting period of 6 months to 30 June 2019. The figures are not comparative to the prior reporting period.

Investment Property

Investment property, including that which is being constructed for future use as investment property, is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at fair value. The investment properties are externally valued by Savills. Savills are qualified independent valuers who hold a recognised and relevant professional qualification. Gains or losses arising from changes in the fair value of the investment property are included in profit from operations in the income statement of the period in which they arise.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment and appropriate allowances for credit losses over the expected life of the asset. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The movement in the provision is recognised in the comprehensive income statement.

NOTES TO THE FINANCIAL STATEMENTS

Going Concern

The directors have reviewed the trading prospects and projected cash flows of the business for a period of 12 months from the signing of the accounts. On that basis the directors have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. Thus they have adopted the going concern basis of accounting in preparing the annual financial statements.

Financial Instruments

Financial instruments are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Revenue Recognition

Rental income from investment property is accounted for on an accruals basis.

Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

2. Judgements in applying accounting policies 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. Actual results may differ from these estimates and judgements.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Fair value of investment property

The fair value of investment property is determined by an independent property valuation expert to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. The valuation experts use recognised valuation techniques applying principles of both IAS40 and IFRS13. The key assumptions that are used in fair value assessment are net investment yield and gross to net assumption. The valuations are prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards January 2014 ("Red Book").

3. Turnover

	Period ended 30 June 2019 £	Year ended 31 December 2018 £
Rental Income	<u>315,388</u>	<u>199,971</u>

4. Operating profit

Auditor's remuneration of £1,750 (2018: £1,750) was borne by a fellow group company in the current and prior period.

5. Information regarding directors and employees

The Company has no employees other than the directors. The directors are remunerated by a management charge paid by the ultimate holding company, The PRS REIT plc. It is not practical to allocate this to the remuneration of each Director in this company.

NOTES TO THE FINANCIAL STATEMENTS

6. Taxation

	Period ended 30 June 2019 £	Year ended 31 December 2018 £
Taxation charge for the period	-	27,283
	-	27,283

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

	Period ended 30 June 2019 £	Year ended 31 December 2018 £
Profit for the period / year	494,800	1,797,174
Profit on ordinary activities at the effective rate of corporation tax in the UK of 19% (prior year: 19%)	94,012	341,463
Effects of:		
Non-taxable income	(50,312)	(5,540)
Change in value of investment properties	(43,700)	(308,640)
Current tax charge for the period / year	-	27,283

7. Investment property

	£
Cost	
At 1 January 2018	4,615,549
Additions during the year	4,855,497
At 31 December 2018	9,471,046
Additions during the period	-
At 30 June 2019	9,471,046
Fair value adjustment	
At 1 January 2018	564,535
Revaluation during the year	1,624,419
At 31 December 2018	2,188,954
Revaluation during the period	230,000
At 30 June 2019	2,418,954
Net book value	
At 30 June 2019	11,890,000
At 31 December 2018	11,660,000

The investment properties were externally valued by Savills. Savills are qualified independent valuers who hold a recognised and relevant professional qualification. The valuation basis of market value conforms to international valuation standards. The valuation is based on market evidence of investment yields, expected gross to net income rates and actual and expected rental values.

NOTES TO THE FINANCIAL STATEMENTS

8. Debtors

	30 June 2019 £	31 December 2018 £
Trade Debtors	1,456	1,402
Prepayments	2,091	5,909
Accrued income	14,957	31,405
Other debtors	2,594	4,796
	<u>21,098</u>	<u>43,512</u>

9. Creditors

	30 June 2019 £	31 December 2018 £
Corporation tax	27,283	27,283
Trade creditors	600	-
Other creditors	29,867	28,615
Accruals	8,582	1,455
	<u>66,332</u>	<u>57,353</u>

10. Called up share capital

	30 June 2019 £	31 December 2018 £
Authorised: 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid: 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

11. Capital contribution

The PRS REIT plc made a capital contribution to the company of £9,311,633 on the acquisition of the Company in December 2018.

12. Ultimate controlling party

On 18 December 2018, the entire share capital of the Company was acquired by The PRS REIT Holding Company Limited. The ultimate parent company and the ultimate controlling party of The PRS REIT Holding Company is The PRS REIT plc, a company incorporated in England. The consolidated financial statements of The PRS REIT plc are available to the public and may be obtained from www.theprsreit.com.

13. Related party relationships and transactions

As at 30 June 2019 the Company was a subsidiary undertaking of The PRS REIT plc and has taken advantage of the exemption in FRS 101 Reduced Disclosure Framework from disclosing transactions with other members of the group headed by The PRS REIT plc.