

MREF IV BIRMINGHAM OPERATIONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2021**



MREF IV BIRMINGHAM OPERATIONS LIMITED

COMPANY INFORMATION

Directors	M E C Gilbard (resigned 11 May 2022) C J Ferguson Davie (resigned 11 May 2022) M L Molton (appointed 11 May 2022, resigned 10 August 2022) W G Westbrook (appointed 11 May 2022, resigned 23 September 2022) L Gradischnig (appointed 11 May 2022) T L Trott (appointed 10 May 2022) A M Four (appointed 10 August 2022) A P McDonnell (appointed 23 September 2022)
Registered number	11410897
Registered office	C/O Alter Domus (Uk) Limited 10th Floor 30 St Mary Axe London EC3A 8BF

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MREF IV BIRMINGHAM OPERATIONS LIMITED
REGISTERED NUMBER: 11410897

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Current assets			
Debtors: amounts falling due within one year	4	1,557	1,665
Bank and cash balances		962	267
		<u>2,519</u>	<u>1,932</u>
Creditors: amounts falling due within one year	5	(2,000)	(1,642)
Net current assets		<u>519</u>	<u>290</u>
Total assets less current liabilities		<u>519</u>	<u>290</u>
Net assets		<u>519</u>	<u>290</u>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	519	290
		<u>519</u>	<u>290</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 the 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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



T L Trott
Director

Date: 22 December 2022 | 11:44 GMT

The notes on pages 2 to 5 form part of these financial statements.

MREF IV BIRMINGHAM OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

MREF IV Birmingham Operations Limited is a private company, limited by shares and registered in England and Wales, registration number 11410897. The registered office address is C/O Alter Domus (UK) Limited, 10th Floor 30 St Mary Axe, London, EC3A 8BF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with FRS 102 Section 1A and the Companies Act 2006. The financial statements are presented in Sterling and rounded to the nearest £'000.

The following principal accounting policies have been applied:

2.2 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.3 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.

2.4 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.

2.5 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.

2.6 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

MREF IV BIRMINGHAM OPERATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2. Accounting policies (continued)****2.6 Financial instruments (continued)**

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

3. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2020 - £NIL).

4. Debtors: Amounts falling due within one year

	2021 £000	2020 £000
Trade debtors	-	28
Cash held in third party client accounts	1,180	1,300
Prepayments and accrued income	357	31
Amounts owed by group undertakings	20	306
	<u>1,557</u>	<u>1,665</u>

Cash held in third party client account is controlled by the lender and released to the Company on a quarterly basis subject to meeting financial covenants.

MREF IV BIRMINGHAM OPERATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****5. Creditors: Amounts falling due within one year**

	2021 £000	2020 £000
Trade creditors	21	10
Amounts owed to group undertakings	180	-
Accruals and deferred income	1,799	1,632
	<u>2,000</u>	<u>1,642</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

6. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

7. Reserves**Profit and loss account**

The profit and loss accounts represents retained earnings and accumulated losses net of dividends and other adjustments.

8. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	1,473	1,456
Later than 1 year and not later than 5 years	5,824	5,824
Later than 5 years	23,039	24,512
	<u>30,336</u>	<u>31,792</u>

Commitments under operating leases are due to the Company's immediate parent company, MREF IV Birmingham Ltd.

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FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Related party transactions

The Company operates student accommodation which is leased from its immediate parent entity. During the year a rental expense of £1,473,403 (2020: £1,263,977) in respect of this lease was recognised in the financial statements.

The Company is a guarantor to external bank debt of £14,500,000 which is secured against student accommodation owned by its immediate parent entity and held on the balance sheet of that entity.

10. Controlling party

The Company's immediate parent undertaking is MREF IV Birmingham Limited, a company registered in Jersey at 3rd Floor, 37 Esplanade, St Helier, Jersey, JE1 1AD.

The Company's ultimate controlling party is ARES European Property Enhancement Property Enhancement Partners III SCSP and ARES European Property Enhancement Property Enhancement Parallel Partners III SCSP.