

**MREF IV GP LIMITED**  
**AUDITED**  
**DIRECTORS' REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

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COMPANIES HOUSE

**MREF IV GP LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	Marc Gilbard Charles Ferguson-Davie
<b>Company secretary</b>	Steven Hall
<b>Registered number</b>	10640034
<b>Registered office</b>	10 Grosvenor Street London W1K 4QB
<b>Independent auditors</b>	Wellden Turnbull Limited Chartered Accountants & Statutory Auditors Albany House Claremont Lane Esher Surrey KT10 9FQ
<b>Bankers</b>	Lloyds Banking Group PO Box 1000 London BX1 1LT

## **MREF IV GP LIMITED**

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## **MREF IV GP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report and the financial statements for the year ended 31 December 2022.

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 to 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.

#### **Principal activity**

The principal activity of the Company in the year under review was that of general partner to funds managed by the Group of which the Company is a subsidiary.

#### **Directors**

The Directors who served during the year were:

Marc Gilbard  
Charles Ferguson-Davie

#### **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 the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

#### **Auditors**

The auditors, Wellden Turnbull Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**MREF IV GP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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*

Charles Ferguson-Davie (Sep 22, 2023,  
4:12pm)

**Charles Ferguson-Davie**  
Director

Date: 22 Sep 2023

## **MREF IV GP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MREF IV GP LIMITED**

#### **Opinion**

We have audited the financial statements of MREF IV GP Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 31 December 2022 and of its result for the year 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other 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 opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **MREF IV GP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MREF IV GP LIMITED (CONTINUED)**

#### **Opinion 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.

#### **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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

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 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.

## **MREF IV GP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MREF IV GP LIMITED (CONTINUED)**

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. We have identified the greatest risk of a material impact on the financial statements from irregularities, including fraud, to relate to the override of controls by management. We have obtained an understanding of the legal and regulatory frameworks that the Company operates within including both those that directly have an impact on the financial statements and more widely those for which non-compliance could have a significant impact on the Company's operations and reputation. The Companies Act 2006 and data protection are those we have identified in this regard. Auditing standards limit the required procedures as to non-compliance with laws and regulations to enquiries of those charged with governance and review of any applicable correspondence.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance as to actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias; and
- 
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

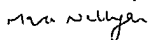


## MREF IV GP LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MREF IV GP LIMITED (CONTINUED)

#### 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 Auditors' 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.



Mark Nelligan (Sep 25, 2023, 11:13am)

Mark Nelligan FCA (Senior Statutory Auditor)

for and on behalf of

**Wellden Turnbull Limited**

Chartered Accountants

Statutory Auditors

Albany House

Claremont Lane

Esher

Surrey

KT10 9FQ

Date: 25 Sep 2023

**MREF IV GP LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £000	2021 £000
<b>Profit after tax</b>	<u>-</u>	<u>-</u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 10 form part of these financial statements.

**MREF IV GP LIMITED**  
**REGISTERED NUMBER: 10640034**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
<b>Total assets less current liabilities</b>		-	-
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	5	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</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:

*Charles Ferguson-Davie*

Charles Ferguson-Davie (Sep 22, 2023,  
**Charles Ferguson-Davie**  
 Director

Date: 22 Sep 2023

The notes on pages 9 to 10 form part of these financial statements.

## **MREF IV GP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. General information**

MREF IV GP Limited is a private company, limited by shares and incorporated in England and Wales, registration number 10640034. The registered office is 10 Grosvenor Street, London, WK1 4QB.

#### **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 judgement in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

##### **2.2 Compliance with accounting standards**

The financial statements have been prepared using FRS102, the financial reporting standard applicable in the UK and Republic of Ireland, including the disclosure and presentation requirements of Section 1A, applicable to small companies. There were no material departures from that standard.

##### **2.3 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 balance sheet date in the countries where the Company operates and generates income.

#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing the financial statements, management is required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Management do not consider the Company to have any key sources of estimation uncertainty nor any significant judgements or assumptions in preparing these financial statements.

#### **4. Employees**

The Company has no employees other than the Directors, who did not receive any remuneration (2021 - £NIL).

## MREF IV GP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 5. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 (2021 - 1) Ordinary share of £1.00	1	1

#### 6. 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 with the Group.

#### 7. Controlling party

The Company's immediate parent undertaking is Moorfield Group Limited, a company incorporated in England and Wales.

The Company's ultimate parent and controlling party is Stessa Trading Limited, a company incorporated in England and Wales.

The smallest and largest group of undertakings into which the results of the Company are consolidated is headed by Stessa Trading Limited. The registered office address of Moorfield Group Limited and Stessa Trading Limited is the same as the Company's.

The consolidated financial statements of Stessa Trading Limited can be obtained from Companies House.

**MREF IV “A” Limited Partnership**  
**Annual report and financial statements**  
**for the year ended 31 December 2022**

# **MREF IV “A” Limited Partnership**

## **Annual report and financial statements for the year ended 31 December 2022**

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# MREF IV “A” Limited Partnership

## Partnership information

### General Partner

MREF IV GP Limited  
10 Grosvenor Street  
London  
W1K 4QB

### Registered office

10 Grosvenor Street  
London  
W1K 4QB

### Carried Interest Partner

Precis (2773) Carried Interest Limited Partnership  
44 Esplanade  
St Helier  
Jersey  
JE4 9WG

### Registered number

LP17901

### Investment Manager

(authorised by the Financial Conduct Authority)

Moorfield Investment Management Limited  
10 Grosvenor Street  
London  
W1K 4QB

### Independent auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### Asset Manager

Moorfield Group Limited  
10 Grosvenor Street  
London  
W1K 4QB

### Depository

Langham Hall UK Depository LLP  
8<sup>th</sup> Floor  
1 Fleet Place  
London  
EC4M 7RA



# MREF IV “A” Limited Partnership

## Strategic report for the year ended 31 December 2022

The General Partner presents its Strategic report for the year ended 31 December 2022.

### Review of the business

MREF IV “A” Limited Partnership (the “Partnership”) has commitments from Partners of £74 million, which when combined with the MREF IV “B” Limited Partnership, MREF IV “C” SCSp and MREF IV “PC” Limited Partnership (together the “Partnerships”) total £220 million. At 31 December 2022, £69.0 million (2021: £43.4 million) of the Partners’ commitments had been drawn.

During the year, the combined Partnerships completed the following investment transactions:

- i) the disposal of shares in a subsidiary undertaking which held a purpose built student accommodation scheme in Birmingham (see Note 7);
- ii) the disposal of an indirectly held subsidiary undertaking which held a Build to Rent (BTR) property in Salford, Manchester;
- iii) acquired 65 additional properties for its portfolio of houses of multiple occupations (HMOs) let to students across 6 cities, the acquisitions were made through a joint venture with a specialist student housing HMO operator;
- iv) acquired 115 additional properties for its portfolio of single-family residential properties for rent;
- v) refinancing’s were completed on a purpose built student accommodation scheme in Colchester and the student HMO portfolio; and
- vi) the joint venture with a large operator of self-storage units, completed on the acquisition of two additional sites; construction or redevelopment at all three sites was ongoing through the year.

The Partnership itself generated a profit during the year of £519,000 (2021: £9,868,000). In March 2022, a subscription line facility for £20.0 million with Silicon Valley Bank was renewed for a further 11 months (the Partnership’s share being £22.2 million). The facility was repaid in full in November 2022.

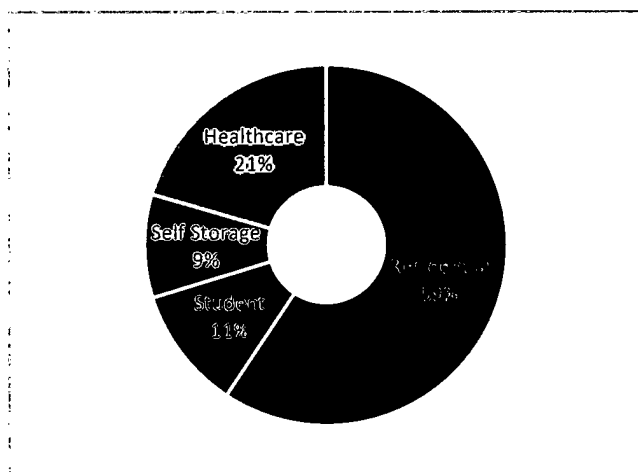
Subsequent to the year end the Partnership, together with its parallel partnerships, completed the following transactions:

- The acquisition of additional properties to its residential for rent platform; and
- A refinancing by the subsidiary which holds the portfolio of single-family residential properties for rent.

### Key performance indicators

The Partnership’s investment objective is to invest in a diversified portfolio of commercial real estate and real estate related opportunities in the United Kingdom. The following chart demonstrates the sectoral analysis of the Partnership’s current investment portfolio by gross asset value (GAV).

Sectoral Analysis of Gross Asset Value



# MREF IV “A” Limited Partnership

## Strategic report for the year ended 31 December 2022 (continued)

### Environmental and social matters

The Partnership’s strategy is to invest in real estate, real estate related opportunities and asset rich companies in the UK where proactive innovative corporate, asset and financial management is expected to enhance both income and capital returns.

Accordingly, through the Partnership’s Asset Manager, Moorfield Group, it has responded proactively to the challenges and opportunities posed by the sustainability agenda, which in recent years has taken hold as a matter requiring additional focus for real estate funds and their assets, whilst at the same time giving rise to some notable value creation prospects across the asset classes. The General Partner recognises that, over time, more environmentally efficient and productive buildings will likely yield higher net income growth, attract lower risk and therefore deliver higher returns.

The Corporate Sustainability Report published by Moorfield Group and available on the Company’s website ([www.moorfield.com](http://www.moorfield.com)) affirms the principles which underpin the Partnership’s approach to the environmental, social and governance aspects of its real estate investment, development and management processes, and through which it will continue to engage positively with all stakeholders (Partners, tenants, service providers and advisors).

The General Partner, Investment Manager and Asset Manager have set objectives and targets to address Corporate Responsibility risks and deliver improvements. A number of programmes have been established to:

- commitment to achieving operational net zero carbon by 2030;
- incorporate evaluation of environmental sustainability criteria in to the acquisition process;
- establish sustainability improvement plans at both asset and fund level to consider energy, water and wastemanagement;
- improve awareness and understanding of sustainability issues amongst employees, partners, contractors and building occupiers;
- enable the regular measurement and monitoring of key environmental data (namely energy, water and waste) across all assets;
- participate in Global Real Estate Sustainability Benchmark (GRESB) for all operational real estate and target an improved score year on year; and
- adopt Health & Wellbeing best practice at both the asset and fund level, and mechanisms for measuring social impact and managing Moorfield’s contribution to social value.

### Remuneration of the Alternative Investment Fund Manager

The Partnership has appointed Moorfield Investment Management Limited as the Alternative Investment Fund Manager to the Partnership (the “Investment Manager”). The Investment Manager is a wholly owned subsidiary of Stessa Trading Limited. The AIFMD imposes certain remuneration disclosure requirements to be made by the managers of the Alternative Investment Funds (“AIFs”) which they manage. These include disclosing the remuneration, both fixed and variable, paid by the Investment Manager to its staff. Staff means senior management and members of staff of the AIFM (and its associates) whose actions have a material impact on the risk profile of the AIF.

In relation to the Investment Manager of this Partnership, the table below provides a summary of the remuneration paid to staff in 2022. This remuneration table is for this Partnership only and has been calculated based on an allocation by GAV of all AIFs.

	Head count	Fixed remuneration	Variable remuneration	Carried interest paid
Directors and senior staff	21	£364,971	£108,672	£Nil
Number of AIFs under management	No. 12			

# MREF IV “A” Limited Partnership

## Strategic report for the year ended 31 December 2022 (continued)

### Moorfield Investment Management Limited Remuneration policy

The general remuneration process of Moorfield Investment Management Limited (“MIML”) is applicable to all entities within the Stessa Trading Limited Group. The Remuneration Committee of Stessa Trading Ltd (“the Remuneration Committee”) approves the list of relevant staff annually.

The Remuneration Committee has established a Remuneration Policy and its purpose is to ensure that the remuneration of employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the relevant fund for which MIML is the Investment Advisor or Manager.

The Remuneration Committee is responsible for setting the overarching principles and parameters of Remuneration Policy covering all executives and employees of the Stessa Trading Group.

### Principal risks and uncertainties facing the Partnership

The following identifies the Partnerships principal risks and the ways in which the General Partner intends to manage and controls these risks:

- (i) The risk of identifying and acquiring new investments. The Investment Manager employs a team of experienced real estate professionals, with contacts across many sectors of the real estate market, to evaluate and manage a structured process of originating transactions both on and off the market, to ensure that a continuous pipeline of opportunities is being assessed;
- (ii) The risk of tenants exercising their break options or leases not being renewed at the end of their term, both resulting in properties or units becoming vacant. The Asset Manager oversees this process on behalf of the General Partner and directs a team of real estate professionals to manage this process in a timely and effective manner;
- (iii) The impact of a general downturn in the real estate market negatively impacting on the valuation of individual real estate assets. The investment strategy is based on investing in real estate where active corporate, asset and financial management is expected to enhance both income and capital returns thereby reducing the exposure to adverse market movements;
- (iv) Letting Risk of Private Residential & Student Schemes – the Partnerships have one private rented sector scheme and one student accommodation scheme both held for long term investment. The Investment Manager has undertaken detailed research into these sectors and locations, to support its forecast of strong residential and student demand. A detailed strategy has been developed to design, market and brand each site with the support of a managing agent and local letting agents.

The financial risks and the way in which the Partnership manages them are listed below:

#### i. Debt financing

Each investment is held in a separate corporate structure which is owned by the combined Partnerships. The debt financings are secured by fixed and floating charges over the assets of each investment and have no recourse to the Partnerships. The principal covenants relating to these borrowings are interest cover and loan to value ratios.

#### ii. Interest rate risk

The Partnership finances its operations through a mixture of interest free loans from Limited Partners and debt financing. The Partnership uses interest rate swaps and caps to manage its exposure to interest rate fluctuations. At the year end, 28% of the Partnership's bank borrowing in underlying corporate vehicles were hedged at fixed rates through a mixture of interest rate swaps and interest rate caps. The Partnership does not fix the interest cost of the equity bridge facility because of its short term nature.

# **MREF IV “A” Limited Partnership**

## **Strategic report for the year ended 31 December 2022 (continued)**

On behalf of the Partnership



Charles Ferguson Davie  
For MREF IV GP Limited  
**General Partner**  
**Date: 5 May 2023**

# **MREF IV “A” Limited Partnership**

## **General Partner’s report for the year ended 31 December 2022**

The General Partner presents its annual report together with the audited financial statements of the MREF IV “A” Limited Partnership (the “Partnership”) for the year ended 31 December 2022.

### **Principal activities**

The principal activity of the Partnership is investing in real estate and real estate related opportunities.

### **Results**

The results for the year ended 31 December 2022 are shown on page 11. The profit for the financial year was £519,000 (2021: £9,868,000).

### **Statement of General Partner’s responsibilities in respect of the financial statements**

The general partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the “Regulations”), requires the general partner to prepare financial statements for each financial year. Under that law the general partner has 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”, and applicable law). Under company law, as applied to qualifying partnerships, the general partner 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the general partner are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 qualifying partnership will continue in business.

The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations.

### **General Partner’s confirmations**

In the case of each director of the general partner in office at the date the General Partner’s Report is approved:

- so far as the General Partner is aware, there is no relevant audit information of which the qualifying partnership’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the qualifying partnership’s auditors are aware of that information.

# **MREF IV “A” Limited Partnership**

## **General Partner’s report for the year ended 31 December 2022 (continued)**

### **Independent auditors**

The auditors during the year were BDO LLP. The independent auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Partnership



Charles Ferguson Davie  
For MREF IV GP Limited  
**General Partner**  
**Date: 5 May 2023**

# MREF IV “A” Limited Partnership

## Independent auditors’ report to the Partners of MREF IV “A” Limited Partnership

### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Partnership’s affairs as at 31 December 2022 and of its profit for the year 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements of MREF IV “A” Limited Partnership (“the Partnership”) for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in net assets attributable to Partners, the statement of cash flows and 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Partnership 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 other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Partners’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Partnership’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the General Partner with respect to going concern are described in the relevant sections of this report.

### Other information

The General Partner is responsible for the 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.

# **MREF IV “A” Limited Partnership**

## **Independent auditors’ report to the Partners of MREV IV “A” Limited Partnership (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 as applied to qualifying partnerships**

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

- the information given in the Strategic report and Partner’s report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and General Partner’s report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and General Partner’s report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

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

### **Responsibilities of the General Partner**

As explained more fully in the General Partner’s responsibilities statement, the General Partner is 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 General Partner determines 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 General Partner is responsible for assessing the Partnership’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 General Partner either intends to liquidate the Partnership 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.



# MREF IV “A” Limited Partnership

## Independent auditors’ report to the Partners of MREV IV “A” Limited Partnership (continued)

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding using our general commercial and sector experience and through discussions with the General Partner and senior management of the legal and regulatory framework applicable to the entity and the industry to which it operates, and considered the risk of acts by the partnership that were contrary to applicable laws and regulations, including fraud. We communicated those laws and regulations identified along with potential fraud risks throughout our audit team and remaining alert to any indications of non-compliance or fraud throughout the audit. Audit procedures performed included:

- enquiry of management and the General Partners as to their identification of any non-compliance with laws and regulations, or any actual or potential claims thereof;
- performing our own checks of compliance with relevant areas identified which included the UK tax legislation as well as those laws and regulations that have a direct impact on the financial statement such as the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008;
- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements; and
- identifying and testing journal entries, in particular any journal entries posted with unusual accounting combinations and journal entries where the descriptions were indicative of inappropriate transactions with related parties of the Company, where any such journal entries were identified.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: <https://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 Partnership’s partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership’s partners 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 Partnership and the Partnership’s partners as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
**Chris Young**  
A69F3BF7808C49C...  
Christopher Young (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
Date 05 May 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# MREF IV “A” Limited Partnership

## Statement of comprehensive income

	Note	2022 £'000	2021 £'000
Investment income	5	5,300	494
Administrative expenses	6	(852)	(934)
Loss/(Gain) on disposal of an investment	7	(4,176)	7,972
<b>Operating profit before fair value adjustment</b>	9	<b>272</b>	<b>7,532</b>
Fair value adjustment on investments	11	369	2,619
<b>Operating profit after fair value adjustment</b>		<b>641</b>	<b>10,151</b>
Interest payable and similar expenses		(122)	(283)
<b>Profit for the financial year</b>		<b>519</b>	<b>9,868</b>
<b>Net increase in net assets attributable to Limited Partners from operations before carried interest</b>		<b>519</b>	<b>9,868</b>
Carried interest allocation		(3,182)	-
<b>Net (decrease)/increase in net assets attributable to Limited Partners from operations after carried interest</b>		<b>(2,663)</b>	<b>9,868</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

# MREF IV “A” Limited Partnership

## Balance sheet as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investments	11	47,222	46,831
<b>Current assets</b>			
Debtors	12	39	150
Cash at bank and in hand		10,944	3,977
<b>Total current assets</b>		<b>10,983</b>	<b>4,127</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(751)</b>	<b>(3,476)</b>
<b>Net current assets</b>		<b>10,232</b>	<b>651</b>
<b>Total assets</b>		<b>57,454</b>	<b>47,482</b>
<b>Net assets attributable to Partners</b>		<b>57,454</b>	<b>47,482</b>
<b>Represented by:</b>			
Partner capital		1	1
Partner loan		41,544	32,091
Retained surplus		12,727	15,390
<b>Total attributable to Limited Partners</b>		<b>54,272</b>	<b>47,482</b>
<b>Carried interest partner account</b>		<b>3,182</b>	<b>-</b>
<b>Total attributable to Limited Partners</b>		<b>57,454</b>	<b>47,482</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

The financial statements on pages 11 to 22 were authorised for issue by the board of directors of the General Partner on 5 May 2023 and were signed on its behalf by:



Charles Ferguson Davie  
For MREF IV GP Limited  
**General Partner**

# MREF IV “A” Limited Partnership

## Statement of changes in net assets attributable to Partners

	Partner capital accounts	Partner loan accounts	Retained surplus	Allocation to Carried Interest Partner	Total net assets attributable to Partners
	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	1	20,374	5,522	-	25,897
Increase in net assets attributable to Partners from operations	-	-	9,868	-	9,868
Movement in net assets before transactions with Partners	-	-	9,868	-	9,868
<b>Transactions with Partners</b>					
Drawdown of Partner loans	-	34,276	-	-	34,276
Repayment of Partner loans	-	(22,559)	-	-	(22,559)
<b>At 31 December 2021 and 1 January 2022</b>	<b>1</b>	<b>32,091</b>	<b>15,390</b>	<b>-</b>	<b>47,482</b>
Increase in net assets attributable to Partners from operations	-	-	519	-	519
Movement in carried interest allocation	-	-	(3,182)	3,182	-
Movement in net assets before transactions with Partners	-	-	(2,663)	3,182	519
<b>Transactions with Partners</b>					
Drawdown of Partner loans	-	25,574	-	-	25,574
Repayment of Partner loans	-	(16,121)	-	-	(16,121)
<b>At 31 December 2022</b>	<b>1</b>	<b>41,544</b>	<b>12,727</b>	<b>3,182</b>	<b>57,454</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

# MREF IV “A” Limited Partnership

## Statement of cash flows

	Note	2022 £'000	2021 £'000
<b>Net cash generated from operating activities</b>	16	<b>2,433</b>	<b>1,610</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments	11	(27,443)	(27,379)
Proceeds from fixed asset investments	11	23,298	32,514
<b>Net cash (used in)/ generated from investing activities</b>		<b>(4,145)</b>	<b>5,135</b>
<b>Cash flows from financing activities</b>			
Loans drawn		-	661
Repayment of loan		(661)	(15,091)
Interest paid		(74)	(186)
Finance fees paid		(39)	(96)
Partner loans advanced		25,574	34,276
Partner Loans repaid		(16,121)	(22,559)
<b>Net cash generated from/(used in) financing activities</b>		<b>8,679</b>	<b>(2,995)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,967</b>	<b>3,750</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>3,977</b>	<b>227</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>10,944</b>	<b>3,977</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		10,944	3,977
<b>Cash and cash equivalents</b>		<b>10,944</b>	<b>3,977</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

# MREF IV “A” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022

### 1 General information

The Partnership's principal activity during the financial year was investing in real estate and real estate related opportunities. The Partnership is a private limited partnership and is incorporated and domiciled in the UK. The address of the registered office is 10 Grosvenor Street, Mayfair, London, W1K 4QB.

### 2 Statement of compliance

The financial statements of MREF IV “A” Limited Partnership have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the “Regulations”).

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments, and other financial assets and financial liabilities carried at fair value through profit or loss. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### (b) Going concern

In assessing the appropriateness of the going concern basis of preparation, the directors of the general partner have taken into account the key risks of the business.

The directors of the general partner have reviewed the Fund's business plan, including cash forecasts and taken into consideration the net assets and cash position, debt obligations of the Fund, specifically the non-recourse nature of the investment level debt, and available unfunded commitments from its Limited Partners.

Having undertaken these assessments, the directors of the general partner have a reasonable expectation that the Fund has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and considers it appropriate to prepare the financial statements on a going concern basis.

#### (c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of value added taxes. The main revenue stream is interest on loans to investment vehicles and distributions from investment vehicles.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Partnership recognises interest income and income from investments on an accruals basis. Income from participating interests relates to distribution from fixed asset investments and is recognised when declared and approved.

#### (d) Taxation

The Partnership, as a transparent entity, is not subject to pay UK income tax. Any tax liabilities arising from the results of the Partnership are dealt with in the financial statements of the investing Partners.

# MREF IV “A” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### (e) Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

#### (f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

#### (g) Financial instruments

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

##### (i) Financial assets

Basic financial assets, including amounts owed by related party undertakings, other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction 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 asset's 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 trade payables and other payables, bank overdrafts, bank loans, loans from fellow group undertakings and amounts owed to related party undertakings 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 amounts presented in the financial statements 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.

#### (h) Carried interest

The Carried Interest Partner (“CIP”) is entitled to receive a share of the realised profits of the Partnership which is known as Carried Interest. The CIP's entitlement to distributions of Carried Interest is set out in the distribution mechanism in the LPA and arises when the limited partners' loan account is repaid and the cumulative distributions paid to limited partners are above the preferred return (as defined in the LPA).

Carried Interest is recognised once it is considered probable that there will be an allocation which can be reliably measured. No amounts are recognised until the Partnership is fully invested or the investment period has ended.

# MREF IV “A” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### (h) Carried interest (continued)

The investment period ended on 31 March 2022.

The amount recognised as amounts due to the Carried Interest Partner at the Balance Sheet date is based on the net asset value of the Partnership and the mechanism as defined within the LPA. Subsequent changes to amounts due to the Carried Interest are recognised in the Statement of Comprehensive Income in the period in which they arise.

The final amount of Carried Interest paid, if any, will be determined by reference to distributions paid to limited partners and the mechanism in the LPA. Any payment of Carried Interest to the CIP is subject to clawback provisions as detailed in the LPA.

#### (i) Investments

The Partnership invests in a number of undertakings in conjunction with MREF IV “B” Limited Partnership, MREF IV “PC” Limited Partnership and MREF IV “C” SCSp (together, the “parallel partnerships”). Fixed assets investments are initially measured at cost. The Partnership funds its investment in underlying undertakings through a mixture of equity, interest bearing and interest free loans from the Partnership. Interest on loans is included in turnover and other changes in the fair value of the net assets of the underlying undertaking are included in the fair value adjustment on Investments in the statement of comprehensive income.

### 4 Critical accounting judgements and estimation uncertainty

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. As at 31 December 2022 the Partnership had the following critical accounting estimates and assumptions.

#### (a) Critical judgements in applying the entity’s accounting policies

No critical judgements have been made in applying the entity’s accounting policies.

#### (b) Key accounting estimates and judgements

##### i) Estimates - Valuation of investments

Investments are held at fair value based on the Partnership’s share of the net asset value of the underlying investment entity. The principal accounting estimate for the Partnership is the valuation of investment property. Investment property is held indirectly by the Partnership for earning rental income and capital appreciation, and is measured at fair value. The fair value of these properties is based on either (i) a valuation by a professionally qualified and experienced independent valuer or (ii) an offer for sale by an independent third party or (iii) on a director valuation assisted by a professionally qualified and experienced independent valuer. The general partner, on the advice of the independent valuer, considers a number of factors including including risk of tenants exercising break options, estimated rental value, market yield and risk associated with development of properties to arrive at the year-end value.

##### ii) Judgements - Carried interest allocation

The Carried Interest Partner is entitled to a Carried Interest based on the performance of the Partnership in accordance with the mechanism set out in the LPA. Judgement is required on when the Carried Interest is provided for within these Financial Statements as the amount payable is dependent on the performance of the Partnership and will only become payable once all Limited Partners’ capital advances and preferred return have been fully paid. Carried interest is recognised once it is considered probable that there will be an allocation which can be reliably measured, as such, no amounts are recognised until the Partnership is fully invested or the investment period has ended.

On 31 March 2022 the Partnerships investment period expired and consequently the General Partner believes it is appropriate to recognise an allocation of profits to the carried interest partner in the year. As at 31 December 2022 no carried interest was paid to the CIP.



# MREF IV “A” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 5 Investment income

	2022	2021
	£'000	£'000
Distribution from subsidiaries	5,181	-
Interest income from subsidiaries	119	494
Total	5,300	494

Turnover relates to interest on loans to investment vehicles and distributions from investment vehicles and are the main activities of the Partnership and are carried out in the United Kingdom.

### 6 Administrative expenses

	2022	2021
	£'000	£'000
Investment management fee	626	707
Other administrative expenses	225	227
	851	934

### 7 Gain on disposal of an investment

	2022	2021
	£'000	£'000
Net proceeds	16,080	22,134
Cost of investment	-	(12,553)
Repayment of loan	(13,337)	-
Reversal of fair value adjustment from prior years	(6,919)	(1,609)
(Loss)/Gain on disposal of an investment	(4,176)	7,972

The gain on disposal of an investment relates to the disposal of the Partnership's entire interest in a subsidiary undertaking – MREF IV Birmingham Limited.

### 8 Employees

The Partnership had no employees during the year (2021: Nil).

### 9 Operating profit/(loss) before fair value adjustment

Operating profit/ (loss) before fair value adjustment is stated after charging:

	2022	2021
	£'000	£'000
Fees payable to the Partnership's auditors for the audit of the financial statements	44	35
Non audit services – tax advisory and tax compliance services	-	-

# MREF IV “A” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 10 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest payable	74	186
Other finance costs	48	97
	122	283

### 11 Investments

	2022	2021
	£'000	£'000
At 1 January	46,831	40,815
Additions	27,563	27,873
Distributions/repayments from investments	(7,258)	(10,314)
Fair value adjustments on investments	369	2,619
Disposal of investment	(13,364)	(12,553)
Reversal of fair value adjustment on investment sold	(6,919)	(1,609)
<b>At 31 December</b>	<b>47,222</b>	<b>46,831</b>

Name	Country of incorporation	Class of shares	Holding	Principal activity
MREF IV BTR Holdings Sarl	Luxembourg	Ordinary	33.6%	Holding entity
MREF IV ASH Limited	UK	Ordinary	33.6%	Holding entity
MREF IV Care Holdings Limited	UK	Ordinary	41.4%	Holding entity
NF Care Holdings Limited*	UK	Ordinary	41.4%	Holding entity
Cherry Blossom Home Limited*	UK	Ordinary	41.4%	Property operator
Magdalen House Limited*	UK	Ordinary	41.4%	Property operator
Sentinel Health Care Limited*	UK	Ordinary	41.4%	Property operator
Dunwood Properties Limited*	UK	Ordinary	41.4%	Property operator
MREV IV Storage Holdings Limited	UK	Ordinary	33.6%	Holding entity
SK Heathrow Limited*	UK	Ordinary	25.3%	Property investment
SK Canterbury 1 Limited*	UK	Ordinary	25.3%	Property investment
SK Bath Limited*	UK	Ordinary	25.3%	Property investment
Moorfield Residential Holdings Limited	UK	Ordinary	33.6%	Holding entity
Brickmoor Investment Limited*	UK	Ordinary	33.6%	Holding entity
Brickmoor London Limited *	UK	Ordinary	33.6%	Property investment
Brickmoor South Limited*	UK	Ordinary	33.6%	Property investment
Brickmoor South West Limited*	UK	Ordinary	33.6%	Property investment
Moorfield Student Housing Limited	UK	Ordinary	33.6%	Holding entity
WAKMoor Limited *	UK	Ordinary	28.6%	Holding entity
WAKMoor (Asset) Limited*	UK	Ordinary	28.6%	Property investment
Lincoln Portfolio 1 Limited*	UK	Ordinary	28.6%	Property investment
We Are Kin Portfolio 2 Limited*	UK	Ordinary	28.6%	Property investment

# MREF IV “A” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 11 Investments (continued)

Name	Country of incorporation	Class of shares	Holding	Principal activity
MREF IV Colchester Holdings Limited	UK	Ordinary	33.6%	Holding entity
MREF IV Colchester Property Limited*	UK	Ordinary	33.6%	Property investment
MREF IV Colchester Operations Limited*	UK	Ordinary	33.6%	Property operator
MREF IV Ealing Holdings Limited	UK	Ordinary	33.6%	Holding entity
MREF IV Ealing Property Limited*	UK	Ordinary	33.6%	Property investment
MREF IV Ealing Operations Limited*	UK	Ordinary	33.6%	Property operator

\*Indirect investment

### 12 Debtors

	2022 £'000	2021 £'000
Amounts owed by related party undertakings	37	-
Other debtors	2	150
	<b>39</b>	<b>150</b>

Amounts owed by related party undertakings are unsecured, interest free and repayable on demand.

### 13 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Bank loan (note 14)	-	651
Trade payables	157	560
Amounts owed to related party undertakings	378	2,134
Accruals	89	131
Other Creditors	127	-
	<b>751</b>	<b>3,476</b>

Amounts owed to related party undertakings are unsecured, interest free and repayable on demand.

### 14 Loans

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Bank loan – secured	-	661
Unamortised finance fees	-	(10)
Total bank loans	-	651

During the year the Partnership repaid in full the outstanding bank loan and fully amortised the outstanding finance fees.

# MREF IV "A" Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 15 Financial instruments

The Partnership has the following financial instruments:

	2022	2021
	£'000	£'000
<b>Financial assets</b>		
Financial assets which are debt instruments measured at amortised cost		
- Amounts owed by related party undertakings	37	-
- Other debtors	2	150
Cash at bank	10,944	3,977
	2022	2021
	£'000	£'000
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
- Bank loan	-	661
- Trade payables	157	560
- Amounts owed to related party undertakings	378	2,134
- Accruals	89	131
- Other creditors	127	-

### 16 Notes to the statement of cash flows

	2022	2021
	£'000	£'000
<b>Profit for the financial year</b>	<b>519</b>	<b>9,868</b>
Net interest expense	122	283
Interest receivable from investments	(119)	(494)
Fair value adjustment	(369)	(1,010)
(Loss)/Gain on disposal of an investment	4,176	(9,581)
Movement in debtors	111	139
Movement in creditors	(2,007)	2,405
<b>Net cash flow generated from operating activities</b>	<b>2,433</b>	<b>1,610</b>

### 17 Related party transactions

The Partnership is operated in conjunction with the MREF IV "B" Limited Partnership, its parallel partnership, MREF IV "PC" Limited Partnership and MREF IV "C" SCSp. The four Partnerships, with respect to any investment in property, invest and divest on economic and non-economic terms that are the same. The respective interests of the four Partnerships in any investment in property are in proportion to the commitments of each of the Partnerships and they share pro-rata in any related investment expenses (MREF IV "A" Limited Partnership: 33.64%, MREF IV "B" Limited Partnership: 34.60%, MREF IV "PC" Limited Partnership: 11.39%, and MREF IV "C" SCSp: 20.37%). Similarly the Partnerships bear any operating expenses on a pro rata basis (except to the extent that such expenses are specifically allocable to a particular Partnership).

# MREF IV “A” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 17 Related party transactions (continued)

The following amounts from related parties were identified in the statement of comprehensive income:

- i) Investment income of £119,000 (2021: £494,000) from other related parties that MREF IV “A” Limited Partnership holds as an investment, together with its parallel fund MREF IV “B” Limited Partnership and MREF IV “PC” Limited Partnership.
- ii) Other asset management fees of £61,000 (2021 - £16,000) in respect of underlying investment vehicles that MREF IV A Limited Partnership holds as an investment together with the Parallel Partnerships.

The following amounts were identified as balances due from/to related parties in the Balance sheet:

- i) Fixed assets investments of £47,222,000 (2021: £46,831,000) held pari passu with its parallel fund MREF IV “B” Limited Partnership, MREF IV “PC” Limited Partnership and MREF IV “C” SCSp;
- ii) A payable of £17,000 (2021: £1,412,000) with MREF IV “B” Limited Partnership;
- iii) A payable of £9,000 (2021: £623,000) with MREF IV “PC” Limited Partnership;
- iv) A payable of £127,000 (2021: £Nil) with Moorfield Investment Management Limited;
- v) A payable of £352,000 (2021: £99,000) with MREF IV “C” SCSp; and
- vi) A receivable of £37,000 (2021: £Nil) with other related parties.

Note 11 to the financial statements discloses investments and repayments of investment made during the year.

The Limited Partnership Agreement provides that MREF IV GP Limited shall act as the General Partner of the Partnership. The Limited Partnership Agreement also provides that the General Partner is entitled to an Investment Management fee. During the year to 31 December 2022, MREF IV “A” Limited Partnership paid management fees of £626,000 (2021: £694,000) to Moorfield Investment Management Limited.

### 18 Partner commitments

	2022 £'000	2021 £'000
Undrawn partner commitments at the beginning of the year	30,556	51,683
Called by Partnership	(25,574)	(34,276)
Partner loans repaid and available for reinvestment	-	13,149
Undrawn Partner commitments at the end of the year	4,982	30,556

### 19 Contingent liabilities

An underlying investment entity, MREF IV Colchester Property Ltd, has entered into a design and build contract for £19.5m. In September 2022 the entity entered into a development facility to provide for the acquisition and development costs up to a 55% loan to cost ratio. The Partnership, together with its parallel partnerships has provided an “all costs” guarantee of £2.0 million (the Partnership’s share is £673,000), at Practical Completion the guarantee is reduced to £800,000 and interest cover only.

**Registered number: LP017902**

**MREF IV “B” Limited Partnership  
Annual report and financial statements  
for the year ended 31 December 2022**

# **MREF IV “B” Limited Partnership**

## **Annual report and financial statements for the year ended 31 December 2022**

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# MREF IV “B” Limited Partnership

## Partnership information

### General Partner

MREF IV GP Limited  
10 Grosvenor Street  
London  
W1K 4QB

### Registered office

10 Grosvenor Street  
London  
W1K 4QB

### Carried Interest Partner

Precis (2773) Carried Interest Limited Partnership  
44 Esplanade  
St Helier  
Jersey  
JE4 9WG

### Registered number

LP017902

### Investment Manager

(authorised by the Financial Conduct Authority)

Moorfield Investment Management Limited  
10 Grosvenor Street  
London  
W1K 4QB

### Independent auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### Asset Manager

Moorfield Group Limited  
10 Grosvenor Street  
London  
W1K 4QB

### Depository

Langham Hall UK Depository LLP  
8<sup>th</sup> Floor  
1 Fleet Place  
London  
EC4M 7RA



# MREF IV “B” Limited Partnership

## Strategic report for the year ended 31 December 2022

The General Partner presents its Strategic report for the year ended 31 December 2022.

### Review of the business

MREF IV “B” Limited Partnership (the “Partnership”) has commitments from Partners of £76.1 million, which when combined with the MREF IV “A” Limited Partnership, MREF IV “C” SCSp and MREF IV “PC” Limited Partnership (together the “Partnerships”) total £220 million. At 31 December 2022, £71.0 million (2021: £45.6 million) of the Partners’ commitments had been drawn.

During the year, the combined Partnerships completed the following investment transactions:

- i) the disposal of shares in a subsidiary undertaking which held a purpose built student accommodation scheme in Birmingham (see Note 7);
- ii) the disposal of an indirectly held subsidiary undertaking which held a Build to Rent (BTR) property in Salford, Manchester;
- iii) acquired 65 additional properties for its portfolio of houses of multiple occupations (HMOs) let to students across 6 cities, the acquisitions were made through a joint venture with a specialist student housing HMO operator;
- iv) acquired 115 additional properties for its portfolio of single-family residential properties for rent;
- v) refinancing’s were completed on a purpose built student accommodation scheme in Colchester and the student HMO portfolio; and
- vi) the joint venture with a large operator of self-storage units, completed on the acquisition of two additional sites; construction or redevelopment at all three sites was ongoing through the year.

The Partnership itself generated a profit during the year of £602,000 (2021: £10,187,000). In March 2022, a subscription line facility for £20.0 million with Silicon Valley Bank was renewed for a further 11 months (the Partnership’s share being £22.2 million). The facility was repaid in full in November 2022.

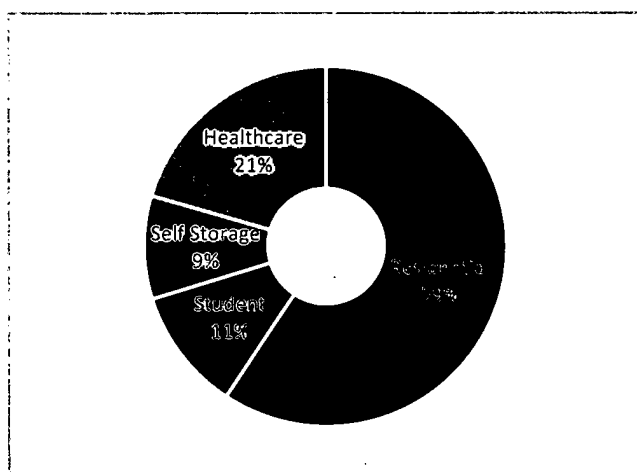
Subsequent to the year end the Partnership, together with its parallel partnerships, completed the following transactions:

- the acquisition of additional properties to its residential for rent platform; and
- a refinancing by the subsidiary which holds the portfolio of single-family residential properties for rent.

### Key performance indicators

The Partnership’s investment objective is to invest in a diversified portfolio of commercial real estate and real estate related opportunities in the United Kingdom. The following chart demonstrates the sectoral analysis of the Partnership’s current investment portfolio by gross asset value (GAV).

Sectoral Analysis of Gross Asset Value



# MREF IV “B” Limited Partnership

## Strategic report for the year ended 31 December 2022 (continued)

### Environmental and social matters

The Partnership’s strategy is to invest in real estate, real estate related opportunities and asset rich companies in the UK where proactive innovative corporate, asset and financial management is expected to enhance both income and capital returns.

Accordingly, through the Partnership’s Asset Manager, Moorfield Group, it has responded proactively to the challenges and opportunities posed by the sustainability agenda, which in recent years has taken hold as a matter requiring additional focus for real estate funds and their assets, whilst at the same time giving rise to some notable value creation prospects across the asset classes. The General Partner recognises that, over time, more environmentally efficient and productive buildings will likely yield higher net income growth, attract lower risk and therefore deliver higher returns.

The Corporate Sustainability Report published by Moorfield Group and available on the Company’s website ([www.moorfield.com](http://www.moorfield.com)) affirms the principles which underpin the Partnership’s approach to the environmental, social and governance aspects of its real estate investment, development and management processes, and through which it will continue to engage positively with all stakeholders (Partners, tenants, service providers and advisors).

The General Partner, Investment Manager and Asset Manager have set objectives and targets to address Corporate Responsibility risks and deliver improvements. A number of programmes have been established to:

- commitment to achieving operational net zero carbon by 2030;
- incorporate evaluation of environmental sustainability criteria in to the acquisition process;
- establish sustainability improvement plans at both asset and fund level to consider energy, water and wastemanagement;
- improve awareness and understanding of sustainability issues amongst employees, partners, contractors and building occupiers;
- enable the regular measurement and monitoring of key environmental data (namely energy, water and waste) across all assets;
- participate in Global Real Estate Sustainability Benchmark (GRESB) for all operational real estate and target an improved score year on year; and
- adopt Health & Wellbeing best practice at both the asset and fund level, and mechanisms for measuring social impact and managing Moorfield’s contribution to social value.

### Remuneration of the Alternative Investment Fund Manager

The Partnership has appointed Moorfield Investment Management Limited as the Alternative Investment Fund Manager to the Partnership (the “Investment Manager”). The Investment Manager is a wholly owned subsidiary of Stessa Trading Limited. The AIFMD imposes certain remuneration disclosure requirements to be made by the managers of the Alternative Investment Funds (“AIF’s”) which they manage. These include disclosing the remuneration, both fixed and variable, paid by the Investment Manager to its staff. Staff means senior management and members of staff of the AIFM (and its associates) whose actions have a material impact on the risk profile of the AIF.

In relation to the Investment Manager of this Partnership, the table below provides a summary of the remuneration paid to staff in 2022. This remuneration table is for this Partnership only and has been calculated based on an allocation by GAV of all AIFs.

	Head count	Fixed remuneration	Variable remuneration	Carried interest paid
Directors and senior staff	21	£375,329	£111,756	£Nil
Number of AIFS under management	No. 12			

# MREF IV “B” Limited Partnership

## Strategic report for the year ended 31 December 2022 (continued)

### Moorfield Investment Management Limited Remuneration policy

The general remuneration process of Moorfield Investment Management Limited (“MIML”) is applicable to all entities within the Stessa Trading Limited Group. The Remuneration Committee of Stessa Trading Ltd (“the Remuneration Committee”) approves the list of relevant staff annually.

The Remuneration Committee has established a Remuneration Policy and its purpose is to ensure that the remuneration of employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the relevant fund for which MIML is the Investment Advisor or Manager.

The Remuneration Committee is responsible for setting the overarching principles and parameters of Remuneration Policy covering all executives and employees of the Stessa Trading Group.

### Principal risks and uncertainties facing the Partnership

The following identifies the Partnerships principal risks and the ways in which the General Partner intends to manage and controls these risks:

- (i) The risk of identifying and acquiring new investments. The Investment Manager employs a team of experienced real estate professionals, with contacts across many sectors of the real estate market, to evaluate and manage a structured process of originating transactions both on and off the market, to ensure that a continuous pipeline of opportunities is being assessed;
- (ii) The risk of tenants exercising their break options or leases not being renewed at the end of their term, both resulting in properties or units becoming vacant. The Asset Manager oversees this process on behalf of the General Partner and directs a team of real estate professionals to manage this process in a timely and effective manner;
- (iii) The impact of a general downturn in the real estate market negatively impacting on the valuation of individual real estate assets. The investment strategy is based on investing in real estate where active corporate, asset and financial management is expected to enhance both income and capital returns thereby reducing the exposure to adverse market movements;
- (iv) Letting Risk of Private Residential & Student Schemes – the Partnerships have one private rented sector scheme and one student accommodation scheme both held for long term investment. The Investment Manager has undertaken detailed research into these sectors and locations, to support its forecast of strong residential and student demand. A detailed strategy has been developed to design, market and brand each site with the support of a managing agent and local letting agents.

The financial risks and the way in which the Partnership manages them are listed below:

#### i. Debt financing

Each investment is held in a separate corporate structure which is owned by the combined Partnerships. The debt financings are secured by fixed and floating charges over the assets of each investment and have no recourse to the Partnerships. The principal covenants relating to these borrowings are interest cover and loan to value ratios.

#### ii. Interest rate risk

The Partnership finances its operations through a mixture of interest free loans from Limited Partners and debt financing. The Partnership uses interest rate swaps and caps to manage its exposure to interest rate fluctuations. At the year end, 28% of the Partnership's bank borrowing in underlying corporate vehicles were hedged at fixed rates through a mixture of interest rate swaps and interest rate caps. The Partnership does not fix the interest cost of the equity bridge facility because of its short term nature.

# **MREF IV “B” Limited Partnership**

## **Strategic report for the year ended 31 December 2022 (continued)**

On behalf of the Partnership



Charles Ferguson Davie  
For MREF IV GP Limited  
**General Partner**  
**Date 5 May 2023**

# **MREF IV “B” Limited Partnership**

## **General Partner’s report for the year ended 31 December 2022**

The General Partner presents its annual report together with the audited financial statements of the MREF IV “B” Limited Partnership (the “Partnership”) for the year ended 31 December 2022.

### **Principal activities**

The principal activity of the Partnership is investing in real estate and real estate related opportunities.

### **Results**

The results for the year ended 31 December 2022 are shown on page 11. The profit for the financial year was £602,000 (2021: £10,187,000).

### **Statement of General Partner’s responsibilities in respect of the financial statements**

The general partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the “Regulations”), requires the general partner to prepare financial statements for each financial year. Under that law the general partner has 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”, and applicable law). Under company law, as applied to qualifying partnerships, the general partner 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the general partner are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 qualifying partnership will continue in business.

The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations.

### **General Partner’s confirmations**

In the case of each director of the general partner in office at the date the General Partner’s Report is approved:

- so far as the General Partner is aware, there is no relevant audit information of which the qualifying partnership’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the qualifying partnership’s auditors are aware of that information.

# **MREF IV “B” Limited Partnership**

## **General Partner’s report for the year ended 31 December 2022 (continued)**

### **Independent auditors**

The auditors during the year were BDO LLP. The independent auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their re appointment will be proposed at the Annual General Meeting.

On behalf of the Partnership



Charles Ferguson Davie  
For MREF IV GP  
Limited **General Partner**  
**Date: 5 May 2023**

# **MREF IV “B” Limited Partnership**

## **Independent auditor’s report to the Partners of MREV IV “B” Limited Partnership**

### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Partnership’s affairs as at 31 December 2022 and of its profit for the year 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements of MREF IV “B” Limited Partnership (“the Partnership”) for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in net assets attributable to Partners, the statement of cash flows and 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Partnership 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 other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the General Partner’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Partnership’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the General Partner with respect to going concern are described in the relevant sections of this report.

### **Other information**

The General Partner is responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

# **MREF IV “B” Limited Partnership**

## **Independent auditor’s report to the Partners of MREV IV “B” Limited Partnership (continued)**

### **Other information (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 as applied to qualifying partnerships**

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

- the information given in the Strategic report and General Partner’s report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and General Partner’ report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and General Partner’s report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

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

### **Responsibilities of the General Partner**

As explained more fully in the statement of General Partner’s responsibilities in respect of the financial statements, the General Partner is 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 General Partner determines 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 General Partner is responsible for assessing the Partnership’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 General Partner either intends to liquidate the Partnership 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.



# MREF IV “B” Limited Partnership

## Independent auditor’s report to the Partners of MREV IV “B” Limited Partnership (continued)

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding using our general commercial and sector experience and through discussions with the General Partner and senior management of the legal and regulatory framework applicable to the company and the industry to which it operates, and considered the risk of acts by the partnership that were contrary to applicable laws and regulations, including fraud. We communicated those laws and regulations identified along with potential fraud risks throughout our audit team and remaining alert to any indications of non-compliance or fraud throughout the audit. Audit procedures performed included:

- enquiry of management and the General Partner as to their identification of any non-compliance with laws and regulations, or any actual or potential claims thereof;
- performing our own checks of compliance with relevant areas identified which included the UK tax legislation as well as those laws and regulations that have a direct impact on the financial statement such as the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008,
- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements; and
- identifying and testing journal entries, in particular any journal entries posted with unusual accounting combinations and journal entries where the descriptions were indicative of inappropriate transactions with related parties of the Company, where any such journal entries were identified.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: <https://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 Partnership’s partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership’s partners 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 Partnership and the Partnership’s partners as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
**Chris Young**  
A69F3BF7808C49C...  
Christopher Young (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
Date 05 May 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# MREF IV “B” Limited Partnership

## Statement of comprehensive income

	Note	2022 £'000	2021 £'000
Investment income	5	5,451	508
Administrative expenses	6	(808)	(921)
(Loss)/Gain on disposal of an investment	7	(4,295)	8,199
<b>Operating profit before fair value adjustment</b>	9	<b>348</b>	<b>7,786</b>
Fair value adjustment on investments	11	380	2,692
<b>Operating profit after fair value adjustment</b>		<b>728</b>	<b>10,478</b>
Interest payable and similar expenses	10	(126)	(291)
<b>Profit for the financial year</b>		<b>602</b>	<b>10,187</b>
<b>Net increase in net assets attributable to Limited Partners from operations</b>		<b>602</b>	<b>10,187</b>
Carried interest allocation		(3,309)	-
<b>Net (decrease)/increase in net assets attributable to Limited Partners from operations after carried interest</b>		<b>(2,707)</b>	<b>10,187</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

# MREF IV “B” Limited Partnership

## Balance sheet as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investments	11	48,563	48,159
<b>Current assets</b>			
Debtors	12	57	1,566
Cash at bank and in hand		11,255	612
<b>Total current assets</b>		<b>11,312</b>	<b>2,178</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(745)</b>	<b>(1,480)</b>
<b>Net current assets</b>		<b>10,567</b>	<b>698</b>
<b>Total assets less current liabilities</b>		<b>59,130</b>	<b>48,857</b>
<b>Net assets attributable to Partners</b>		<b>59,130</b>	<b>48,856</b>
<b>Represented by:</b>			
Partner capital		1	1
Partner loan		42,585	32,913
Retained surplus		13,235	15,942
<b>Total attributable to Limited Partners</b>		<b>55,821</b>	<b>48,856</b>
<b>Carried interest partner account</b>		<b>3,309</b>	<b>-</b>
<b>Total attributable to Limited Partners</b>		<b>59,130</b>	<b>48,856</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

The financial statements on pages 11 to 22 were authorised for issue by the board of directors of the General Partner on 5 May 2023 and were signed on its behalf by:



Charles Ferguson Davie  
For MREF IV GP Limited  
General Partner

# MREF IV “B” Limited Partnership

## Statement of changes in net assets attributable to Partners

	Partner capital accounts	Partner loan accounts	Retained surplus	Allocation to Carried Interest Partner	Total net assets attributable to Partners
	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	1	20,915	5,755	-	26,671
Increase in net assets attributable to Partners from operations	-	-	10,187	-	10,187
Movement in net assets before transactions with Partners	-	-	10,187	-	10,187
<b>Transactions with Partners</b>					
Drawdown of Partner loans	-	35,197	-	-	35,197
Repayment of Partner loans	-	(23,199)	-	-	(23,199)
<b>At 31 December 2021 and 1 January 2022</b>	<b>1</b>	<b>32,913</b>	<b>15,942</b>	<b>-</b>	<b>48,856</b>
Increase in net assets attributable to Partners from operations	-	-	602	-	602
Movement in carried interest allocation	-	-	(3,309)	3,309	-
Movement in net assets before transactions with Partners	-	-	(2,707)	3,309	602
<b>Transactions with Partners</b>					
Drawdown of Partner loans	-	26,250	-	-	26,250
Repayment of Partner loans	-	(16,578)	-	-	(16,578)
<b>At 31 December 2022</b>	<b>1</b>	<b>42,585</b>	<b>13,235</b>	<b>3,309</b>	<b>59,130</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

# MREF IV “B” Limited Partnership

## Statement of cash flows

	Note	2022 £'000	2021 £'000
<b>Net cash generated from/ (used in) operating activities</b>	16	<b>6,030</b>	<b>(1,799)</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments	11	(28,223)	(28,156)
Proceeds from fixed asset investments	11	23,960	33,437
<b>Net cash (used in)/generated from investing activities</b>		<b>(4,263)</b>	<b>5,281</b>
<b>Cash flows from financing activities</b>			
Loans drawn		-	679
Repayment of loan		(679)	(15,491)
Interest paid		(77)	(191)
Finance fees paid		(40)	(98)
Partner loans advanced		26,250	35,197
Partner Loans repaid		(16,578)	(23,199)
<b>Net cash generated from/(used in) financing activities</b>		<b>8,876</b>	<b>(3,103)</b>
<b>Net increase in cash and cash equivalents</b>		<b>10,643</b>	<b>379</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>612</b>	<b>233</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>11,255</b>	<b>612</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		11,255	612
<b>Cash and cash equivalents</b>		<b>11,255</b>	<b>612</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

# **MREF IV “B” Limited Partnership**

## **Notes to the financial statements for the year ended 31 December 2022**

### **1 General information**

The Partnership's principal activity during the financial year was investing in real estate and real estate related opportunities. The Partnership is a private limited partnership and is incorporated and domiciled in the UK. The address of the registered office is 10 Grosvenor Street, Mayfair, London, W1K 4QB.

### **2 Statement of compliance**

The financial statements of MREF IV “B” Limited Partnership have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the “Regulations”).

### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **(a) Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments, and other financial assets and financial liabilities carried at fair value through profit or loss. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### **(b) Going concern**

In assessing the appropriateness of the going concern basis of preparation, the directors of the general partner have taken into account the key risks of the business.

The directors of the general partner have reviewed the Fund's business plan, including cash forecasts and taken into consideration the net assets and cash position, debt obligations of the Fund, specifically the non-recourse nature of the investment level debt, and available unfunded commitments from its Limited Partners.

Having undertaken these assessments, the directors of the general partner have a reasonable expectation that the Fund has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and considers it appropriate to prepare the financial statements on a going concern basis.

#### **(c) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of value added taxes. The main revenue stream is interest on loans to investment vehicles and distributions from investment vehicles.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Partnership recognises interest income and income from investments on an accruals basis. Income from participating interests relates to distribution from fixed asset investments and is recognised when declared and approved.

#### **(d) Taxation**

The Partnership, as a transparent entity, is not subject to pay UK income tax. Any tax liabilities arising from the results of the Partnership are dealt with in the financial statements of the investing Partners.

# MREF IV “B” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### (e) Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

#### (f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

#### (g) Financial instruments

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

##### (i) Financial assets

Basic financial assets, including amounts owed by related party undertakings, other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction 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 asset's 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 trade payables and other payables, bank overdrafts, bank loans, loans from fellow group undertakings and amounts owed to related party undertakings 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 amounts presented in the financial statements 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.

#### (h) Carried interest

The Carried Interest Partner (“CIP”) is entitled to receive a share of the realised profits of the Partnership which is known as Carried Interest. The CIP's entitlement to distributions of Carried Interest is set out in the distribution mechanism in the LPA and arises when the limited partners' loan account is repaid and the cumulative distributions paid to limited partners are above the preferred return (as defined in the LPA).

Carried Interest is recognised once it is considered probable that there will be an allocation which can be reliably measured. No amounts are recognised until the Partnership is fully invested or the investment period has ended.

# MREF IV “B” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### (h) Carried interest (continued)

The investment period ended on 31 March 2022.

The amount recognised as amounts due to the Carried Interest Partner at the Balance Sheet date is based on the net asset value of the Partnership and the mechanism as defined within the LPA. Subsequent changes to amounts due to the Carried Interest are recognised in the Statement of Comprehensive Income in the period in which they arise.

The final amount of Carried Interest paid, if any, will be determined by reference to distributions paid to limited partners and the mechanism in the LPA. Any payment of Carried Interest to the CIP is subject to clawback provisions as detailed in the LPA.

#### (i) Investments

The Partnership invests in a number of undertakings in conjunction with MREF IV “A” Limited Partnership, MREF IV “PC” Limited Partnership and MREF IV “C” SCSp (together, the “parallel partnerships”). Fixed assets investments are initially measured at cost. The Partnership funds its investment in underlying undertakings through a mixture of equity, interest bearing and interest free loans from the Partnership. Interest on loans is included in turnover and other changes in the fair value of the net assets of the underlying undertaking are included in the fair value adjustment on Investments in the statement of comprehensive income.

### 4 Critical accounting judgements and estimation uncertainty

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. As at 31 December 2022 the Partnership had the following critical accounting estimates and assumptions.

#### (a) Critical judgements in applying the entity’s accounting policies

No critical judgements have been made in applying the entity’s accounting policies.

#### (b) Key accounting estimates and judgements

##### i) Estimates - Valuation of investments

Investments are held at fair value based on the Partnership’s share of the net asset value of the underlying investment entity. The principal accounting estimate for the Partnership is the valuation of investment property. Investment property is held indirectly by the Partnership for earning rental income and capital appreciation, and is measured at fair value. The fair value of these properties is based on either (i) a valuation by a professionally qualified and experienced independent valuer or (ii) an offer for sale by an independent third party or (iii) on a director valuation assisted by a professionally qualified and experienced independent valuer. The general partner, on the advice of the independent valuer, considers a number of factors including including risk of tenants exercising break options, estimated rental value, market yield and risk associated with development of properties to arrive at the year-end value.

##### ii) Judgements - Carried interest allocation

The Carried Interest Partner is entitled to a Carried Interest based on the performance of the Partnership in accordance with the mechanism set out in the LPA. Judgement is required on when the Carried Interest is provided for within these Financial Statements as the amount payable is dependent on the performance of the Partnership and will only become payable once all Limited Partners’ capital advances and preferred return have been fully paid. Carried interest is recognised once it is considered probable that there will be an allocation which can be reliably measured, as such, no amounts are recognised until the Partnership is fully invested or the investment period has ended.

On 31 March 2022 the Partnerships investment period expired and consequently the General Partner believes it is appropriate to recognise an allocation of profits to the carried interest partner in the year. As at 31 December 2022 no carried interest was paid to the CIP.



# MREF IV “B” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 5 Investment income

	2022 £'000	2021 £'000
Distribution from subsidiaries	5,328	-
Interest income from subsidiaries	123	508
<b>Total</b>	<b>5,451</b>	<b>508</b>

Turnover relates to interest on loans to investment vehicles and distributions from investment vehicles and are the main activities of the Partnership and are carried out in the United Kingdom.

### 6 Administrative expenses

	2022 £'000	2021 £'000
Investment management fee	616	698
Other administrative expenses	192	223
<b>Total</b>	<b>808</b>	<b>921</b>

### 7 (Loss)/gain on disposal of an investment

	2022 £'000	2021 £'000
Net proceeds	16,536	22,762
Cost of investment	-	(12,909)
Repayment of loan	(13,716)	-
Reversal of fair value adjustment from prior years	(7,115)	(1,654)
<b>(Loss)/gain on disposal of an investment</b>	<b>(4,295)</b>	<b>8,199</b>

The gain on disposal of an investment relates to the disposal of the Partnership's entire interest in a subsidiary undertaking – MREF IV Birmingham Limited.

### 8 Employees

The Partnership had no employees during the year (2021: Nil).

### 9 Operating profit before fair value adjustment

Operating profit before fair value adjustment is stated after charging:

	2022 £'000	2021 £'000
Fees payable to the Partnership's auditors for the audit of the financial statements	45	36
Non audit services – tax advisory and tax compliance services	-	-

# MREF IV “B” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 10 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest payable	76	192
Other finance costs	50	99
	<b>126</b>	<b>291</b>

### 11 Investments

	2022	2021
	£'000	£'000
At 1 January	48,159	41,973
Additions	28,346	28,664
Distributions/repayments from investments	(7,463)	(10,608)
Fair value adjustments on investments	380	2,692
Disposal of investments	(13,743)	(12,909)
Reversal of fair value adjustments on investments sold	(7,116)	(1,653)
<b>At 31 December</b>	<b>48,563</b>	<b>48,159</b>

Name	Country of incorporation	Class of shares	Holding	Principal activity
MREF IV BTR Holdings Sarl	Luxembourg	Ordinary	34.6%	Holding entity
MREF IV ASH Limited	UK	Ordinary	34.6%	Holding entity
MREF IV Care Holdings Limited	UK	Ordinary	42.6%	Holding entity
NF Care Holdings Limited*	UK	Ordinary	42.6%	Holding entity
Cherry Blossom Home Limited*	UK	Ordinary	42.6%	Property operator
Magdalen House Limited*	UK	Ordinary	42.6%	Property operator
Sentinel Health Care Limited*	UK	Ordinary	42.6%	Property operator
Dunwood Properties Limited*	UK	Ordinary	42.6%	Property operator
MREV IV Storage Holdings Limited	UK	Ordinary	34.6%	Holding entity
SK Heathrow Limited*	UK	Ordinary	26.0%	Property investment
SK Canterbury 1 Limited*	UK	Ordinary	26.0%	Property investment
SK Bath Limited*	UK	Ordinary	26.0%	Property investment
Moorfield Residential Holdings Limited	UK	Ordinary	34.6%	Holding entity
Brickmoor Investment Limited*	UK	Ordinary	34.6%	Holding entity
Brickmoor London Limited *	UK	Ordinary	34.6%	Property investment
Brickmoor South Limited*	UK	Ordinary	34.6%	Property investment
Brickmoor South West Limited*	UK	Ordinary	34.6%	Property investment
Moorfield Student Housing Limited	UK	Ordinary	34.6%	Holding entity
WAKMoor Limited *	UK	Ordinary	29.4%	Holding entity
WAKMoor (Asset) Limited*	UK	Ordinary	29.4%	Property investment
Lincoln Portfolio 1 Limited*	UK	Ordinary	29.4%	Property investment
We Are Kin Portfolio 2 Limited*	UK	Ordinary	29.4%	Property investment

# MREF IV “B” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 11 Investments (continued)

Name	Country of incorporation	Class of shares	Holding	Principal activity
MREF IV Colchester Holdings Limited	UK	Ordinary	34.6%	Holding entity
MREF IV Colchester Property Limited*	UK	Ordinary	34.6%	Property investment
MREF IV Colchester Operations Limited*	UK	Ordinary	34.6%	Property operator
MREF IV Ealing Holdings Limited	UK	Ordinary	34.6%	Holding entity
MREF IV Ealing Property Limited*	UK	Ordinary	34.6%	Property investment
MREF IV Ealing Operations Limited*	UK	Ordinary	34.6%	Property operator

\*Indirect investment

### 12 Debtors

	2022 £'000	2021 £'000
Amounts owed by related party undertakings	55	1,412
Other debtors	2	154
	57	1,566

Amounts owed by related party undertakings are unsecured, interest free and repayable on demand.

### 13 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Bank loan (note 14)	-	670
Trade payables	162	575
Amounts owed to related party undertakings	362	102
Accruals	91	133
Other creditors	130	-
	745	1,480

Amounts owed to related party undertakings are unsecured, interest free and repayable on demand.

### 14 Loans

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Bank loan – secured	-	679
Unamortised finance fees	-	(9)
Total bank loans	-	670

During the year the Partnership repaid in full the outstanding bank loan and fully amortised the outstanding finance fees.

# MREF IV “B” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 15 Financial instruments

The Partnership has the following financial instruments:

	2021 £'000	2021 £'000
<b>Financial assets</b>		
Financial assets which are debt instruments measured at amortised cost		
- Amounts owed by related party undertakings	55	1,412
- Other debtors	2	154
Cash at bank	11,255	612
	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
- Bank loan	-	679
- Trade payables	162	575
- Amounts owed to related party undertakings	362	102
- Accruals	91	133
- Other creditors	130	-

### 16 Notes to the statement of cash flows

	2022 £'000	2021 £'000
<b>Profit for the financial year</b>	<b>602</b>	<b>10,187</b>
Net interest expense	126	291
Interest receivable from investments	(123)	(508)
Fair value adjustment	(380)	(2,693)
Loss/(gain) on disposal of an investment	4,295	(8,199)
Movement in debtors	1,529	144
Movement in creditors	(19)	(1,021)
<b>Net cash flow generated from/ (used in) operating activities</b>	<b>6,030</b>	<b>(1,799)</b>

### 17 Related party transactions

The Partnership is operated in conjunction with the MREF IV “A” Limited Partnership, its parallel partnership, MREF IV “PC” Limited Partnership and MREF IV “C” SCSp. The four Partnerships, with respect to any investment in property, invest and divest on economic and non-economic terms that are the same. The respective interests of the four Partnerships in any investment in property are in proportion to the commitments of each of the Partnerships and they share pro-rata in any related investment expenses (MREF IV “A” Limited Partnership: 33.64%, MREF IV “B” Limited Partnership: 34.60%, MREF IV “PC” Limited Partnership: 11.39%, and MREF IV “C” SCSp: 20.37%). Similarly the Partnerships bear any operating expenses on a pro rata basis (except to the extent that such expenses are specifically allocable to a particular Partnership).

# MREF IV “B” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 17 Related party transactions (continued)

The following amounts from related parties were identified in the statement of comprehensive income:

- i) Investment income of £123,000 (2021: £508,000) from other related parties that MREF IV “B” Limited Partnership holds as an investment, together with its parallel fund MREF IV “A” Limited Partnership and MREF IV “PC” Limited Partnership.
- ii) Other asset management fees of £62,000 (2021 - £16,000) in respect of underlying investment vehicles that MREF IV B Limited Partnership holds as an investment together with the Parallel Partnerships.

The following amounts were identified as balances due from/to related parties in the Balance sheet:

- i) Fixed assets investments of £48,563,000 (2021: £48,159,000) held pari passu with its parallel fund MREF IV “A” Limited Partnership, MREF IV “PC” Limited Partnership and MREF IV “C” SCSp;
- ii) A receivable of £17,000 (2021: £1,412,000) with MREF IV “A” Limited Partnership;
- iii) A payable of £130,000 (2021: £Nil) with Moorfield Investment Management Limited;
- iv) A payable of £362,000 (2021: £102,000) with MREF IV “C” SCSp; and
- v) A receivable of £38,000 (2021: £Nil) with other related parties.

Note 11 to the financial statements discloses investments and repayments of investment made during the year.

The Limited Partnership Agreement provides that MREF IV GP Limited shall act as the General Partner of the Partnership. The Limited Partnership Agreement also provides that the General Partner is entitled to an Investment Management fee. During the year to 31 December 2022, MREF IV “B” Limited Partnership paid management fees of £616,000 (2021: £698,000) to Moorfield Investment Management Limited.

### 18 Partner commitments

	2022	2021
	£'000	£'000
Undrawn partner commitments at the beginning of the year	31,512	53,187
Called by Partnership	(26,250)	(35,197)
Partner loans repaid and available for reinvestment	-	13,522
Undrawn Partner commitments at the end of the year	5,262	31,512

### 19 Contingent liabilities

An underlying investment entity, MREF IV Colchester Property Ltd, has entered into a design and build contract for £19.5m. In September 2022 the entity entered into a development facility to provide for the acquisition and development costs up to a 55% loan to cost ratio. The Partnership, together with its parallel partnerships has provided an “all costs” guarantee of £2.0 million (the Partnership’s share is £692,000), at Practical Completion the guarantee is reduced to £800,000 and interest cover only.

**Registered number: LP018073**

**MREF IV “PC” Limited Partnership  
Annual report and financial statements  
for the year ended 31 December 2022**

# **MREF IV “PC” Limited Partnership**

## **Annual report and financial statements for the year ended 31 December 2022**

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# MREF IV “PC” Limited Partnership

## Partnership information

### General Partner

MREF IV GP Limited  
10 Grosvenor Street  
London  
W1K 4QB

### Registered office

10 Grosvenor Street  
London  
W1K 4QB

### Carried Interest Partner

Precis (2773) Carried Interest Limited Partnership  
44 Esplanade  
St Helier  
Jersey  
JE4 9WG

### Registered number

LP018073

### Independent auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### Investment Manager

(authorised by the Financial Conduct Authority)

Moorfield Investment Management Limited  
10 Grosvenor Street  
London  
W1K 4QB

### Depository

Langham Hall UK Depositary LLP  
8<sup>th</sup> Floor  
1 Fleet Place  
London  
EC4M 7RA

### Asset Manager

Moorfield Group Limited  
10 Grosvenor Street  
London  
W1K 4QB



# MREF IV “PC” Limited Partnership

## Strategic report for the year ended 31 December 2022

The General Partner presents its Strategic report for the year ended 31 December 2022.

### Review of the business

MREF IV “PC” Limited Partnership (the “Partnership”) has commitments from Partners of £25 million, which when combined with the MREF IV “A” Limited Partnership, MREF IV “C” SCSp and MREF IV “B” Limited Partnership (together the “Partnerships”) total £220 million. At 31 December 2022, £22.0 million (2021: £14.0 million) of the Partners’ commitments had been drawn.

During the year, the combined Partnerships completed the following investment transactions:

- i) the disposal of shares in a subsidiary undertaking which held a purpose built student accommodation scheme in Birmingham (see Note 7);
- ii) the disposal of an indirectly held subsidiary undertaking which held a Build to Rent (BTR) property in Salford, Manchester;
- iii) acquired 65 additional properties for its portfolio of houses of multiple occupations (HMOs) let to students across 6 cities, the acquisitions were made through a joint venture with a specialist student housing HMO operator;
- iv) acquired 115 additional properties for its portfolio of single-family residential properties for rent;
- v) refinancing’s were completed on a purpose built student accommodation scheme in Colchester and the student HMO portfolio; and
- vi) the joint venture with a large operator of self-storage units, completed on the acquisition of two additional sites; construction or redevelopment at all three sites was ongoing through the year.

The Partnership itself generated a profit during the year of £401,000 (2021: £3,576,000). In March 2022, a subscription line facility for £20.0 million with Silicon Valley Bank was renewed for a further 11 months (the Partnership’s share being £22.2 million). The facility was repaid in full in November 2022.

Subsequent to the year end the Partnership, together with its parallel partnerships, completed the following transactions:

- the acquisition of additional properties to its residential for rent platform; and
- a refinancing by the subsidiary which holds the portfolio of single-family residential properties for rent.

### Key performance indicators

The Partnership’s investment objective is to invest in a diversified portfolio of commercial real estate and real estate related opportunities in the United Kingdom. The following chart demonstrates the sectoral analysis of the Partnership’s current investment portfolio by gross asset value (GAV).

Sectoral analysis of gross asset value



# MREF IV “PC” Limited Partnership

## Strategic report for the year ended 31 December 2022 (continued)

### Environmental and social matters

The Partnership’s strategy is to invest in real estate, real estate related opportunities and asset rich companies in the UK where proactive innovative corporate, asset and financial management is expected to enhance both income and capital returns.

Accordingly, through the Partnership’s Asset Manager, Moorfield Group, it has responded proactively to the challenges and opportunities posed by the sustainability agenda, which in recent years has taken hold as a matter requiring additional focus for real estate funds and their assets, whilst at the same time giving rise to some notable value creation prospects across the asset classes. The General Partner recognises that, over time, more environmentally efficient and productive buildings will likely yield higher net income growth, attract lower risk and therefore deliver higher returns.

The Corporate Sustainability Report published by Moorfield Group and available on the Company’s website ([www.moorfield.com](http://www.moorfield.com)) affirms the principles which underpin the Partnership’s approach to the environmental, social and governance aspects of its real estate investment, development and management processes, and through which it will continue to engage positively with all stakeholders (Partners, tenants, service providers and advisors).

The General Partner, Investment Manager and Asset Manager have set objectives and targets to address Corporate Responsibility risks and deliver improvements. A number of programmes have been established to:

- commitment to achieving operational net zero carbon by 2030;
- incorporate evaluation of environmental sustainability criteria in to the acquisition process;
- establish sustainability improvement plans at both asset and fund level to consider energy, water and wastemanagement;
- improve awareness and understanding of sustainability issues amongst employees, partners, contractors and building occupiers;
- enable the regular measurement and monitoring of key environmental data (namely energy, water and waste) across all assets;
- participate in Global Real Estate Sustainability Benchmark (GRESB) for all operational real estate and target an improved score year on year; and
- adopt Health & Wellbeing best practice at both the asset and fund level, and mechanisms for measuring social impact and managing Moorfield’s contribution to social value.

### Remuneration of the Alternative Investment Fund Manager

The Partnership has appointed Moorfield Investment Management Limited as the Alternative Investment Fund Manager to the Partnership (the “Investment Manager”). The Investment Manager is a wholly owned subsidiary of Stessa Trading Limited. The AIFMD imposes certain remuneration disclosure requirements to be made by the managers of the Alternative Investment Funds (“AIF’s”) which they manage. These include disclosing the remuneration, both fixed and variable, paid by the Investment Manager to its staff. Staff means senior management and members of staff of the AIFM (and its associates) whose actions have a material impact on the risk profile of the AIF.

In relation to the Investment Manager of this Partnership, the table below provides a summary of the remuneration paid to staff in 2022. This remuneration table is for this Partnership only and has been calculated based on an allocation by GAV of all AIFs.

	Head count	Fixed remuneration	Variable remuneration	Carried interest paid
Directors and senior staff	21	£123,548	£36,787	£Nil
Number of AIFS under management	No. 12			

# MREF IV “PC” Limited Partnership

## Strategic report for the year ended 31 December 2022 (continued)

### Moorfield Investment Management Limited Remuneration policy

The general remuneration process of Moorfield Investment Management Limited (“MIML”) is applicable to all entities within the Stessa Trading Limited Group. The Remuneration Committee of Stessa Trading Ltd (“the Remuneration Committee”) approves the list of relevant staff annually.

The Remuneration Committee has established a Remuneration Policy and its purpose is to ensure that the remuneration of employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the relevant fund for which MIML is the Investment Advisor or Manager.

The Remuneration Committee is responsible for setting the overarching principles and parameters of Remuneration Policy covering all executives and employees of the Stessa Trading Group.

### Principal risks and uncertainties facing the Partnership

The following identifies the Partnerships principal risks and the ways in which the General Partner intends to manage and controls these risks:

- (i) The risk of identifying and acquiring new investments. The Investment Manager employs a team of experienced real estate professionals, with contacts across many sectors of the real estate market, to evaluate and manage a structured process of originating transactions both on and off the market, to ensure that a continuous pipeline of opportunities is being assessed;
- (ii) The risk of tenants exercising their break options or leases not being renewed at the end of their term, both resulting in properties or units becoming vacant. The Asset Manager oversees this process on behalf of the General Partner and directs a team of real estate professionals to manage this process in a timely and effective manner; and
- (iii) The impact of a general downturn in the real estate market negatively impacting on the valuation of individual real estate assets. The investment strategy is based on investing in real estate where active corporate, asset and financial management is expected to enhance both income and capital returns thereby reducing the exposure to adverse market movements;
- (iv) Letting Risk of Private Residential & Student Schemes – the Partnerships have one private rented sector scheme and one student accommodation scheme both held for long term investment. The Investment Manager has undertaken detailed research into these sectors and locations, to support its forecast of strong residential and student demand. A detailed strategy has been developed to design, market and brand each site with the support of a managing agent and local letting agents.

The financial risks and the way in which the Partnership manages them are listed below:

#### i. Debt financing

Each investment is held in a separate corporate structure which is owned by the combined Partnerships. The debt financings are secured by fixed and floating charges over the assets of each investment and have no recourse to the Partnerships. The principal covenants relating to these borrowings are interest cover and loan to value ratios.

#### ii. Interest rate risk

The Partnership finances its operations through a mixture of interest free loans from Limited Partners and debt financing. The Partnership uses interest rate swaps and caps to manage its exposure to interest rate fluctuations. At the year end, 28% of the Partnership's bank borrowing in underlying corporate vehicles were hedged at fixed rates through a mixture of interest rate swaps and interest rate caps. The Partnership does not fix the interest cost of the equity bridge facility because of its short term nature.

# MREF IV “PC” Limited Partnership

Strategic report for the year ended 31 December 2022 (continued)

On behalf of the Partnership



Charles Ferguson Davie  
For MREF IV GP Limited  
**General Partner**  
Date: 5 May 2023

# **MREF IV “PC” Limited Partnership**

## **General Partner’s report for the year ended 31 December 2022**

The General Partner presents its annual report together with the audited financial statements of the MREF IV “PC” Limited Partnership (the “Partnership”) for the year ended 31 December 2022.

### **Principal activities**

The principal activity of the Partnership is investing in real estate and real estate related opportunities.

### **Results**

The results for the year ended 31 December 2022 are shown on page 11. The profit for the financial year was £401,000 (2021: £3,576,000).

### **Statement of General Partner’s responsibilities in respect of the financial statements**

The general partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the “Regulations”), requires the general partner to prepare financial statements for each financial year. Under that law the general partner has 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”, and applicable law). Under company law, as applied to qualifying partnerships, the general partner 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the general partner are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 qualifying partnership will continue in business.

The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations.

### **General Partner’s confirmations**

In the case of each director of the general partner in office at the date the General Partner’s Report is approved:

- so far as the General Partner is aware, there is no relevant audit information of which the qualifying partnership’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the qualifying partnership’s auditors are aware of that information.

# **MREF IV “PC” Limited Partnership**

## **General Partner’s report for the year ended 31 December 2022 (continued)**

### **Independent auditors**

The auditors during the year were BDO LLP. The independent auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Partnership



Charles Ferguson Davie  
For MREF IV GP Limited  
**General Partner**  
Date: 5 May 2023

# MREF IV “PC” Limited Partnership

## Independent auditor’s report to the Partner of MREF IV “PC” Limited Partnership

### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Partnership’s affairs as at 31 December 2022 and of its profit for the year 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements of MREF IV “PC” Limited Partnership (“the Partnership”) for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in net assets attributable to Partners, the statement of cash flows and 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Partnership 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 other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the General Partner’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Partnership’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the General Partner with respect to going concern are described in the relevant sections of this report.

### Other information

The General Partner is responsible for the 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.

# **MREF IV “PC” Limited Partnership**

## **Independent auditor’s report to the Partner of MREV IV “PC” Limited Partnership (continued)**

### **Other information (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 as applied to qualifying partnerships**

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

- the information given in the Strategic report and General Partner’s report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and General Partner’s report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and General Partner’s report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

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

### **Responsibilities of the General Partner**

As explained more fully in the statement of General Partner’s responsibilities in respect of the financial statements, the General Partner is 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 General Partner determines 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 General Partner is responsible for assessing the Partnership’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 General Partner either intends to liquidate the Partnership 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.



# MREF IV “PC” Limited Partnership

## Independent auditor’s report to the Partner of MREV IV “PC” Limited Partnership (continued)

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding using our general commercial and sector experience and through discussions with the General Partner and senior management of the legal and regulatory framework applicable to the entity and the industry to which it operates, and considered the risk of acts by the partnership that were contrary to applicable laws and regulations, including fraud. We communicated those laws and regulations identified along with potential fraud risks throughout our audit team and remaining alert to any indications of non-compliance or fraud throughout the audit. Audit procedures performed included:

- enquiry of management and the General Partners as to their identification of any non-compliance with laws and regulations, or any actual or potential claims thereof;
- performing our own checks of compliance with relevant areas identified which included the UK tax legislation as well as those laws and regulations that have a direct impact on the financial statement such as the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008;
- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements; and
- identifying and testing journal entries, in particular any journal entries posted with unusual accounting combinations and journal entries where the descriptions were indicative of inappropriate transactions with related parties of the Company, where any such journal entries were identified.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: <https://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 Partnership’s partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership’s partners 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 Partnership and the Partnership’s partners as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

**Chris Young**

A69F3BF7808C49C  
Christopher Young (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

Date 05 May 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# MREF IV “PC” Limited Partnership

## Statement of comprehensive income

	Note	2022 £'000	2021 £'000
Investment income	5	1,794	167
Administrative expenses	6	(63)	(81)
(Loss)/Gain on disposal of an investment	7	(1,414)	2,699
<b>Operating profit before fair value adjustment</b>	9	<b>317</b>	<b>2,785</b>
Fair value adjustment on investments	11	125	887
<b>Operating profit after fair value adjustment</b>		<b>442</b>	<b>3,672</b>
Interest payable and similar expenses	10	(41)	(96)
<b>Profit for the financial year</b>		<b>401</b>	<b>3,576</b>
<b>Net increase in net assets attributable to Limited Partners from operations</b>		<b>401</b>	<b>3,576</b>
Carried interest allocation		(779)	-
<b>Net (decrease)/increase in net assets attributable to Limited Partners from operations after carried interest</b>		<b>(378)</b>	<b>3,576</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

# MREF IV “PC” Limited Partnership

## Balance sheet as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investments	11	15,985	15,853
<b>Current assets</b>			
Debtors	12	23	674
Cash at bank and in hand		3,705	201
<b>Total current assets</b>		<b>3,728</b>	<b>875</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(245)</b>	<b>(488)</b>
<b>Net current assets</b>		<b>3,483</b>	<b>387</b>
<b>Total assets less current liabilities</b>		<b>19,468</b>	<b>16,240</b>
<b>Net assets attributable to Partners</b>		<b>19,468</b>	<b>16,240</b>
<b>Represented by:</b>			
Partner capital		-	-
Partner loan		13,031	10,204
Retained surplus		5,658	6,036
<b>Total attributable to Partners</b>		<b>18,689</b>	<b>16,240</b>
<b>Carried interest partner account</b>		<b>779</b>	<b>-</b>
<b>Total attributable to Limited Partners</b>		<b>19,468</b>	<b>16,240</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

The financial statements on pages 11 to 22 were authorised for issue by the board of directors of the General Partner on 5 May 2023 and were signed on its behalf by:



Charles Ferguson Davie  
For MREF IV GP Limited  
**General Partner**

# MREF IV “PC” Limited Partnership

## Statement of changes in net assets attributable to Partners

	Partner capital accounts	Partner loan accounts	Retained surplus	Allocation to Carried Interest Partner	Total net assets attributable to Partners
	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	-	6,624	2,460	-	9,084
Increase in net assets attributable to Partners from operations	-	-	3,576	-	3,576
Movement in net assets before transactions with Partners	-	-	3,576	-	3,576
<b>Transactions with Partners</b>				-	
Drawdown of Partner loans	-	11,217	-	-	11,217
Repayment of Partner loans	-	(7,637)	-	-	(7,637)
<b>At 31 December 2021 and 1 January 2022</b>	-	10,204	6,036	-	16,240
Increase in net assets attributable to Partners from operations	-	-	401	-	401
Movement in carried interest allocation			(779)	779	-
Movement in net assets before transactions with Partners	-	-	(378)	779	401
<b>Transactions with Partners</b>					
Drawdown of Partner loans	-	8,284	-	-	8,284
Repayment of Partner loans		(5,457)	-	-	(5,457)
<b>At 31 December 2022</b>	-	13,031	5,658	779	19,468

The notes on pages 15 to 22 are an integral part of these financial statements.

# MREF IV “PC” Limited Partnership

## Statement of cash flows

		2022	2021
	Note	£'000	£'000
<b>Net cash generated from/ (used in) operating activities</b>	16	<b>2,342</b>	<b>(431)</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments	11	<b>(9,290)</b>	<b>(9,268)</b>
Proceeds from fixed asset investments	11	<b>7,887</b>	<b>11,007</b>
<b>Net cash (used in)/ generated from investing activities</b>		<b>(1,403)</b>	<b>1,739</b>
<b>Cash flows from financing activities</b>			
Loans drawn		-	224
Repayment of loan		<b>(224)</b>	<b>(4,893)</b>
Interest paid		<b>(25)</b>	<b>(63)</b>
Finance fees paid		<b>(13)</b>	<b>(32)</b>
Partner loans advanced		<b>8,284</b>	<b>11,217</b>
Partner Loans repaid		<b>(5,457)</b>	<b>(7,637)</b>
<b>Net cash generated from/ (used in) financing activities</b>		<b>2,565</b>	<b>(1,184)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,504</b>	<b>124</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>201</b>	<b>77</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>3,705</b>	<b>201</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		<b>3,705</b>	<b>201</b>
<b>Cash and cash equivalents</b>		<b>3,705</b>	<b>201</b>

The notes on pages 15 to 22 are an integral part of these financial statements.

# MREF IV “PC” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022

### 1 General information

The Partnership's principal activity during the financial year was investing in real estate and real estate related opportunities. The Partnership is a private limited partnership and is incorporated and domiciled in the UK. The address of the registered office is 10 Grosvenor Street, Mayfair, London, W1K 4QB.

### 2 Statement of compliance

The financial statements of MREF IV “PC” Limited Partnership have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the “Regulations”).

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments, and other financial assets and financial liabilities carried at fair value through profit or loss. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### (b) Going concern

In assessing the appropriateness of the going concern basis of preparation, the directors of the general partner have taken into account the key risks of the business.

The directors of the general partner have reviewed the Fund's business plan, including cash forecasts and taken into consideration the net assets and cash position, debt obligations of the Fund, specifically the non-recourse nature of the investment level debt, and available unfunded commitments from its Limited Partners.

Having undertaken these assessments, the directors of the general partner have a reasonable expectation that the Fund has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and considers it appropriate to prepare the financial statements on a going concern basis.

#### (c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of value added taxes. The main revenue stream is interest on loans to investment vehicles and distributions from investment vehicles.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Partnership recognises interest income and income from investments on an accruals basis. Income from participating interests relates to distribution from fixed asset investments and is recognised when declared and approved.

#### (d) Taxation

The Partnership, as a transparent entity, is not subject to pay UK income tax. Any tax liabilities arising from the results of the Partnership are dealt with in the financial statements of the investing Partners.

# MREF IV “PC” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### (e) Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

#### (f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

#### (g) Financial instruments

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

##### (i) Financial assets

Basic financial assets, including amounts owed by related party undertakings, other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction 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 asset's 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 trade payables and other payables, bank overdrafts, bank loans, loans from fellow group undertakings and amounts owed to related party undertakings 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 amounts presented in the financial statements 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.

#### (h) Carried interest

The Carried Interest Partner (“CIP”) is entitled to receive a share of the realised profits of the Partnership which is known as Carried Interest. The CIP's entitlement to distributions of Carried Interest is set out in the distribution mechanism in the LPA and arises when the limited partners' loan account is repaid and the cumulative distributions paid to limited partners are above the preferred return (as defined in the LPA).

Carried Interest is recognised once it is considered probable that there will be an allocation which can be reliably measured. No amounts are recognised until the Partnership is fully invested or the investment period has ended.

# MREF IV “PC” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### (h) Carried interest (continued)

The investment period ended on 31 March 2022.

The amount recognised as amounts due to the Carried Interest Partner at the Balance Sheet date is based on the net asset value of the Partnership and the mechanism as defined within the LPA. Subsequent changes to amounts due to the Carried Interest are recognised in the Statement of Comprehensive Income in the period in which they arise.

The final amount of Carried Interest paid, if any, will be determined by reference to distributions paid to limited partners and the mechanism in the LPA. Any payment of Carried Interest to the CIP is subject to clawback provisions as detailed in the LPA.

#### (i) Investments

The Partnership invests in a number of undertakings in conjunction with MREF IV “A” Limited Partnership, MREF IV “B” Limited Partnership and MREF IV “C” SCSp (together, the “parallel partnerships”). Fixed assets investments are initially measured at cost. The Partnership funds its investment in underlying undertakings through a mixture of equity, interest bearing and interest free loans from the Partnership. Interest on loans is included in turnover and other changes in the fair value of the net assets of the underlying undertaking are included in the fair value adjustment on Investments in the statement of comprehensive income.

### 4 Critical accounting judgements and estimation uncertainty

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. As at 31 December 2022 the Partnership had the following critical accounting estimates and assumptions.

#### (a) Critical judgements in applying the entity’s accounting policies

No critical judgements have been made in applying the entity’s accounting policies.

#### (b) Key accounting estimates and judgements

##### i) Estimates - Valuation of investments

Investments are held at fair value based on the Partnership’s share of the net asset value of the underlying investment entity. The principal accounting estimate for the Partnership is the valuation of investment property. Investment property is held indirectly by the Partnership for earning rental income and capital appreciation, and is measured at fair value. The fair value of these properties is based on either (i) a valuation by a professionally qualified and experienced independent valuer or (ii) an offer for sale by an independent third party or (iii) on a director valuation assisted by a professionally qualified and experienced independent valuer. The general partner, on the advice of the independent valuer, considers a number of factors including including risk of tenants exercising break options, estimated rental value, market yield and risk associated with development of properties to arrive at the year-end value.

##### ii) Judgements - Carried interest allocation

The Carried Interest Partner is entitled to a Carried Interest based on the performance of the Partnership in accordance with the mechanism set out in the LPA. Judgement is required on when the Carried Interest is provided for within these Financial Statements as the amount payable is dependent on the performance of the Partnership and will only become payable once all Limited Partners’ capital advances and preferred return have been fully paid. Carried interest is recognised once it is considered probable that there will be an allocation which can be reliably measured, as such, no amounts are recognised until the Partnership is fully invested or the investment period has ended.

On 31 March 2022 the Partnerships investment period expired and consequently the General Partner believes it is appropriate to recognise an allocation of profits to the carried interest partner in the year. As at 31 December 2022 no carried interest was paid to the CIP.



# MREF IV “PC” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 5 Turnover

	2022	2021
	£'000	£'000
Distribution from subsidiaries	1,754	-
Interest income from subsidiaries	40	167
Total	1,794	167

Turnover relates to interest on loans to investment vehicles and distributions from investment vehicles and are the main activities of the Partnership and are carried out in the United Kingdom.

### 6 Administrative expenses

	2022	2021
	£'000	£'000
Other administrative expenses	63	81
	63	81

### 7 (Loss)/gain on disposal of an investment

	2022	2021
	£'000	£'000
Net proceeds	5,443	7,493
Cost of investment	-	(4,249)
Repayment of loan	(4,515)	-
Reversal of fair value adjustment from prior years	(2,342)	(545)
(Loss)/Gain on disposal of an investment	(1,414)	2,699

The gain on disposal of an investment relates to the disposal of the Partnership's entire interest in a subsidiary undertaking – MREF IV Birmingham Limited.

### 8 Employees

The Partnership had no employees during the year (2021: Nil).

### 9 Operating profit/(loss) before fair value adjustment

Operating profit/ (loss) before fair value adjustment is stated after charging:

	2022	2021
	£'000	£'000
Fees payable to the Partnership's auditors for the audit of the financial statements	15	12
Non audit services – tax advisory and tax compliance services	-	-

# MREF IV “PC” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 10 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest payable	25	63
Other finance costs	16	33
	41	96

### 11 Investments

	2022	2021
	£'000	£'000
At 1 January	15,853	13,816
Additions	9,330	9,435
Distributions/repayments from investments	(2,457)	(3,491)
Fair value adjustments on investments	125	887
Disposal of investments	(4,524)	(4,249)
Reversal of fair value adjustments on investments sold	(2,342)	(545)
At 31 December	15,985	15,853

Name	Country of incorporation	Class of shares	Holding	Principal activity
MREF IV BTR Holdings Sarl	Luxembourg	Ordinary	11.4%	Holding entity
MREF IV ASH Ltd	UK	Ordinary	11.4%	Holding entity
MREF IV Care Holdings Ltd	UK	Ordinary	14.0%	Holding entity
NF Care Holdings Limited*	UK	Ordinary	14.0%	Holding entity
Cherry Blossom Home Limited*	UK	Ordinary	14.0%	Property operator
Magdalen House Limited*	UK	Ordinary	14.0%	Property operator
Sentinel Health Care Limited*	UK	Ordinary	14.0%	Property operator
Dunwood Properties Limited*	UK	Ordinary	14.0%	Property operator
MREV IV Storage Holdings Ltd	UK	Ordinary	11.4%	Holding entity
SK Heathrow Limited*	UK	Ordinary	8.6%	Property investment
SK Canterbury 1 Limited*	UK	Ordinary	8.6%	Property investment
SK Bath Limited*	UK	Ordinary	8.6%	Property investment
Moorfield Residential Holdings Limited	UK	Ordinary	11.4%	Holding entity
Brickmoor Investment Limited*	UK	Ordinary	11.4%	Holding entity
Brickmoor London Limited *	UK	Ordinary	11.4%	Property investment
Brickmoor South Limited*	UK	Ordinary	11.4%	Property investment
Brickmoor South West Limited*	UK	Ordinary	11.4%	Property investment
Moorfield Student Housing Limited	UK	Ordinary	11.4%	Holding entity
WAKMoor Ltd*	UK	Ordinary	9.7%	Holding entity
WAKMoor (Asset) Limited*	UK	Ordinary	9.7%	Property investment
Lincoln Portfolio 1 Limited*	UK	Ordinary	9.7%	Property investment
We Are Kin Portfolio 2 Limited*	UK	Ordinary	9.7%	Property investment

# MREF IV “PC” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 11 Investments (continued)

Name	Country of incorporation	Class of shares	Holding	Principal activity
MREF IV Colchester Holdings Limited	UK	Ordinary	11.4%	Holding entity
MREF IV Colchester Property Limited*	UK	Ordinary	11.4%	Property investment
MREF IV Colchester Operations Limited*	UK	Ordinary	11.4%	Property operator
MREF IV Ealing Holdings Limited	UK	Ordinary	11.4%	Holding entity
MREF IV Ealing Property Limited*	UK	Ordinary	11.4%	Property investment
MREF IV Ealing Operations Limited*	UK	Ordinary	11.4%	Property operator

\*Indirect investment

### 12 Debtors

	2022 £'000	2021 £'000
Amounts owed by related party undertakings	22	623
Other debtors	1	51
	23	674

Amounts owed by related party undertakings are unsecured, interest free and repayable on demand.

### 13 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Bank loan (note 14)	-	220
Trade payables	53	189
Amounts owed to related party undertakings	119	34
Accruals	30	45
Other creditors	43	-
	245	488

Amounts owed to related party undertakings are unsecured, interest free and repayable on demand.

### 14 Loans

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Bank loan – secured	-	223
Unamortised finance fees	-	(3)
Total bank loans	-	220

During the year the Partnership repaid in full the outstanding bank loan and fully amortised the outstanding finance fees.

# MREF IV “PC” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 15 Financial instruments

The Partnership has the following financial instruments:

	2022	2021
	£'000	£'000
<b>Financial assets</b>		
Financial assets which are debt instruments measured at amortised cost		
- Amounts owed by related party undertakings	22	623
- Other debtors	1	51
Cash at bank	3,705	201
	2022	2021
	£'000	£'000
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
- Bank loan	-	223
- Trade payables	53	189
- Amounts owed to related party undertakings	119	34
- Accruals	30	46
- Other creditors	43	-

### 16 Notes to the statement of cash flows

	2022	2021
	£'000	£'000
<b>Profit for the financial year</b>	<b>401</b>	<b>3,576</b>
Net interest expense	41	96
Interest receivable from investments	(40)	(167)
Fair value adjustment	(125)	(887)
Gain on disposal of an investment	1,414	(2,699)
Movement in debtors	651	(489)
Movement in creditors	-	139
<b>Net cash flow generated from/ (used in) operating activities</b>	<b>2,342</b>	<b>(431)</b>

### 17 Related party transactions

The Partnership is operated in conjunction with the MREF IV "A" Limited Partnership, its parallel partnership, MREF IV "B" Limited Partnership and MREF IV "C" SCSp. The four Partnerships, with respect to any investment in property, invest and divest on economic and non-economic terms that are the same. The respective interests of the four Partnerships in any investment in property are in proportion to the commitments of each of the Partnerships and they share pro-rata in any related investment expenses (MREF IV "A" Limited Partnership: 33.64%, MREF IV "B" Limited Partnership: 34.60%, MREF IV "PC" Limited Partnership: 11.39%, and MREF IV "C" SCSp: 20.37%). Similarly, the Partnerships bear any operating expenses on a pro rata basis (except to the extent that such expenses are specifically allocable to a particular Partnership).

# MREF IV “PC” Limited Partnership

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 17 Related party transactions (continued)

The following amounts from related parties were identified in the statement of comprehensive income:

- i) Investment income of £40,000 (2021: £167,000) from other related parties that MREF IV “PC” Limited Partnership holds as an investment, together with its parallel fund MREF IV “A” Limited Partnership and MREF IV “B” Limited Partnership.
- ii) Other asset management fees of £21,000 (2021: £5,000) in respect of underlying investment vehicles that MREF IV PC Limited Partnership holds as an investment together with the Parallel Partnerships.

The following amounts were identified as balances due from/to related parties in the Balance sheet:

- i) Fixed assets investments of £15,985,000 (2021: £15,853,000) held pari passu with its parallel fund MREF IV “A” Limited Partnership, MREF IV “B” Limited Partnership and MREF IV “C” SCSP;
- ii) A receivable of £9,000 (2021: £623,000) with MREF IV “A” Limited Partnership;
- iii) A payable of £43,000 (2021: £Nil) with Moorfield Investment Management Limited.
- iv) A payable of £119,000 (2021: £34,000) with MREF IV “C” SCSP; and
- v) A receivable of £12,000 (2021: £Nil) with other related parties.

Note 11 to the financial statements discloses investments and repayments of investment made during the year.

The Limited Partnership Agreement provides that MREF IV GP Limited shall act as the General Partner of the Partnership.

### 18 Partner commitments

	2022 £'000	2021 £'000
Undrawn partner commitments at the beginning of the year	11,003	17,769
Called by Partnership	(8,284)	(11,217)
Partner loans repaid and available for reinvestment	-	4,451
Undrawn Partner commitments at the end of the year	2,719	11,003

### 19 Contingent liabilities

An underlying investment entity, MREF IV Colchester Property Ltd, has entered into a design and build contract for £19.5m. In September 2022 the entity entered into a development facility to provide for the acquisition and development costs up to a 55% loan to cost ratio. The Partnership, together with its parallel partnerships has provided an “all costs” guarantee of £2.0 million (the Partnership’s share is £228,000), at Practical Completion the guarantee is reduced to £800,000 and interest cover only.