

PBSA South Yorkshire UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2018

Registered number: 08706240



PBSA South Yorkshire UK Limited

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PBSA South Yorkshire UK Limited

Officers and professional advisers

Directors

Nathan Goddard
Jonathan Hire
Jeannie Wong

Company Secretary

Intertrust (UK) Limited

Registered Office

35 Great St Helen's
London
EC3A 6AP
United Kingdom

Bankers

Barclays Bank PLC
1 Churchill Place
Leicester
LE87 2BB
United Kingdom

Solicitors

Mishcon de Reya LLP
Africa House
70 Kingsway
London
WC2B 6AH
United Kingdom

Independent auditor

Deloitte LLP
Statutory Auditor
4 Brindleyplace
Birmingham
B1 2HZ
United Kingdom

PBSA South Yorkshire UK Limited

Directors' report

The directors present their annual report on the affairs of PBSA South Yorkshire UK Limited (the "company"), together with the audited financial statements and auditor's report for the year ended 31 December 2018.

The comparative period relates to the period from 28 December 2016 to 31 December 2017.

Principal activity

The company's principal activity is to operate and manage student accommodation. Derwent Facilitates Management Limited operated the asset to September 2018, after which PBSA Portfolio Advisor Limited, a fellow wholly-owned subsidiary of BSREP II PBSA Topco S.a.r.l, took over operations. The primary objectives of the company are to run a profitable business for its stakeholders by maximising student occupancy across the academic year, whilst controlling costs.

Results

The company's loss before tax for the financial year is £131,000 (2017 financial period: £110,000 loss).

Directors

The directors who served throughout the year and subsequently, except as noted, were as follows:

| | |
|-----------------|---|
| Timothy Butler | (resigned on 28 March 2018) |
| Jeannie Wong | (resigned on 23 July 2018 and re-appointed on 6 September 2018) |
| Kevin McCrain | (resigned on 2 November 2018) |
| Natalie Adomait | (resigned on 6 September 2018) |
| Paul Inglett | (appointed on 28 March 2018 and resigned 2 November 2018) |
| Nathan Goddard | (appointed on 28 March 2018) |
| Jonathan Hire | (appointed on 23 July 2018) |

Directors' indemnities

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

The directors have assessed the viability of the company, taking account of the company's current position and the potential impact of the principal risks. The financial statements have been prepared on a going concern basis, notwithstanding being in a net liabilities position, as BSREP II PBSA Topco S.A.R.L. has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements and meet its liabilities as they fall due for payment. Consequently, the directors are satisfied that the company is a going concern.

We recognise that there remains significant uncertainty around the eventual Brexit outcome. However, based on the directors understanding today they do not believe that Brexit will generate unmanageable risks for the company.

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies with Part 15 of the Companies Act 2006.

PBSA South Yorkshire UK Limited

Directors' report (continued)

Independent auditor

Pursuant to s487 of the Companies Act 2006, the auditor's will be deemed to be re-appointed and Deloitte LLP will, therefore, continue in office.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Jonathan Hire
Director

14 May 2019

Registered Office:
35 Great St Helen's
London
EC3A 6AP
United Kingdom

PBSA South Yorkshire UK Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Independent auditor's report to the members of PBSA South Yorkshire UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of PBSA South Yorkshire UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

The directors are 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of PBSA South Yorkshire UK Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial period 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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

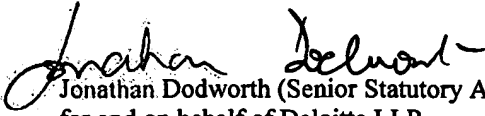
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law 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 take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report

We have nothing to report in respect of these matters.

Independent auditor's report to the members of PBSA South Yorkshire UK 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

14 May 2019

PBSA South Yorkshire UK Limited

Statement of Comprehensive Income For the year ended 31 December 2018

| | | Year ended 31 December 2018 £'000 | Period from 28 December 2016 to 31 December 2017 £'000 |
|---|----------|--|---|
| Turnover | 3 | 5,378 | 5,769 |
| Cost of sales | | <u>(5,077)</u> | <u>(5,457)</u> |
| Gross profit | | 301 | 312 |
| Administrative expenses | | <u>(432)</u> | <u>(422)</u> |
| Loss before taxation | 4 | (131) | (110) |
| Tax on loss | 8 | 22 | (8) |
| Loss for the financial year / period | | <u><u>(109)</u></u> | <u><u>(118)</u></u> |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive loss for the year / period | | <u><u>(109)</u></u> | <u><u>(118)</u></u> |

All transactions derive from continued operations.

The notes on pages 11 to 17 form part of these financial statements.

PBSA South Yorkshire UK Limited

Balance Sheet At 31 December 2018

| | Note | 2018 £'000 | 2017 £'000 |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 9 | 650 | 483 |
| | | <u>650</u> | <u>483</u> |
| Current assets | | | |
| Debtors | 10 | 1,002 | 458 |
| Cash at bank and in hand | | 394 | 1,855 |
| | | <u>1,396</u> | <u>2,313</u> |
| Creditors: amounts falling due within one year | 11 | <u>(2,112)</u> | <u>(2,753)</u> |
| Net current liabilities | | <u>(716)</u> | <u>(440)</u> |
| Total assets less current liabilities | | <u>(66)</u> | <u>43</u> |
| Net (liabilities)/assets | | <u>(66)</u> | <u>43</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | - | - |
| Profit and loss account | | <u>(66)</u> | <u>43</u> |
| Total shareholders' (deficit)/funds | | <u>(66)</u> | <u>43</u> |

The notes on pages 11 to 17 form part of these financial statements.

The financial statements of PBSA South Yorkshire UK Limited (registered number 08706240) were approved by the board of directors and authorised for issue on May 2019.

They were signed on its behalf by:



Jonathan Hire
Director

PBSA South Yorkshire UK Limited

Statement of Changes in Equity At 31 December 2018

| | Called up share capital £'000 | Profit and loss account £'000 | Total £'000 |
|--|--|--|------------------------|
| At 28 December 2016 | - | 161 | 161 |
| Loss and other comprehensive income for the financial period | - | (118) | (118) |
| Total comprehensive loss for the period | - | (118) | (118) |
| At 31 December 2017 | - | 43 | 43 |
| Loss and other comprehensive income for the financial year | - | (109) | (109) |
| Total comprehensive loss for the year | - | (109) | (109) |
| At 31 December 2018 | - | (66) | (66) |

PBSA South Yorkshire UK Limited

Notes to the financial statements For the year ended 31 December 2018

General information and basis of accounting

PBSA South Yorkshire UK Limited ('the company') is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales (registered number 08706240). The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on pages 2 and 3.

Statement of compliance

The financial statements of the company 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.

1. Accounting policies

Basis of preparation of financial statements

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

The financial statements have been prepared under the historical cost convention. 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 2.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Exemptions for qualifying entities under FRS102

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of an intermediate parent, BSREP II PBSA Topco S.a.r.l., which may be obtained at 19 Rue Eugène Ruppert L-2453 Luxembourg. The company has taken advantage of the following exemptions:

- The company has taken advantage of the exemption, under FRS102 section 7, from preparing a statement of cash flows, on the basis that it is a qualifying entity;
- From disclosing information on financial instruments, as required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues; and
- From disclosing the company key management compensation, as required by FRS102 paragraph 33.7.

Going concern

The directors have assessed the viability of the company, taking account of the company's current position and the potential impact of the principal risks. The financial statements have been prepared on a going concern basis, notwithstanding being in a net liabilities position, as BSREP II PBSA Topco S.A.R.L. has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements and meet its liabilities as they fall due for payment. Consequently, the directors are satisfied that the company is a going concern.

We recognise that there remains significant uncertainty around the eventual Brexit outcome. However, based on the directors understanding today they do not believe that Brexit will generate unmanageable risks for the company.

PBSA South Yorkshire UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

1. Accounting policies (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and value-added taxes.

Rental income from property leased out under operating leases (comprised direct lets to students and leases to Universities) is recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total rental income and spread over the term of the lease.

Turnover in relation to ancillary services, such as laundry and car parking, is recognised in the accounting period in which the services are rendered.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|------------------|------------|
| Office equipment | 3-10 years |
|------------------|------------|

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other receivables 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 the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) 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 and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

PBSA South Yorkshire UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

1. Accounting policies (continued)

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments and original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Called up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets:

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases relating to motor vehicles are charged to the profit and loss account on a straight-line basis over the period of the lease term.

Payments under operating leases relating to the lease of the property are charged to the profit and loss account based on the financial performance of the company in the year. The charge is calculated as 97% of profit before depreciation and tax in the year, over the lease term.

Related party transactions

The company discloses transactions with related parties which are not wholly-owned with the same group. It does not disclose transactions with members of the same group that are wholly-owned as the company has taken advantage of the exemption under paragraph 33.1A of FRS 102.

2. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors consider there are no critical accounting estimates and judgements involved.

PBSA South Yorkshire UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

3. Turnover

The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the United Kingdom.

4. Loss before taxation

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Loss before taxation is stated after charging: | | |
| Depreciation of tangible fixed assets (note 9) | 228 | 223 |
| Operating lease rentals (note 13): | | |
| - Land and buildings | 3,552 | 3,801 |
| | <u>3,552</u> | <u>3,801</u> |

5. Auditor's remuneration

Audit fees of £13,000 were payable to the company's auditor (2017: £9,000) for the auditing of these financial statements.

6. Staff numbers and costs

The average monthly number of employees was:

| | 2018 Number | 2017 Number |
|----------------|----------------|----------------|
| Security | - | 3 |
| Administration | 11 | 6 |
| Cleaning | - | 5 |
| Maintenance | - | 4 |
| Management | - | 1 |
| | <u>11</u> | <u>19</u> |

| | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Their aggregate remuneration comprised: | | |
| Wages and salaries | 308 | 315 |
| Social security costs | 24 | 28 |
| Other pension costs | 4 | 3 |
| | <u>336</u> | <u>346</u> |

7. Directors' remuneration

The directors performed no material services for the company in respect of the current year and therefore received no emoluments (2017: nil).

PBSA South Yorkshire UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

8. Tax on loss

The tax (credit)/charge comprises:

| | 2018 £'000 | 2017 £'000 |
|--|--|--|
| Current tax on loss | | |
| Current tax on loss for the year/period | 19 | 32 |
| Adjustments in respect of previous periods | (41) | (24) |
| | <u> </u> | <u> </u> |
| Total tax on loss | <u> </u> <u> </u> | <u> </u> <u> </u> |

The standard rate of tax applied to reported loss is 19.00% (2017: 19.4%).

The effect of changes to the corporation tax rates substantively enacted as part of the Finance Bill 2016 (on 7 September 2016) includes reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. There were no other factors that may affect future tax charges. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The difference between the total tax (credit)/charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

| | 2018 £'000 | 2017 £'000 |
|--|--|--|
| Loss before tax | <u> </u> <u> </u> | <u> </u> <u> </u> |
| Tax on loss at standard UK corporation tax rate of 19.00% (2017: 19.4%) | (25) | (21) |
| Effects of: | | |
| - Expenses not deductible for tax purposes | 44 | 53 |
| - Adjustments to tax charge in respect of previous periods | (41) | (24) |
| | <u> </u> | <u> </u> |
| Total tax (credit)/charge for year/period | <u> </u> <u> </u> | <u> </u> <u> </u> |

PBSA South Yorkshire UK Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2018**

9. Tangible assets

| | Office equipment £'000 |
|-----------------------|---------------------------------------|
| Cost | |
| At 1 January 2018 | 786 |
| Additions | 395 |
| At 31 December 2018 | <u>1,181</u> |
| Depreciation | |
| At 1 January 2018 | 303 |
| Charge for the year | 228 |
| At 31 December 2018 | <u>531</u> |
| Net book value | |
| At 31 December 2018 | <u>650</u> |
| At 31 December 2017 | <u>483</u> |

10. Debtors

| | 2018 £'000 | 2017 £'000 |
|--|-----------------------|-----------------------|
| Amounts falling due within one year | | |
| Trade debtors | 660 | 287 |
| Prepayments and accrued income | 48 | 114 |
| Amounts owed by group undertakings | 294 | 30 |
| Taxation and social security | - | 27 |
| | <u>1,002</u> | <u>458</u> |

The amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

11. Creditors: amounts falling due within one year

| | 2018 £'000 | 2017 £'000 |
|------------------------------------|-----------------------|-----------------------|
| Trade creditors | 61 | 119 |
| Amounts owed to group undertakings | 786 | 511 |
| Corporation tax payable | 18 | 13 |
| Taxation and social security | 9 | - |
| Accruals and deferred income | 1,175 | 2,110 |
| Other creditors | 63 | - |
| | <u>2,112</u> | <u>2,753</u> |

The amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

PBSA South Yorkshire UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

12. Called up share capital

| | 2018 | 2017 |
|---|----------|----------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1 ordinary share of £1 (2017: 1) | 1 | 1 |
| | <u>1</u> | <u>1</u> |

The company has one class of ordinary shares.

There are no restrictions on the distribution of dividends and the repayment of capital.

13. Capital and other commitments

The company has entered an operating lease with the immediate parent company for the lease of the property that it operates. The lease is due to expire in 2020. Annual charges under the lease are based on the financial performance of the company through the calculation of 97% of profit before depreciation and tax. As the exact level of financial performance of the company is not certain, the future minimum lease payments have not been disclosed.

14. Contingent liability

There is a contingent liability in relation to a potential claim for payment to a counterparty. The Company regularly reviews its position on any potential claim to determine any financial impact; as at 31 December 2018 no provision was considered necessary. A provision will be recognised if it is considered more likely than not that a settlement will be required, and the value of the payment can be reliably estimated.

15. Immediate and ultimate parent undertakings and controlling parties

The company's immediate parent undertaking is PBSA 1 S.a.r.l., which is registered in Luxembourg.

BSREP II PBSA Midco S.a.r.l. is the undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of the group are available at the registered address of 19 Rue Eugène Ruppert L-2453 Luxembourg.

The company's ultimate controlling party and ultimate parent company is Brookfield Asset Management Inc. and is the undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of the group are available at the registered address of Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada.