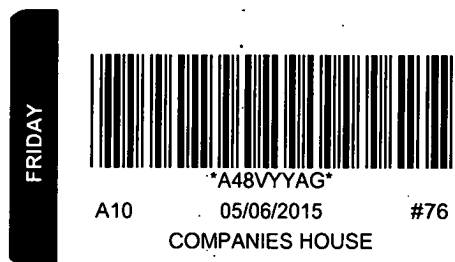


GL Europe South Yorkshire UK Limited

Annual Report and Financial Statements

For the period ended
28 December 2014



Company Registration No. 8706240

GL Europe South Yorkshire UK Limited

Directors and Officers

DIRECTORS

Jonathan David Ford
Padraig James Moore
Tim Butler
Jason Ross

COMPANY SECRETARY

Jordons Corporate Law Limited
21 St Thomas Street
Bristol
BS1 6JS

REGISTERED OFFICE

20-22 Bedford Row
London
WC1R 4JS

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London WC2N 6RH

GL Europe South Yorkshire UK Limited

Directors' Report for the period ended 28 December 2014

The directors submit their annual report and the financial statements of GL Europe South Yorkshire UK Limited for the period ended 28 December 2014.

The company's registration number is 8706240.

Principal activity and review of the business

The company's principal activity is to operate and manage student accommodation.

The company was incorporated on 25 September 2013. The company began trading on 4 October 2013 following the purchase of 992 beds by the parent company, GL Europe Sheffield 1 Sarl. Following the acquisition, the parent company granted an operating lease to the company. The accommodation is based in Sheffield, United Kingdom and primarily serves the students of the University of Sheffield. It also houses an International language school, which is leased out.

GL Europe South Yorkshire UK manages the asset on a day to day basis, using Derwent Facilities Management Limited to operate the asset. The primary objectives of the business are to run a profitable business for its stakeholders by maximising student occupancy across the academic year, whilst controlling costs.

In the period to 28 December 2014, the business generated £6.50m of turnover and generated an operating profit of £4.06m before lease payments. This represented a very healthy margin from operations. After lease obligations the company made a profit on ordinary activities before taxation of £0.12m in its first period of operation.

Principle risks and uncertainties

The company is exposed to a variety of financial risks that include liquidity risk.

(a) Liquidity risk

The Directors regularly review the company's financial position and actively discuss matters to ensure that there are sufficient funds available to continue in operational existence and meet liabilities as and when they fall due.

(b) Credit risk

Credit risk arises from cash and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Capital management risk

(c) The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company has no material exposure to interest rate or foreign exchange risk.

The principal risk facing the company is credit risk.

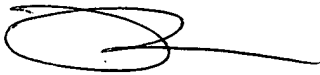
GL Europe South Yorkshire UK Limited

Directors' Report for the period ended 28 December 2014

Key performance indicators

Financial performance is measured against annual objectives which focus on deliverables in support of both short term results and overall longer term strategy. Key performance indicators include turnover growth, profit from operations as a percentage of turnover, future year bookings versus previous year comparable figures, labour as a percentage of turnover and the ageing of debtors.

By order of the board



Jason Ross
Director
2 June 2015



Tim Butler
Chief Executive Officer
2 June 2015

GL Europe South Yorkshire UK Limited

Strategic Report for the period ended 28 December 2014

Future developments

The directors expect the business to continue to trade profitably in the future.

Dividends

The company did not make any dividend payment in the period and none have been recommended.

Directors

The directors who have held office throughout the period and up to the date of signing of the financial statements are:

Jonathan David Ford - appointed 25 September 2013

Padraig James Moore - appointed 25 September 2013

Tim Butler - appointed 1 January 2014

Jason Ross - appointed 1 January 2014

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. The company therefore continues to adopt the going concern basis in preparing these financial statements.

Statement of directors' responsibility

The directors are responsible for preparing the strategic report and 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 prepared 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 (FRS 102).

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GL Europe South Yorkshire UK Limited

Strategic Report for the period ended 28 December 2014


Disclosure of information to auditors

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that he ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By order of the board



Jason Ross
Director
2 June 2015



Tim Butler
Chief Executive Officer
2 June 2015

GL Europe South Yorkshire UK Limited

Independent Auditors' Report to the Members of GL Europe South Yorkshire UK Limited

Report on the financial statements

Our opinion

In our opinion, GL Europe South Yorkshire UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 December 2014 and of its profit and cash flows for the period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

GL Europe South Yorkshire UK Limited's financial statements comprise:

- the Balance Sheet as at 28 December 2014;
- the Profit and Loss Account for the period then ended;
- the Statement of Cashflows for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

GL Europe South Yorkshire UK Limited

Independent Auditors' Report to the Members of GL Europe South Yorkshire UK Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Ian Benham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
2 June 2015

GL Europe South Yorkshire UK Limited

Profit and Loss Account

for the period ended 28 December 2014

	<i>Notes</i>	2014 £'000
Turnover	3	6,501
Cost of Sales		(6,303)
Gross Profit		198
Administrative expenses		(77)
Profit on ordinary activities before taxation	4	121
Tax on profit on ordinary activities	6	(24)
Profit for the financial year		<u>97</u>

The profit for the period arises from the company's continuing operations.

No Other Comprehensive Income statement has been presented as all gains and losses have been dealt with in the profit and loss account.

Company Registration No. 8706240

GL Europe South Yorkshire UK Limited

Balance Sheet

As at 28 December 2014

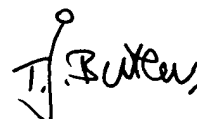
	<i>Notes</i>	2014 £'000
Current Assets		
Debtors	7	184
Cash at bank and in hand		3,304
		3,488
CREDITORS: Amounts falling due within one year		
	8	(3,391)
Net Assets		97
Capital and reserves		
Called-up share capital	9	-
Retained earnings		97
Total equity		97

The notes on pages 12 to 17 are an integral part of these financial statements

The financial statements on pages 8 to 17 were approved by the board on 2 June 2015 and were signed on its behalf by:



Jason Ross
Director



Tim Butler
Chief Executive Officer

Company Registration No. 8706240

GL Europe South Yorkshire UK Limited
Statement of Changes in Equity
for the period ended 28 December 2014

	Called up Share Capital £'000	Retained Earnings £'000	Total equity £'000
	-	-	-
Proceeds from shares issued	-	-	-
Profit and total comprehensive income	-	97	97
Balance as at 28 December 2014	-	97	97

GL Europe South Yorkshire UK Limited
Statement of Cashflows
for the period ended 28 December 2014

	<i>Notes</i>	2014 £'000
Net cash from operating activities	10	3,304
Taxation paid		-
Net cash generated from operating activities		3,304
Cash flow from financing activities		
Proceeds from issue of ordinary share capital (net of costs of issue)		-
Net cash used in financing activities		-
Net increase in cash at bank and in hand		3,304
Cash and cash equivalents at the end of the period		3,304

GL Europe South Yorkshire UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 28 December 2014

1. 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.

1.1 Basis of Preparation

These financial statements are prepared on a going concern basis, 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 judgment 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.

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. The company therefore continues to adopt the going concern basis in preparing these financial statements.

1.3 Revenue recognition

Revenue 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 (comprising 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.

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

1.4 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1.5 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.

GL Europe South Yorkshire UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 28 December 2014

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

1.6 Cash and cash equivalents

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

1.7 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, cash and bank balances and investments in commercial paper, 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 profit or loss.

If there is 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 profit or loss.

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, bank loans, loans from fellow group companies and preference shares, 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.

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

GL Europe South Yorkshire UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 28 December 2014

1.8 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 the proceeds.

2 Critical accounting judgments and 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.

Critical accounting estimates and assumptions

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 7 for the net carrying amount of the debtors and associated impairment provision.

3 Turnover

The turnover of the company during the period arose solely from UK operations.

4 Operating profit

Operating profit is stated after charging:

	2014 £'000
Wages and salaries	384
Social security costs	48
Other pensions costs	-
Staff costs	432
<hr/>	
Impairment of trade receivables	-
Operating lease rentals:	
Land and buildings	3,937
	<hr/>

Audit fees for 2014 have been borne by a fellow group company, GL Europe Portfolio Advisor Ltd and not recharged. Non-audit fees of £6,500 have been incurred in the year in relation to VAT compliance and assistance with the annual corporate tax return.

5 Employees and directors

The average monthly number of persons (excluding directors) employed by the company during the period was:

GL Europe South Yorkshire UK Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the period ended 28 December 2014

By activity	2014 No.
Management	2
Administration including Selling	6
Cleaning	4
Maintenance	3
Security	4
	19

Directors

The remuneration of the Directors is borne by a fellow group company. They do not consider it practical to allocate their remuneration between the various subsidiary entities and no recharge is made for their services.

6 Tax on profit on ordinary activities

	2014 £'000
(a) Analysis of taxation charge in the period	
Current tax:	
UK corporation tax	(24)
Adjustment in respect of prior periods	-
Total current tax	(24)

(b) Factors affecting tax charge for period:

Tax assessed for the period is equal to the standard rate of corporation tax in the UK for the year ended 28 December 2014 of 21.5%.

In addition to the changes in rates of corporation tax disclosed above further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2014 on 2 July 2014. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015, the relevant deferred tax balances have been re-measured.

7 Debtors	2014 £'000
Trade debtors	48
Prepayments and accrued income	136
	184

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

Trade debtors are stated after provisions for impairment of nil.

GL Europe South Yorkshire UK Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the period ended 28 December 2014

8	Creditors: Amounts falling due within one year	2014 £'000
	Trade creditors	(84)
	Amounts owed to group undertakings	(966)
	Corporation tax	(24)
	Other taxation and social security	(9)
	Accruals and deferred income	(2,308)
		<u>(3,391)</u>

The amounts due to fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment.

9 Called up Share capital

Ordinary share of £1 each	No.	£
Allotted and fully paid		
On incorporation	<u>1</u>	<u>1</u>
At 28 December 2014	<u>1</u>	<u>1</u>

On incorporation one ordinary share was issued for £1. No expenses were incurred on issue of the share.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

10 Note to the Statement of Cashflows

	2014 £'000
Profit for the financial period	<u>97</u>
Tax on profit on ordinary activities	24
Operating Profit	<u>121</u>
Cash flow from operating activities	
Working capital movements:	
(Increase) in debtors	(184)
Increase in payables	3,367
Cash flow from operating activities	<u>3,304</u>

11 Capital and other commitments

The company has entered into an operating lease with the immediate parent company, GL Europe Sheffield 1 Sarl, for the lease of the property that it operates. The lease is due to expire in 2020. Annual charges under the lease are determined based on the financial performance of the company as defined in the lease contract.

GL Europe South Yorkshire UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 28 December 2014

12 Related party disclosures

The company has identified the following related party transactions for disclosure:

An operating lease charge in respect of the property payable to the parent company, GL Europe Sheffield 1 Sarl, of £3.94m has been recognised in the period. An amount of £0.97m was owed to GL Europe Sheffield 1 Sarl at the year end.

The company was charged a management fee of £0.03m by GL Europe Portfolio Advisor Limited in the year. An amount of £nil was owed to GL Europe Portfolio Advisor Limited at the year end.

13 Controlling parties

The immediate parent undertaking is GL Europe Sheffield 1 Sarl.

The ultimate controlling party is GL Europe RE Holdings Sarl.