

**ELLESMERE MANCHESTER OPERATIONS
LIMITED**

AUDITED

ANNUAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2018**

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ELLESMERE MANCHESTER OPERATIONS LIMITED

COMPANY INFORMATION

Directors	Marc Gilbard Nicholas Edwards Charles Ferguson-Davie
Registered number	10207965
Registered office	Moorfield Group 10 Grosvenor Street London W1K 4QB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP

ELLESMERE MANCHESTER OPERATIONS LIMITED

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ELLESMERE MANCHESTER OPERATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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 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.

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.

Principal activities

The Company's principal activity during the year was that of letting and operating private rented accommodation.

Directors

The directors who served during the year were:

Marc Gilbard
Nicholas Edwards
Charles Ferguson-Davie

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a member of the group of companies whose ultimate controlling party is MREF III GP Limited on behalf of Moorfield Real Estate Fund III "A" Limited Partnership, Moorfield Real Estate Fund III "B" Limited Partnership, and Moorfield Real Estate Fund III "PC" Limited Partnership. The directors have assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire MREF III GP Limited, as the Company is reliant on financial support from this company.

Results

The Company's loss for the financial year is £289,344 (2017 £4,200).

ELLESMERE MANCHESTER OPERATIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Director

Date: 25/9/19

ELLESMERE MANCHESTER OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ELLESMERE MANCHESTER OPERATIONS LIMITED

Opinion

In our opinion, Ellesmere Manchester Operations Limited's financial statements:

- 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2018; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

ELLESMERE MANCHESTER OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ELLESMERE MANCHESTER OPERATIONS LIMITED

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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.

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

Use of this report

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.

ELLESMERE MANCHESTER OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ELLESMERE MANCHESTER
OPERATIONS LIMITED

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Hook (Senior statutory auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

25/9/19

ELLESMERE MANCHESTER OPERATIONS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018

		Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Administrative expenses		(289)	(4)
Operating loss	3	<u>(289)</u>	<u>(4)</u>
Tax on loss		-	-
Loss after tax		<u>(289)</u>	<u>(4)</u>
Accumulated losses at the beginning of the year		(4)	-
Loss for the year		(289)	(4)
Accumulated losses at the end of the year		<u>(293)</u>	<u>(4)</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 10 form part of these financial statements.

ELLESMERE MANCHESTER OPERATIONS LIMITED
REGISTERED NUMBER:10207965

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Current assets			
Cash at bank and in hand		184	-
Creditors: amounts falling due within one year	5	(477)	(4)
Net current liabilities		(293)	(4)
Total assets less current liabilities		(293)	(4)
Net liabilities		(293)	(4)
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account		(293)	(4)
Total equity		(293)	(4)

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

Director

Date: 25/9/19

ELLESMERE MANCHESTER OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Company's principal activity during the period was that of letting and operating student accommodation. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Moorfield Group, 10 Grosvenor Street, London, W1K 4QB. The company registered number is 10207965.

2. Summary of significant 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.

There were no material departures from the standard.

These financial statements are presented in sterling, which is the functional currency of the Company and rounded to the nearest £1,000.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company has received confirmation from MREF III GP Limited on behalf of Moorfield Real Estate Fund III "A" Limited Partnership, Moorfield Real Estate Fund III "B" Limited Partnership, and Moorfield Real Estate Fund III "PC" Limited Partnership (Funds), that they will continue to make available sufficient resources to enable the Company to meet its liabilities for a period of at least 12 months from the date of signing these financial statements.

2.3 Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group.

2.4 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.

2.5 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

ELLESMERE MANCHESTER OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Summary of significant accounting policies (continued)

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Operating loss

The operating loss is stated after charging:

	2018 £000	2017 £000
Auditors' remuneration	6	6

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

5. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	443	-
Other creditors	-	4
Accruals and deferred income	34	-

6. Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	1	1

7. Related party transactions

The Company has in the past received funding from its immediate parent entity. At the end of the year a balance of £443,000 (2017: £Nil) was owed to the immediate parent entity. All of these amounts are unsecured, non-interest bearing and repayable on demand.

ELLESMERE MANCHESTER OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Immediate and ultimate parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is MREF III Manchester Property Sarl, which is registered in Luxembourg.

The Company's ultimate parent undertaking is MREF III PRS Holdings Sarl, which is registered in Luxembourg.

At 31 December 2018 the Company's ultimate controlling parties are Moorfield Real Estate Fund III "A" Limited Partnership, Moorfield Real Estate Fund III "B" Limited Partnership and Moorfield Real Estate Fund "PC" Limited Partnership which are limited partnerships registered in England and Wales.