

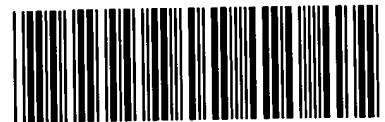
**Registered Company Number : 07358554**

**Pure Bankside Limited**

**Directors Report and Financial Statements**

**For the period ended 30 September 2018**

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**Pure Bankside Limited**  
**Directors Report and Financial Statements**  
**For the period ended 30 September 2018**

<b>Contents</b>	<b>Page(s)</b>
<b>Directors' Report</b>	<b>1-3</b>
<b>Strategic Report</b>	<b>4</b>
<b>Independent Auditors' Report</b>	<b>5-6</b>
<b>Statement of Profit and Loss</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10-18</b>

**Pure Bankside Limited**  
**Directors' Report**  
**For the period ended 30 September 2018**

The Directors present their Report, the Strategic Report and the audited Financial Statements for Pure Bankside Limited ("the Company") for the period ended 30 September 2018.

**Principal activities**

The Company is a private company limited by shares and is incorporated in the United Kingdom. Its principal activities are to provide leasing, management, maintenance, consultancy and operating services to the owners ("PropCos") of student accommodation pursuant to the terms of the operating lease. The Company and PropCos are subsidiaries of IQSA Holdings S.à r.l., a company incorporated and registered in Luxembourg (the "Group").

**Dividends**

The Company did not pay any dividends during the period (2017: £ Nil). The directors do not recommend the payment of a final dividend (2017: £ Nil).

**Directorships**

The directors of the Company who were in office during the period and up to the date of signing the financial statements were:

Iliya William Blazic  
Stephen Sui Sang Leung  
David Samuel Tymms

**Accounting principles**

Details of the main accounting principles adopted are disclosed in note 2 in these financial statements.

**Financial risk management**

***Credit risk***

Credit risk occurs when a counterparty to a financial instrument fails to discharge an obligation to the Company. It may occur through receivables, or cash and cash equivalents held at banks. The Company's receivables relate principally to amounts due from other group companies and students, management monitors the ability of these debtors to meet their obligations on an ongoing basis.

***Interest rate risk***

The Company finances its normal operations with cash generated by operations, and short term intercompany loans that are interest free.

***Liquidity and cash flow risk***

The Company finances its normal operations with cash generated by operations, and intercompany loans. Management mitigates this risk through monitoring cash flow forecasts.

**Directors' indemnities and insurance**

The Company has agreed to indemnify each director and other officer against liabilities incurred in relation to acts of omissions arising in the ordinary course of their duties. The indemnity applies only to the extent permitted by law.

The Company has in place appropriate third party Directors & Officers Liability insurance cover in respect of potential legal action against its directors and officers.

**Pure Bankside Limited**  
**Directors' Report (continued)**  
**For the period ended 30 September 2018**

**Political donations**

The Company has not made any political donations during the period and does not intend to make any political donations in 2019.

**Financial instruments**

The Company does not use derivative or hedging instruments.

**Independent Auditors**

The directors of the Company resolved to reappoint PricewaterhouseCoopers LLP as independent auditors of the Company.

**Registered Office**

The registered office of the Company is 7th Floor Cottons Centre, Cottons Lane, London, United Kingdom, SE1 2QG.

**Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial 9 month period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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 company will continue in business.

**Pure Bankside Limited**  
**Directors' Report (continued)**  
**For the period ended 30 September 2018**

**Statement of directors' responsibilities in respect of the financial statements (continued)**

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

**Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Going Concern**

The Directors regularly test the business model to ensure that the Company has adequate working capital and has reviewed the current and projected financial position, making reasonable assumptions of the future trading performance of the Company. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for its foreseeable future and, therefore, they adopt the going concern basis in preparing the financial statements.

On behalf of the Board



Stephen Sui Sang Leung  
6 March 2019

**Pure Bankside Limited**  
**Strategic Report**  
**For the period ended 30 September 2018**

**Review of the business**

The principal activity of the Company is to provide leasing, management, maintenance consultancy and operating services to the owners ("PropCos") of student accommodation. The Company and PropCos are subsidiaries of IQSA Holdings S.à r.l., a company incorporated and registered in Luxembourg (the "Group").

The Company has performed in line with our expectations set at the beginning of the period.

**Key Financial highlights**

The headline financial performance and position of the Company for the period ended 30 September 2018 is as follows:

	<b>2018</b>	<b>2017</b>
	<b>9 month period</b>	<b>12 month period</b>
	<b>£'000</b>	<b>£'000</b>
Total revenue	1,913	2,481
Operating profit	25	74
Net assets	240	248

The Company's additional key performance indicators include revenue per bed, operating costs per bed and net operating income. These indicators are measured and compared against targets on a monthly basis.

**Principal Risks and Uncertainties**

Principal risks and uncertainties are discussed in full in the Group financial statements. These are available at <https://www.iqstudentaccommodation.com>.

**Financing structure**

The Company is a party to a lending facility originated by Citibank N.A. and as a result is considered to be a guarantor and obligor and can therefore be liable to claims of the lenders.

**Future Developments**

The Company will continue to operate in its current capacity for the foreseeable future.

**Critical accounting estimates and assumptions**

Refer to note 2.1.1 of the financial statements for details.

On behalf of the board



Stephen Sui Sang Leung  
Director  
6 March 2019

# ***Independent auditors' report to the members of Pure Bankside Ltd***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Pure Bankside Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the 9 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 September 2018; the Statement of Profit and Loss, the Statement of Changes in Equity for the 9 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **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.

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### **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, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implication on the company's trade, customers, suppliers and the wider economy.

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### **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.

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 Strategic Report and 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.

### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 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 Strategic Report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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](http://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.

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## **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.



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

6 March 2019



**Pure Bankside Limited**  
**Statement of Profit and Loss**  
**For the period ended 30 September 2018**

	Note	Period ended 30-Sep-18 £'000	Year ended 31-Dec-17 £'000
Revenue	3	1,913	2,481
Cost of sales		(1,752)	(2,359)
<b>Gross Profit</b>		<b>161</b>	<b>122</b>
Administrative expenses		(136)	(48)
<b>Operating Profit</b>	4	<b>25</b>	<b>74</b>
Interest receivable and similar income		1	-
<b>Profit before income taxation</b>		<b>26</b>	<b>74</b>
Income tax expense	6	(34)	(10)
<b>(Loss)/profit for the financial period/year</b>		<b>(8)</b>	<b>64</b>

All of the results stated above relate to continuing operations.

The notes on pages 10 to 18 form an integral part of these financial statements.

**Pure Bankside Limited**  
**Statement of Financial Position**  
**As at 30 September 2018**

	Note	30-Sep-18 £'000	31-Dec-17 £'000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	7	826	252
Cash and cash equivalents	8	1,052	1,333
<b>Total current assets</b>		<b>1,878</b>	<b>1,585</b>
<b>Total assets</b>		<b>1,878</b>	<b>1,585</b>
<b>Creditors - amounts falling due within one year</b>	9	(1,638)	(1,337)
<b>Total liabilities</b>		<b>(1,638)</b>	<b>(1,337)</b>
<b>Net current assets</b>		<b>240</b>	<b>248</b>
<b>Net assets</b>		<b>240</b>	<b>248</b>
<b>Equity</b>			
Called up Share capital	10	-	-
Retained earnings		240	248
<b>Total equity</b>		<b>240</b>	<b>248</b>

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 6 March 2019 and are signed on its behalf by:



**Stephen Sui Sang Leung**  
**Director**

The notes on pages 10 to 18 form an integral part of these financial statements.

Registered Company Number : 07358554

**Pure Bankside Limited**  
**Statement of Changes in Equity**  
**For the period ended 30 September 2018**

	<b>Called up Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total Equity £'000</b>
Balance at 1 January 2018	-	248	248
Profit for the financial period	-	(8)	(8)
Balance at 30 September 2018	<hr/>	<hr/>	<hr/>
	-	240	240

	<b>Called up Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total Equity £'000</b>
Balance at 1 January 2017	-	184	184
Profit for the financial year	-	64	64
Balance at 31 December 2017	<hr/>	<hr/>	<hr/>
	-	248	248

The notes on pages 10 to 18 form an integral part of these financial statements.

**Pure Bankside Limited**  
**Notes to the financial statements**  
**For the period ended 30 September 2018**

**1. General Information**

The Company is incorporated in the United Kingdom. Its principal activities are to provide leasing, management, maintenance, consultancy and operating services to the owners ("PropCos") of student accommodation. The Company and PropCos are subsidiaries of IQSA Holdings S.à r.l., a company incorporated and registered in Luxembourg (the "Group").

In August 2018 the Board of Directors resolved to change the financial year end of the Company, from 31 December to 30 September, in line with the academic year. As a consequence the current financial period starts on 1 January 2018 and ends on 30 September 2018.

**2. 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 periods presented, unless otherwise stated.

**2.1 Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Disclosure Framework ("FRS 101"). In preparing the financial statements, the Company applies the measurement and disclosure requirements of the International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary to comply with Companies Act 2006. The financial statements of the Company for the year ended 31 December 2017 were prepared in accordance with FRS 102.

No adjustments were required at the date of transition or to the statement of profit and loss for the year ended 31 December 2017, on adoption of FRS 101 and therefore no separate transition to FRS 101 note has been prepared.

Some of the FRS 101 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous FRS 102. Consequently, the directors have amended certain accounting policies to comply with FRS 101.

The financial statements have been prepared under the historical cost convention, as modified by certain financial assets and financial liabilities measured at fair value. 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 2.1.1.

The accounting policies which follow set out these policies which apply in preparing the financial statements for the period ended 30 September 2018.

**Pure Bankside Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 30 September 2018**

**2. Significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101.

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statements of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 38(A) (requirement for minimum of two primary statements, including cash flow statements),
  - 111 (cash flow statement information).
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements in IAS 24, 'Related party disclosures':
  - to disclose related party transactions between two or more members of a group;
  - paragraph 17 (key management compensation); and
  - paragraph 18A related to key management service provided by a separate management entity.
- IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, relevant disclosures are given in the group financial statements of IQSA Holdings S.à r.l. Copies of the consolidated financial statements are available upon request from IQSA Holdings S.à r.l. (registered address: 2 Rue du Fosse, Luxembourg, L-1536).

**2.1.1 Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. 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 estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Impairment of trade and other receivables:

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the ageing profile of receivables and historical experience. Provisions are typically made when a balance remains unpaid following 90 days and after the room has been vacated.

**Pure Bankside Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 30 September 2018**

**2. Significant accounting policies (continued)**

**2.1.2 Going concern**

Going concern is discussed in the Directors' report on page 3.

**2.1.3 New standards, amendment and IFRIC interpretations**

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 30 September 2018, have had a material impact on the Company.

**2.2 Trade and other receivables**

Trade and other receivables are initially recognised at fair value. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables concerned. If collection is expected in more than one year, they are classified as non-current assets. The carrying value of trade and other receivables is considered to approximate to fair value.

**2.3 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer. Although the Company does not utilise any bank overdrafts, were an overdrawn position be shown at the period end it would be disclosed within borrowings in current liabilities.

**2.4 Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**2.5 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Pure Bankside Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 30 September 2018**

**2. Significant accounting policies (continued)**

**2.6 Current and deferred tax**

The tax expense for the period comprises current tax. Tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. 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 authority.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2.7 Revenue recognition**

Revenue includes rental income from property leased out under operating leases (comprising direct lets to students, leases to Universities and/or commercial tenants), hotel revenue and other ancillary income from properties.

Rental income from short term tenants is recognised on a straight-line basis over the lease term. When the Company provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Rental income from long term Universities lettings is uplifted by a) Retail Price Index, b) fixed percentage or c) combination of both at every anniversary of the lease and is recognised on a straight-line basis over the academic calendar year. The effective monthly rent is equal to the average monthly rent during the academic calendar year, not stated rent for any particular month.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.

**Pure Bankside Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 30 September 2018**

**2. Significant accounting policies (continued)**

**2.8 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. The Company designates all its leases as operating leases.

Operating lease payments are recognised as an operating expense in the statement of profit and loss on a straight line basis over the lease term, except for contingent rental payments which are expensed when they arise.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**3 Revenue**

100% of the revenue earned by the Company is through assets held in the United Kingdom.

**Analysis of revenue by category**

	<b>Period ended 30-Sep-18 £'000</b>	<b>Year ended 31-Dec-17 £'000</b>
Rental income	1,900	2,447
Other services	13	34
	<b>1,913</b>	<b>2,481</b>

Income is primarily derived through a mixture of one year contracted rental agreements with students, and/or longer term leases with Universities and hotel revenue.

All rental income arises from investment properties the Company operates.



**Pure Bankside Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 30 September 2018**

**4 Operating profit before taxation**

	<b>Period ended 30-Sep-18 £'000</b>	<b>Year ended 31-Dec-17 £'000</b>
Operating profit has been arrived at after charging:		
Wages and salaries	58	144
Staff Costs	58	144
Impairment of trade receivables	2	-
Operating lease expenses	1,256	1,734
Auditors' remuneration (Audit services only)	16	14

Cost of sales arose solely on investment properties which generated rental income and hotel income.

These costs comprise insurance and general maintenance and repair costs of maintaining the properties to a high standard. Additionally, payments made in respect of operating lease payments to the 'PropCo' totalled £1,256,000 (2017: £1,734,000).

**5 Employees and Directors**

No staff members were directly employed by the entity during the period (2017: 1). Wages and salary costs relate to staff costs recharged to the Company by a member of the Group.

During the period there were no emoluments paid to Directors (2017: no emoluments).

**Pure Bankside Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 30 September 2018**

**6 Income tax expense**

	<b>Period ended 30-Sep-18 £'000</b>	<b>Year ended 31-Dec-17 £'000</b>
<b>(a) Tax expenses included in profit and loss</b>		
<b>Current tax:</b>		
- UK Corporation tax expense on profits for the period/year	34	10
<b>Total Current expense</b>	<u>34</u>	<u>10</u>
<b>(b) Tax expenses included in profit and loss</b>		
<b>Deferred tax:</b>		
- Origination and reversal of timing differences	-	-
<b>Total Tax expense included in profit and loss</b>	<u>34</u>	<u>10</u>
<b>(c) Tax expenses included in profit or loss</b>		
Profit before taxation	26	74
Profit before taxation multiplied by the standard rate of tax in the UK of 19.00% (2017: 19.25%)	5	14
Utilisation of losses	-	-
Prior period adjustment	29	(4)
<b>Total Tax expense included in profit and loss</b>	<u>34</u>	<u>10</u>

The Company has no losses for tax purposes available to offset against future profits therefore

The Company has applied the main rate of corporation tax of 19.00% for the period ending 30 September 2018 (2017: 19.25%).

**7 Trade and other receivables**

	<b>30-Sep-18 £'000</b>	<b>31-Dec-17 £'000</b>
Trade receivables	257	17
Amounts owed by group undertakings	370	12
Other receivables	167	29
Prepayments and accrued income	32	194
	<u>826</u>	<u>252</u>

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

Trade receivables represents balances with tenants in relation to the letting of units in the investment property. Trade receivables are stated after provisions for impairment of £5,000 (2017: £2,000).

**Pure Bankside Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 30 September 2018**

**8 Cash and cash equivalents**

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	<u>1,052</u>	<u>1,333</u>

Of the cash balance £31,000 (2017: £48,505) represents security deposits from tenants, and £600,000 (2017: nil) has restricted use under the terms of an external loan facility of which this Company forms part of the security along with the properties it operates.

**9 Creditors - amounts falling due within one year**

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	18	29
Amounts owed to group undertakings	125	0
Corporation tax	5	14
Other creditors	51	137
Deferred income and accruals	<u>1,439</u>	<u>1,157</u>
	<u>1,638</u>	<u>1,337</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable upon demand.

Included within other creditors are the security deposits of £31,000 (2017: £48,505), owed to students at the conclusion of their tenancy. Included within the deferred income and accruals figure is advance payments of rental income received, not recognised as income until earned of £1,265,000 (2017: £1,083,000).

**10 Called up Share capital**

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>£'000</b>	<b>£'000</b>
Issued and fully paid:		
Ordinary shares – 2 (2017: 2) ordinary shares of £1 each	<u>-</u>	<u>-</u>

**11 Contingent liabilities and capital commitments**

The Company is a party to a lending facility originated by Citibank N.A. and as a result is considered to be a guarantor and obligor and can therefore be liable to claims of the lenders.

The Company is included in a group VAT registration for VAT purposes and is therefore jointly and severally liable for its, and all other group companies VAT liability.

**Pure Bankside Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 30 September 2018**

**12 Capital and other commitments**

**Company as lessee**

On 3 March 2014, the Company entered into 25 year lease agreements with IQSA Ewer Hammersmith S.à r.l.. Under these lease agreements, the Company has commitments to pay 97% of the income less operating costs that will arise from lettings of the investment property. Due to the nature of the lease structure where the costs from operating and maintaining the buildings cannot be reasonably predicted it is not possible to calculate a schedule of operating lease commitments.

**13 Ultimate controlling party**

The immediate parent of the Company is IQSA Student Holdco S.à r.l., a company incorporated and registered in Luxembourg.

IQSA Holdings S.à r.l., the main Shareholder, having its registered office at 2, Rue du Fossé, L-1536 Luxembourg, is the ultimate parent company into which the Company's financial statements are consolidated (the "Group").

The Group's main ultimate shareholders are The Goldman Sachs Group, Inc. who indirectly own 64.45%, The Wellcome Trust and Greystar UK Portfolio I Investors who own 28% and 3.6% respectively.

**14 Subsequent Events**

There have been no significant events since the period end.