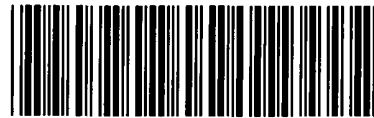


Registered Number: 09917455

URBANEST UK VINE STREET GP1 LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

Urbanest UK Vine Street GP1 Limited
Directors' Report for year ended 31 December 2017

The Directors submit their report with the financial statements of Urbanest UK Vine Street GP1 Limited ("the Company") for the year ended 31 December 2017.

RESULTS FOR THE YEAR

The Company is dormant and did not trade during the year.

PRINCIPAL ACTIVITIES

The Company's principal activity in the period under review was that of acting as a General Partner to Urbanest UK Vine Street Limited Partnership, a fellow subsidiary of Urbanest UK Limited Partnership, registered in the United Kingdom. No changes in the Company's principal activity are anticipated in the foreseeable future.

DIRECTORS

The directors who held office during the year and at the date of signing this report were:

M. Morgan
V. Skinner

On behalf of the Board:



V Skinner
Director
Urbanest UK Vine Street GP1 Limited
Date: 12 April 2018

Registered in England and Wales
Registered number: 09917455

Profit and Loss for the year ended 31 December 2017

The Company is dormant and did not trade during the year, and hence incurred no profit or loss.

Balance Sheet as at 31 December 2017

	Note	31 December 2017 £	31 December 2016 £
Current assets			
Debtors	2	2	2
		<u>2</u>	<u>2</u>
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		<u>2</u>	<u>2</u>
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	3	2	2
Total shareholder's funds		<u>2</u>	<u>2</u>

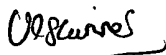
Notes 1 to 4 form part of these financial statements.

The company is exempt from the requirements relating to preparing audited accounts in accordance with section 480 of the Companies Act 2006.

The members have not required the company to obtain an audit of the accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 2 to 3 were approved by the Board of Directors on 12 April 2018 and signed on its behalf by:



V Skinner
Director
Urbanest UK Vine Street GP1 Limited

Urbanest UK Vine Street GP1 Limited
Notes to the financial statements for the year ended 31 December 2017

1. Accounting Policies

The financial statements have been prepared in accordance with applicable law and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and applicable accounting standards.

2. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	2	2
	<u>2</u>	<u>2</u>

The amounts owed by group undertakings are repayable on demand and carry no interest.

3. Called up share capital

	Authorised		Allotted and fully paid	
	2017 No.	2016 No.	2017 £	2016 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

4. Ultimate Controlling Party

The immediate parent company is Urbanest UK Holdco Limited, a company registered in Jersey. The immediate parent of Urbanest UK Holdco Limited is Urbanest UK Limited Partnership an entity registered in Jersey.

Urbanest UK Limited Partnership heads the smallest and the largest group for which the consolidated financial statements are prepared.

The immediate controlling party of Urbanest UK Limited Partnership and the group is Evergreen Other Portfolio Investments LLC an entity registered in Delaware.

At 31 December 2017, the Company considered the ultimate controlling party to be Evergreen Real Estate Partners LLC.

Registered Number: LP017172

URBANEST UK VINE STREET LIMITED PARTNERSHIP
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Urbanest UK Vine Street Limited Partnership

General Partners' Report for the year ended 31 December 2017

The Directors of the General Partners ("the Directors") submit their report with the audited financial statements of Urbanest UK Vine Street Limited Partnership ("the Limited Partnership") for the year ended 31 December 2017.

RESULTS FOR THE YEAR

The results are set out in the Statement of Total Comprehensive Income shown on page 5.

PRINCIPAL ACTIVITIES

The Limited Partnership was established on 21 December 2015 and is registered as a Limited Partnership in England under company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

The principal place of business of the Limited Partnership is 101 St Martin's Lane, London, WC2N 4AZ.

In accordance with the amended Limited Partnership Agreement dated 21 December 2015 ("LPA"), the principal activity of the Limited Partnership is that of property development and investment. No changes in the Limited Partnership's principal activity are anticipated in the foreseeable future.

No strategic report has been prepared as the Limited Partnership has elected to make use of the disclosure exemption for small qualifying partnerships under Companies Act 2006, s.414B and the Partnerships (Accounts) Regulations 2008.

PARTNERS

Urbanest UK Vine Street GP1 Limited and Urbanest UK Vine Street GP2 Limited, with no direct interest in the Limited Partnership, act as the General Partners to the Limited Partnership. The Limited Partners and their respective percentage holdings are shown below:

Urbanest UK Vine Street Unit Trust	100%
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GOING CONCERN

The General Partners of the Limited Partnership believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent Urbanest UK Limited Partnership. The General Partners have received confirmation from the General Partner of Urbanest UK Limited Partnership that Urbanest UK Limited Partnership intends to support the Limited Partnership for at least 12 months after these financial statements are signed.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the Limited Partnership is that poor performance of the investment property coupled with adverse market conditions might have a material impact on the asset valuation in the financial statements. The Limited Partnership's performance during the year indicates a satisfactory performance of the investment property held.

FINANCIAL RISK MANAGEMENT

The Limited Partnership's principal financial assets are cash, trade receivables and other receivables. The Limited Partnership has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

SUBSEQUENT EVENTS

There were no material events after the date of the balance sheet that have a bearing on the understanding of these financial statements

INDEPENDENT AUDITORS

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

Urbanest UK Vine Street Limited Partnership

General Partners' Report for the year ended 31 December 2017

GENERAL PARTNERS' RESPONSIBILITIES STATEMENT

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

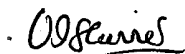
Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the General Partners to prepare financial statements for each financial year. Under that law the General Partners have prepared the Limited Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law as applied to qualifying partnerships the General Partners 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 Limited Partnership and of the profit or loss of the Limited Partnership for that year. In preparing these financial statements, the General Partners 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 UK Accounting Standards, including FRS 101 'Reduced Disclosure Framework' 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 partnership and group will continue in business.

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

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each director of the General Partners is aware, there is no relevant audit information of which the Limited Partnership's auditors are unaware, and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Limited Partnership's auditors are aware of that information.



V Skinner
Director:

For and on behalf of the General Partner,
Urbanest UK Vine Street GP1 Limited

Date: 12 April 2018

Registered Number: LP017172



V Skinner
Director:

For and on behalf of the General Partner,
Urbanest UK Vine Street GP2 Limited

Date: 12 April 2018

Urbanest UK Vine Street Limited Partnership

Independent Auditors' Report to the Members of Urbanest UK Vine Street Limited Partnership

Report on the audit of the financial statements

Opinion

In our opinion, Urbanest UK Vine Street Limited Partnership's financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2017 and of its profit for the year 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Total Comprehensive Income for the year ended 31 December 2017, the Balance Sheet, the Statement of Changes in Equity for the year then ended 31 December 2017; 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 qualifying partnership 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the General Partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the General Partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern.

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 General Partner is 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 General Partners' Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships 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.

General Partners' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the General Partners' Report for the year ended 31 December 2017 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 qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the General Partners' Report.

Urbanest UK Vine Street Limited Partnership

Independent Auditors' Report to the Members of Urbanest UK Vine Street Limited Partnership

Responsibilities for the financial statements and the audit

Responsibilities of the General Partner for the financial statements

As explained more fully in the General Partner's Responsibilities Statement set out on page 2, the General Partner is 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 General Partner is 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 General Partner is responsible for assessing the qualifying partnership's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the qualifying partnership or to cease operations, or has 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 opinion, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applied to qualifying partnerships 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 qualifying partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of General Partners' 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 as applied to qualifying partnerships we are required to report to you if, in our opinion, the General Partner 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.



Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 April 2018

Urbanest UK Vine Street Limited Partnership
Statement of Total Comprehensive Income for the year ended to 31 December 2017

		31 December 2017	Period 21 December 2015 to 31 December 2016
	Notes	£	£
Turnover			
Property rental income	3	10,100	-
		<u>10,100</u>	<u>-</u>
Cost of sales			
Direct property costs	3,4	(240,789)	-
		<u>(230,689)</u>	<u>-</u>
Gross operating expense			
Administrative expenses	5	(20,423)	(5,000)
Property development costs	6	(880,288)	(1,732,971)
Fair value gain on Investment property	7	12,254,643	-
		<u>11,123,243</u>	<u>(1,737,971)</u>
Operating Profit / (Loss)			
Interest receivable and similar income	8	3,433	-
		<u>11,126,676</u>	<u>(1,737,971)</u>
Profit / (Loss) and total comprehensive income/(expense) for the financial year/period attributable to the Partners current account			
		<u>11,126,676</u>	<u>(1,737,971)</u>

All amounts arise from continuing operations. There is no material difference between reported profit and historical cost profit on ordinary activities before taxation. There are no recognised gains and losses other than those shown in the Statement of Total Comprehensive Income above.

Notes 1 to 21 form part of these financial statements.

There are no items which would be recognised in a separate Statement of Total Comprehensive Income other than the net profit for the financial year and therefore the Limited Partnership has adopted the approach allowable in IAS1.81(c) to present one Statement of Total Comprehensive Income.

Urbanest UK Vine Street Limited Partnership
Statement of Changes in Equity for the year ended 31 December 2017

	Loans contributed by Partners (Note 15)	Partners' Capital accounts	Partners' Current accounts (Note 17)	Total Partners' funds
	£	£	£	£
At 21 December 2015	-	100	-	100
Loss for the financial period	-	-	(1,737,971)	(1,737,971)
Total comprehensive expense	-	-	(1,737,971)	(1,737,971)
Loans contributed in the period	7,032,527	-	-	7,032,527
At 31 December 2016	7,032,527	100	(1,737,971)	5,294,656
Profit for the financial year	-	-	11,126,676	11,126,676
Total comprehensive income	-	-	11,126,676	11,126,676
Loans contributed in the year	54,736,871	-	-	54,736,871
Loans repaid in the year	(8,461,000)	-	-	(8,461,000)
At 31 December 2017	53,308,398	100	9,388,705	62,697,203

Urbanest UK Vine Street Limited Partnership
Balance Sheet as at 31 December 2017

	Note	31 December 2017 £	31 December 2016 £
Assets			
Non-current assets			
Investment properties	10	63,200,000	-
		63,200,000	-
Current assets			
Debtors	11	157,858	85,077
Deposit on property		-	6,513,500
Cash and cash equivalents	12	55,139	-
		212,997	6,598,577
Creditors: amounts falling due within one year	13	(715,794)	(1,303,921)
Net current (liabilities) / assets		(502,797)	5,294,656
Net assets attributable to Partners represented by:		62,697,203	5,294,656
Loans contributed by Partners	15	53,308,398	7,032,527
Partners' capital accounts	16	100	100
Partners' current accounts	17	9,388,705	(1,737,971)
Total Partners' funds		62,697,203	5,294,656

Notes 1 to 21 form part of these financial statements.

The financial statements on pages 5 to 16 were approved by the General Partners on 12 April 2018.

Signed on behalf of the General Partners



V Skinner
Director:
Urbanest UK Vine Street GP1 Limited



V Skinner
Director:
Urbanest UK Vine Street GP2 Limited

Urbanest UK Vine Street Limited Partnership

Notes to the financial statements for the year ended 31 December 2017

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Urbanest UK Vine Street Limited Partnership ("the Limited Partnership") for the year ended 31 December 2017 were authorised for issue by the Directors of the General Partners ("the Directors") on 12 April 2018 and the balance sheet was signed on behalf of the Directors by V Skinner. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. The Limited Partnership's financial statements are presented in Sterling and all values are rounded to the nearest pound except when otherwise indicated.

The principal accounting policies adopted by the Limited Partnership are set out in note 2.

2. Accounting policies

a) Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and in accordance with the Limited Partnership Agreement.

The Limited Partnership has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 *Financial Instruments*
- (b) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of IAS 16 *Property, Plant and Equipment*, IAS 40 *Investment Property*
- (d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*
- (e) the requirements of IAS 7 *Statement of Cash Flows*
- (f) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- (g) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*
- (h) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- (i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*
- (j) the requirements of IAS 8 *IFRSs issued but not effective*

The financial statements have been prepared on the historical cost basis, as modified by revaluation of investment properties, which have been measured at fair value.

The financial statements are presented in sterling, the functional currency which is the currency of the primary economic environment in which the Limited Partnership operates.

(b) Going Concern

The Directors of the General Partners have reviewed the current and projected financial position of the Limited Partnership, making reasonable assumptions about future trading performance and believe that the Limited Partnership has adequate financial resources and is well placed to manage its business risks successfully to meet liabilities as they fall due and continue in operation for the foreseeable future.

(c) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

The Limited Partnership carries its investment properties at fair value, with changes in fair value being recognised in the statement of comprehensive income. The Limited Partnership engaged an independent valuation specialist to assess fair value as at 31 December 2017 for investment properties.

Investment properties under development, are valued using the "residual method" of valuation, which is the investment method of valuation as described above, with a deduction for all costs necessary to complete the development, including a notional finance cost, together with a further allowance for remaining risk.

(d) Fair value measurement

The Limited Partnership measures its Investment properties at fair value at each balance sheet date, with changes in fair value being recognised in the statement of comprehensive income.

The Limited Partnership engaged an independent valuation specialist to assess fair value as at 31 December 2017 for investment properties.

Fair-value related disclosures of non-financial assets that are measured at fair

value or where fair values are disclosed, are summarised in the following notes: Disclosures for valuation methods, significant estimates and assumptions – Note 2 (c) and investment properties Note 10.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Limited Partnership.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Limited Partnership uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Urbanest UK Vine Street Limited Partnership

Notes to the financial statements for the year ended 31 December 2017

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Limited Partnership determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Directors determine the policies and procedures for both recurring fair value measurement, such as investment properties.

External valuers are involved for valuation of significant assets, such as investment properties.

For the purpose of fair value disclosures, the Limited Partnership has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

(e) Taxation

The Limited Partnership is an English Limited Partnership. As such, the Limited Partnership is not subject to taxes in the United Kingdom, but rather the results of the Limited Partnership will be allocated to the Partners who may be taxed on their share of the results of the Limited Partnership, depending on their own tax status.

(f) Investment properties

(i) Valuation

Investment properties are held by the Limited Partner under a finance lease, held either to earn rental income or for capital appreciation or both. Investment property includes property that is being constructed or developed for future use as investment property.

Investment properties are measured initially at cost, including related transaction costs. After initial recognition at cost, investment properties are carried at fair value based on valuations determined by external valuers, Jones Lang LaSalle as adapted by the Directors at each reporting date.

Investment properties under development are measured at fair value if the fair value is considered to be reliably determinable. Investment properties under development for which the fair value cannot be determined reliably, but for which the Limited Partnership expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

Investment properties under development, are valued using the "residual method" of valuation, which is the investment method of valuation as described above, with a deduction for all costs necessary to complete the development, including a

notional finance cost, together with a further allowance for remaining risk.

It is the Limited Partnership's policy to start capitalisation of development costs, once it is virtually certain that it will generate an inflow of economic benefits.

The fair value of each investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current conditions. It also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Limited Partnership uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Limited Partnership and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income when they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

A property is regarded as bought / sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. Conditional exchanges are recognised only when all the significant conditions are satisfied.

All changes in the fair value of the investment properties are recognised in the statement of comprehensive income.

(g) Trade and other debtors

Trade and other debtors are amounts due from tenants for services provided in the ordinary course of business. Trade debtors, which generally have 0 -30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision for impairment is made through profit and loss when there is objective evidence that the Limited Partnership will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

(h) Vine Street Agreement

Other interests in property include the cost and related fees in respect of land options, which are initially capitalised and regularly tested for impairment. The impairment review includes consideration of the resale value of the option and likelihood of achieving planning consent.

(i) Cash

Cash consists of cash in hand and deposits held with banks, which are instantly available.

(j) Trade and other creditors

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

Trade and other creditors are recognised initially at fair value and subsequently at amortised cost using effective interest methods.

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(k) Financial instruments

(i) Financial assets Initial Recognition and measurement

Financial assets within the scope of IAS 39 are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, Available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Limited Partnership determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs. The Limited Partnership's financial assets include cash and short-term deposits, trade and other debtors, including current and non-current rent deposits.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost

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Notes to the financial statements for the year ended 31 December 2017

of sales or other operating expenses for receivables.
This category generally applies to trade and other debtors.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, derivatives at fair value through profit or loss or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Limited Partnership determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs are also included.

Subsequent measurement

Financial liabilities are classified as loans and borrowings.

Obligations for loans and borrowings are recognised when the Limited Partnership becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs, including arrangement fees. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the

fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance.

(l) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

(m) Allocation of profits/ losses

Profits or losses made by the Limited Partnership are allocated to individual Partners' current accounts in proportion to capital and loan contributions made by the Partners, levels of which are determined by the General Partners in accordance with the LPA.

(n) Partners' capital accounts

Partners' capital accounts comprise of capital contributions in the year net of any capital repayments in the form of distributions made by the Limited Partnership.

There is no interest accruing on the Partners' capital accounts pursuant to Clause 9.5 of the LPA.

(o) Partners' current accounts

Partners' current accounts comprise of allocation of profits or losses made by the Limited Partnership net of any distributions made to Partners, which are not treated as capital or loan repayments.

There is no interest accruing on credit balances in the Partners' current accounts pursuant to Clause 10.5 of the LPA.

(p) Loans from Partners

Loan contributions to the Limited Partnership by the Partners are interest free and have no fixed repayment date, in accordance with Clauses 10.5 and 17.5 of the LPA.

The loan contributions are treated as equity because in accordance with the Limited Partnership Agreement there is no contractual obligation to deliver cash or to exchange financial assets or financial liabilities with the partner under conditions that are potentially unfavourable to the Limited Partnership.

There is fixed repayment date and there is no interest accruing on the loan.

Urbanest UK Vine Street Limited Partnership
Notes to the financial statements for the year ended 31 December 2017

2. Accounting policies (continued)

Changes in accounting policy and disclosures

New standards, amendments and IFRIC interpretations

No new accounting standards or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2017 have had a material impact on the Partnership.

3. Turnover

The turnover in the current year is attributable entirely to markets within the United Kingdom.

The turnover represents third party rental income and lease rental payments received from a fellow subsidiary undertaking.

An analysis of revenue is given below:

	Year ended 31 December 2017 £	Period 21 December 2015 to 31 December 2016 £
Property rental income	10,100	-
Direct property costs	(240,789)	-
Net rental expense	<u>(230,689)</u>	<u>-</u>

4. Direct property costs

Direct property costs comprise building insurance and service charge costs relating to the investment property.

5. Administrative expenses

Administrative expenses consist of all costs of running the Limited Partnership. No staff costs or overheads are capitalised.

(a) Auditors' remuneration

The auditors' remuneration for the year amounts to £7,126 (period 21 December 2015 to 31 December 2016 £4,682) in relation to the audit of the financial statements.

The auditors did not provide any non-audit services to the Limited Partnership during the year.

(b) Employees

The Limited Partnership had no employees during the year.

(c) Directors' emoluments / Corporate Services

The Directors received no emoluments for their services to the Limited Partnership.

However there are Directors who receive salaries from another group undertaking in respect of their employment by that entity.

6. Property development costs

Property development costs comprise of professional and legal fees in relation to the acquisition of land.

7. Fair value gain on Investment property

	Year ended 31 December 2017 £	Period 21 December 2015 to 31 December 2016 £
Change in fair value of investment properties	12,254,643	-
	<u>12,254,643</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2017

8. Interest receivable and similar income

	Year ended 31 December 2017	Period 21 December 2015 to 31 December 2016
	£	£
Bank interest	3,433	-
	<u>3,433</u>	<u>-</u>

9. Fair value measurement of financial instruments

The accounting policies for financial instruments have been applied to the line items below:

Assets per the balance sheet	Loans and receivables 2017 £	Total 2017 £
Trade and other debtors excluding prepayments	157,858	157,858
Cash and cash equivalents	55,139	55,139
	<u>212,997</u>	<u>212,997</u>
Liabilities as per the balance sheet	Other financial liabilities at amortised cost 2017 £	Total 2017 £
Trade and other payables excluding accruals	243,391	243,391
	<u>243,391</u>	<u>243,391</u>
Assets per the balance sheet	Loans and receivables 2016 £	Total 2016 £
Trade and other debtors excluding prepayments	6,598,577	6,598,577
	<u>6,598,577</u>	<u>6,598,577</u>
Liabilities as per the balance sheet	Other financial liabilities at amortised cost 2016 £	Total 2016 £
Trade and other payables excluding accruals	-	-
	<u>-</u>	<u>-</u>

The carrying value of short term receivables and payables are assumed to approximate their fair values where discounting is not material. There are no assets or liabilities at fair value through the profit and loss.

Urbanest UK Vine Street Limited Partnership
Notes to the financial statements for the year ended 31 December 2017

10. Investment Properties

**Investment
Properties
£**

Net book value at 31 December 2016	-
Capital expenditure	50,945,357
Net gain from fair value adjustment	12,254,643
Net book value at 31 December 2017	<u>63,200,000</u>

The historic cost of investment properties is £50,945,357 (2016: £nil).

Investment Properties are held at fair value as determined by an external valuer, using a discounted cash flow approach. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. These assets have been assessed as Level 3 assets in the fair value hierarchy.

The valuations were performed by Jones Lang LaSalle, an accredited independent valuer with a recognised and relevant professional qualification. Within the valuation, student rental growth is assumed at 3.00% per annum. Vacancy rate is 3.0%. The discounted cash flow uses an NPV Discount Rate of 7.50%, resulting in a net initial yield of 4.50%. The net initial yield on non-student spaces is 5.50%.

11. Debtors

	2017 £	2016 £
Trade Debtors	9,990	85,077
VAT	147,868	-
	<u>157,858</u>	<u>85,077</u>

Trade receivables are non-interest bearing and are generally on terms of 0 – 30 days.

12. Cash and cash equivalents

	2017 £	2016 £
Cash in hand and deposits held with banks on unrestricted accounts	55,139	-
	<u>55,139</u>	<u>-</u>

13. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	243,391	-
Accruals	472,403	1,303,921
	<u>715,794</u>	<u>1,303,921</u>

Trade creditors are non-interest bearing and are normally settled on 30 day terms

Urbanest UK Vine Street Limited Partnership

Notes to the financial statements for the year ended 31 December 2017

14. Financial instruments risk management objectives and policies

The Limited Partnership has identified exposure to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

The policies for managing each of these risks and the principal effects of these policies on the results for the year are summarised below:

Market risk

Market risk is the risk that changes in market conditions will affect the Limited Partnership's income or valuations.

The valuation of the investment properties is inherently judgemental and involves a reliance on the work of independent professional qualified valuers. The Directors considered the independence and qualifications of the valuers engaged and reviewed the year end valuations, challenging the significant judgements and assumptions applied in their valuation model. Changes in these assumptions and judgements, such as occupancy rates and yields can lead to significant movements in property values and consequently unrealised gains or losses in the Statement of Total Comprehensive Income.

Credit risk

The Limited Partnership's main financial assets are cash and cash equivalents and other receivables. Credit risk is the risk of financial loss of a counterparty, if a financial instrument counterparty fails to meet its contractual obligations. The Limited Partnership's exposure to this risk principally relates to the receivables from deposits held with counterparties.

Cash and cash equivalents and financial derivatives are held with major UK and Jersey clearing banks in order to minimise any risk exposure in this area. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2017 £	2016 £
Cash and cash equivalents	55,139	-
Trade and other debtors	157,858	6,598,577
	212,997	6,598,577

Liquidity risk

Liquidity risk is the risk that the Limited Partnership will not be able to meet its financial obligations as they fall due.

The Limited Partnership's approach to managing liquidity is to ensure that it will always have sufficient funds to meet obligations as they fall due. This is performed via a variety of methods including daily cash flow review and forecasting, monthly monitoring of the maturity profile of debt and the regular revision of borrowing facilities in relation to the Limited Partnership's requirements and strategy.

Cash flow is monitored formally on a monthly basis as part of internal performance monitoring with regular daily monitoring and forecasting undertaken to manage day to day cash flows.

The following is an analysis of the contractual undiscounted cash flows payable under financial liabilities existing at the balance sheet date.

Year ended 31 December 2017	On demand £	Less than 3 months £	3 to 12 months £	1 to 5 years £	>5 years £	Total £
Trade and other payables	-	243,391	-	-	-	243,391
	-	243,391	-	-	-	243,391

Period ended 31 December 2016	On demand £	Less than 3 months £	3 to 12 months £	1 to 5 years £	>5 years £	Total £
Trade and other payables	-	-	-	-	-	-
	-	-	-	-	-	-

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Notes to the financial statements for the year ended 31 December 2017

15. Loans contributed by Partners

	Total £
At 21 December 2015	-
Loans contributed in the period	7,032,527
At 31 December 2016	7,032,527
Loans contributed in the year	54,736,871
Loans repaid in the year	(8,461,000)
At 31 December 2017	53,308,398

16. Partners' capital accounts

	£
At 31 December 2016	100
At 31 December 2017	100

17. Partners' current accounts

	£
At 21 December 2015	-
Loss for the financial period	(1,737,971)
At 31 December 2016	(1,737,971)
Profit for the financial period	11,126,676
At 31 December 2017	(9,388,705)

18. Cash flow statement exemption

No cash flow statement has been prepared as the Limited Partnership has elected to make use of the disclosure exemption under Financial Reporting Standard 101 with regards to the requirements of IAS 7 Statement of Cash Flows.

19. Related party transactions

The Limited Partnership is a wholly owned subsidiary within Urbanest UK Limited Partnership group ("the group"), and has therefore elected to make use of the exemption provided in the requirements of paragraph 17 of IAS 24 Related Party Disclosures relating to Key Management Personnel and also has made use of the election not to disclose related party transactions entered into between two or more wholly owned members of the group.

The financial statements of Urbanest UK Limited Partnership are available upon request from 3rd Floor, 37 Esplanade, St Helier, Jersey, JE2 3QA.

The Limited Partnership did not enter into any transactions with related parties outside the group during the year. (2016: £nil).

20. Ultimate controlling party

The immediate controlling parties of the Limited Partnership are considered to be the General Partners: Urbanest UK Vine Street GP1 Limited and Urbanest UK Vine Street GP2 Limited, both companies registered in the United Kingdom. The immediate parent of Urbanest UK Vine Street GP1 Limited and Urbanest UK Vine Street GP2 Limited is Urbanest UK Holdco Limited, a company registered in Jersey.

Urbanest UK Vine Street Limited Partnership is owned by Urbanest UK Vine Street Unit Trust, an entity registered in Jersey, whose immediate parent company is Urbanest UK Holdco Limited, a company registered Jersey.

The immediate parent of Urbanest UK Holdco Limited is Urbanest UK Limited Partnership an entity registered in Jersey.

Urbanest UK Limited Partnership heads the smallest and the largest group, for which the consolidated financial statements are prepared.

The immediate controlling party of Urbanest UK Limited Partnership and the group is considered to be its General Partner, Urbanest UK GP Limited. The immediate parent of Urbanest UK Limited Partnership is Evergreen Other Portfolio Investments LLC, an entity registered in Delaware.

At 31 December 2017, the Limited Partnership considered the ultimate controlling party to be Evergreen Real Estate Partners LLC.

21. Subsequent events

There were no material events after the date of the balance sheet that have a bearing on the understanding of these financial statements.