Registered Company Number : 07807306

LTS Paris Gardens (General Partner) Limited

Directors' Report and Financial Statements

For the year ended 30 September 2020

LTS Paris Gardens (General Partner) Limited
Directors' Report and Financial Statements
For the year ended 30 September 2020

Registered Company Number : 07807306

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The Directors present their report and the audited financial statements for LTS Paris Gardens (General Partner) Limited ("the Company") for the year ended 30 September 2020. These accounts have been prepared in accordance with the provisions applicable to the Small Companies Regime. The Company has taken an exemption from the requirement to prepare a strategic report under section 414B of the Companies Act 2006.

Principal activities

The Company is a private company limited by shares, incorporated in the United Kingdom. The principal activity of the Company is to act as a general partner to LTS Paris Gardens Limited Partnership as well as holding a 0.1% partnership interest. The Company and its other affiliated companies are subsidiaries of IQSA Holdco Limited ("the Group"), incorporated and registered in Jersey and listed on The International Stock Exchange in Guernsey.

Future developments

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

Results and dividends

The operating loss before taxation for the year was £4,900 (2019: £5,431), full results for the year are set out on page 8.

The Directors do not recommend the payment of an ordinary dividend in the current year (2019: £nil).

Directorships

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

Iliya William Blazic (resigned on 29 June 2020)
David Samuel Tymms (resigned on 22 September 2020)
Stephen Sui Sang Leung (resigned 14 October 2019)
Rebecca Jane Worthington (appointed 14 October 2019 and resigned 26 February 2021)
Matthew Graham Merrick (appointed 14 October 2019)
Gemma Nandita Kataky (appointed 15 May 2020)
Michael David Vrana (appointed 15 May 2020)
Peter Gerald Holden (appointed 29 September 2020 and resigned 8 December 2020)
James Neil Mortimer (appointed 25 February 2021)
Robert Roger (appointed 25 February 2021)

Change in ownership

For the year ended 30 September 2019 the Company was a subsidiary of a group headed by IQSA Holdings S.à r.l. and the ultimate shareholders were The Goldman Sachs Group, The Wellcome Trust and Greystar UK Portfolio I Investors. On 15 May 2020, IQSA Holdings S.à r.l. was acquired by Capella UK Bidco 1 Limited, a wholly owned subsidiary of IQSA Holdco Limited. The new ultimate shareholders of the Group are investment funds advised by affiliates of The Blackstone Group Inc.

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. The Company's receivables relate principally to amounts due from other affiliated companies. Management monitors the ability of these debtors to meet their obligations on an ongoing basis.

Interest rate risk

There is no interest rate risk in the Company.

Liquidity and cash flow risk

The Company finances its operations with intercompany advances. Management mitigates this risk through monitoring cash flow forecasts.

Directors' indemnities and insurance

The Company has agreed to indemnify each director and other officer throughout the year and at the date of approval of the financial statements 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. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report. This indemnity is subject to the conditions set out in the Companies Act 2006.

Political donations

The Company has not made any political donations during the year (2019: £nil).

Independent auditors

The Directors of the Company resolved to appoint Ernst & Young as independent auditors of the Company on 14 January 2021.

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 UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", Companies Act 2006 and applicable UK 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.

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

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.

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 as to disclosure of information to the auditor

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

- to the best of each director's knowledge and belief, 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 consider it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2020. The Company is reliant on a letter of support from IQSA Holdco Limited ("The Group"), owing to the fact it has forecast net cash outflows for the period to 30 September 2022 (the "Relevant Period"). The Company has received confirmation that the Group intends to support the Company for the period to September 2022.

In assessing the ability of the Group to provide this support, the directors of the Group have prepared a going concern assessment for the Group which considered two scenarios, a "base case" and a "severe but plausible downside scenario" for the period to 30 September 2022.

Under the base case, the Group is forecast to have positive cash throughout the Relevant Period, however, as a result of the impact of COVID-19 and the cash-trap mechanism in the debt facility, the Group is reliant on additional funds to support the cash requirements of non-ring-fenced assets until cash trap is released. A letter of support has been provided by the Group's shareholders to ensure that, during the Relevant Period, the Company has access to funding of up to an aggregate amount of £33.5m necessary in order for the Group to operate and meet its liabilities during the Relevant Period, which provides sufficient headroom under the base case scenario.

Going Concern (continued)

Under the severe but plausible downside scenario, the Group remains in cash trap for the remainder of the going concern review period. As such, excess cash cannot be released to fund the on-going cash requirements of unencumbered assets. As a result, under the severe but plausible downside scenario, the letter of support provided by the Group's shareholders may not be sufficient to meet the Group's total cash requirements.

The Group's directors have reasonable certainty they will have access to additional funds from the shareholders if required, however, they acknowledge there is no written confirmation of this and therefore there is uncertainty over the ability of the Group to provide this support to the Company. As such, this represents a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. The financial statements do not contain the adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

Subsequent events

On 1 October 2020, the Group converted to a UK Real Estate Investment Trust ("REIT"). As a result of this, the profits and gains of the Group's property rental business will not be subject to UK corporation tax going forwards so long as the REIT conditions are met. Profits and gains outside of the property rental business will continue to be subject to UK corporation tax.

On behalf of the Board

James Neil Mortimer
Director

21 May 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LTS PARIS GARDENS (GENERAL PARTNER) LIMITED

Opinion

We have audited the financial statements of LTS Paris Gardens (General Partner) Limited (the 'company') for the year ended 30 September 2020 which comprise Statement of profit and loss, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to note 2.1.1 in the financial statements, which indicates that the Company is reliant on financial support from its ultimate parent, IQSA Holdco Ltd ("the Parent"). Whilst a letter of financial support has been received from the Parent which states that it will provide financial assistance if required, the Parent has identified that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern in its Group's consolidated financial statements for the period ended 30 September 2020. As a result, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Graeme Downes (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 May 2021

LTS Paris Gardens (General Partner) Limited **Registered Company Number : 07807306**

Statement of Profit and Loss

For the year ended 30 September 2020

	Note	Year ended 30-Sep-20 £	Year ended 30-Sep-19 £
Administrative expenses		(4,900)	(5,431)
Operating loss before taxation	3	**(4,900)**	**(5,431)**
Income tax expense	5	-	-
Loss for the year		**(4,900)**	**(5,431)**

All of the results stated above relate to continuing operations. Aside from the above, the Company has no other items of comprehensive income or loss. Consequently, no separate statement of comprehensive income is presented.

The notes on pages 11 to 16 form an integral part of these financial statements.

LTS Paris Gardens (General Partner) Limited **Registered Company Number : 07807306**
Statement of Financial Position
As at 30 September 2020

	Note	As at 30-Sep-20 £	As at 30-Sep-19 £
Fixed assets			
Investments	6	1	1
Current assets			
Trade and other receivables	7	226	226
Creditors - amounts falling due within one year	8	(34,341)	(29,441)
Net current liabilities		**(34,115)**	**(29,215)**
Net liabilities		**(34,114)**	**(29,214)**
Equity			
Called up share capital	9	200	200
Accumulated losses	9	(34,314)	(29,414)
Total equity		**(34,114)**	**(29,214)**

The financial statements on pages 8 to 10 and the accompanying notes on pages 11 to 16 were approved by the board of directors and authorised for issue on 21 May 2021 and are signed on its behalf by:

James Neil Mortimer
Director

LTS Paris Gardens (General Partner) Limited
Statement of Changes in Equity
For the year ended 30 September 2020

Registered Company Number : 07807306

	Called up share capital	Accumulated losses	Total equity
	£	£	£
Balance at 1 October 2019	200	(29,414)	(29,214)
Loss for the year	-	(4,900)	(4,900)
Balance at 30 September 2020	200	(34,314)	(34,114)

	Called up share capital	Accumulated losses	Total equity
	£	£	£
Balance at 1 October 2018	200	(23,983)	(23,783)
Loss for the year	-	(5,431)	(5,431)
Balance at 30 September 2019	200	(29,414)	(29,214)

The notes on pages 11 to 16 form an integral part of these financial statements.

1. General information

The Company is a private company, limited by shares, incorporated in the United Kingdom. Its principal activities are described in the Directors' Report. The Company is an indirect wholly owned subsidiary of IQSA Holdco Limited, incorporated and registered in Jersey. The Company is exempt by virtue of section 398 of the Companies Act 2006 to prepare consolidated financial statements.

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 years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

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 accounting policies which follow set out these policies which apply in preparing the financial statements for the period ended 30 September 2020.

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

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  10(d) (statements of cash flows)
  111 (cash flow statement information), and
  134-136 (capital management disclosures).

- 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 wholly owned members of a group; paragraph 17 (key management compensation); and paragraph 18A related to key management service provided by a separate management entity.

- Paragraphs 91 to 99 of 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 Holdco Limited. Copies of the consolidated financial statements are publicly available as outlined in Note 11.

2. Significant accounting policies (continued)

2.1 Basis of preparation

Amounts are presented in pounds sterling, which is also the functional currency of the Company, rounded to the nearest pound sterling, unless otherwise stated.

2.1.1 Going concern

The Directors consider it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2020. The Company is reliant on a letter of support from IQSA Holdco Limited ("The Group"), owing to the fact it has forecast net cash outflows for the period to 30 September 2022 (the "Relevant Period"). The Company has received confirmation that the Group intends to support the Company for the period to September 2022.

In assessing the ability of the Group to provide this support, the directors of the Group have prepared a going concern assessment for the Group which considered two scenarios, a "base case" and a "severe but plausible downside scenario" for the period to 30 September 2022.

Under the base case, the Group is forecast to have positive cash throughout the Relevant Period, however, as a result of the impact of COVID-19 and the cash-trap mechanism in the debt facility, the Group is reliant on additional funds to support the cash requirements of non-ring-fenced assets until cash trap is released. A letter of support has been provided by the Group's shareholders to ensure that, during the Relevant Period, the Company has access to funding of up to an aggregate amount of £33.5m necessary in order for the Group to operate and meet its liabilities during the Relevant Period, which provides sufficient headroom under the base case scenario.

Under the severe but plausible downside scenario, the Group remains in cash trap for the remainder of the going concern review period. As such, excess cash cannot be released to fund the on-going cash requirements of unencumbered assets. As a result, under the severe but plausible downside scenario, the letter of support provided by the Group's shareholders may not be sufficient to meet the Group's total cash requirements.

The Group's directors have reasonable certainty they will have access to additional funds from the shareholders if required, however, they acknowledge there is no written confirmation of this and therefore there is uncertainty over the ability of the Group to provide this support to the Company. As such, this represents a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. The financial statements do not contain the adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

2.1.2 New standards, amendment and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 September 2020, have had a material impact on the Company.

2.2 Trade and other receivables

Trade and other receivables are recognised at fair value less expected credit losses. The credit loss model applies the simplified approach, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

2. Significant accounting policies (continued)

2.3 Investments

Fixed asset investments are stated at cost less any provision for impairment. Investments in subsidiaries are assessed for impairment annually at the year end date.

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 measured at fair value.

2.6 Current and deferred tax

The tax expense for the year comprises current and deferred 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 accumulated losses. In this case, the tax is also recognised in other comprehensive income or directly in accumulated losses 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 country 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.

3 Operating result before taxation

	Year Ended 30-Sep-20 £	Year Ended 30-Sep-19 £
Operating result before taxation is stated after charging:		
Auditors' remuneration (Audit services only)	3,100	2,759

4 Employees and Directors

No staff members were directly employed by the entity during the year (2019: no staff). Directors are paid by other companies in the Group and recharged accordingly across the Group. There were no emoluments recharged or paid directly from the Company in the year (2019: no emoluments). No directors received remuneration in the year for qualifying services to the Company.

5 Income tax expense

	30-Sep-20 £	30-Sep-19 £
(a) Tax expense included in profit and loss		
Current tax:		
- UK corporation tax on loss for the year	-	-
Total current tax expense	-	-
(b) Tax expense included in profit and loss		
Deferred tax:		
- Current year movement in deferred taxes	-	-
Total tax expense included in profit and loss	-	-
Factors affecting the tax charge (credit)		
loss before taxation	(4,900)	(5,431)
loss before taxation multiplied by the standard rate of tax in the UK of 19.00% (2019 : 19.00%)	(931)	(1,032)
Temporary differences arising on which no deferred tax asset is recognised	931	1,032
Total tax expense included in profit and loss	-	-

The Company has applied the main rate of corporation tax of 19% for the period ended 30 September 2020 (2019: 19%).

IQSA Holdco Limited, the Company's parent company – became a REIT on 1 October 2020, with all relevant steps for the REIT conversion taken prior to the accounting period end date of 30 September 2020. As a REIT, Group companies will not be subject to UK corporation tax on income and gains relating to their property rental business. Other profits and gains will be subject to UK corporation tax.

6 Investments

	Shares in group participating interests £
Cost	
At 1 October 2019 & at 30 September 2020	1
Net book value	
At 1 October 2019 & at 30 September 2020	1

6 Investments (continued)

Details of the investments for the Company are as follows:

Name of company	Percentage of shareholding	Registered address
LTS Paris Gardens Limited Partnership (UK)	0.10%	7th Floor Cottons Centre, Cottons Lane, UK, SE1 2QG

7 Trade and other receivables

	30-Sep-20	30-Sep-19
	£	£
Other receivables	226	226
	226	226

8 Creditors - amounts falling due within one year

	30-Sep-20	30-Sep-19
	£	£
Amounts owed to group undertakings	29,441	24,483
Accruals	4,900	4,958
	34,341	29,441

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

9 Equity

	30-Sep-20	30-Sep-19
Authorised, issued and fully paid:	£	£
200 (2019: 200) ordinary shares of £1 (2019: £1)	200	200

Accumulated losses includes all current and prior period retained profits and losses.

10 Contingent liabilities and capital commitments

There are no contingent or capital liabilities at 30 September 2020 (2019 : £nil).

On the 14 May 2020 the Group entered into a new debt facility, totalling £2,899.5m. The Company, along with other entities in the Group, acts as a guarantor and obligor and could be liable to settle some or all of the drawn facility in the event of default.

11 Ultimate controlling party

At 30 September 2020, the immediate parent of the Company was IQSA Student Holdco S.à r.l..

IQSA Holdco Limited, having its registered office at 44 Esplanade St Helier Jersey JE4 9WG, is the parent company into which the Company's financial statements are consolidated.

For the year ended 30 September 2019 the Company was a subsidiary of a group headed by IQSA Holdings S.à r.l. and the ultimate shareholders were The Goldman Sachs Group, The Wellcome Trust and Greystar UK Portfolio I Investors. On 15 May 2020, IQSA Holdings S.à r.l. was acquired by Capella UK Bidco 1 Limited, a wholly owned subsidiary of IQSA Holdco Limited. The new ultimate shareholders of the Group are investment funds advised by affiliates of The Blackstone Group Inc.

Copies of the consolidated financial statements are available from The International Stock Exchange in Guernsey.

12 Subsequent events

REIT conversion

On 1 October 2020, the Group converted to a REIT. As a result of this, the profits and gains of the Group's property rental business will not be subject to UK corporation tax going forwards so long as the REIT conditions are met. Profits and gains outside of the property rental business will continue to be subject to UK corporation tax.

Limited Partnership Registration No. LP014743

LTS Paris Gardens Limited Partnership

General Partners' Report and Financial Statements

For the year ended 30 September 2020

Contents

The General Partner present their report and the audited financial statements for LTS Paris Garden Limited Partnership ("the Partnership") for the year ended 30 September 2020. The entity is a limited partnership domiciled in the United Kingdom. These accounts have been prepared in accordance with the provisions applicable to the Small Companies Regime. The Partnership has taken an exemption from the requirement to prepare a strategic report under section 414B of the Companies Act 2006.

Principal activities

The Partnership is incorporated in the United Kingdom. Its principal activities are to lease student accommodation and provide property management, maintenance, consultancy and other operating services to the investment property owner ("Property Company") pursuant to the terms of the operating lease in place between the Partnership and Property Company. The Partnership and its other affiliated companies are subsidiaries of IQSA Holdco Limited ("the Group"), incorporated and registered in Jersey and listed on The International Stock Exchange in Guernsey.

Results

The profit on ordinary activities for the year was £64k (2019: £135k), the full results for the year are set out on page 8.

Partners

The partners who were in office during the year and up to the date of signing the financial statements were:

LTS Paris Gardens (General Partner) Limited - General Partner
IQSA Paris Gardens S.à r.l. - Limited Partner

Change in ownership

For the year ended 30 September 2019 the Partnership was a subsidiary of a group headed by IQSA Holdings S.à r.l. and the ultimate shareholders were The Goldman Sachs Group, The Wellcome Trust and Greystar UK Portfolio I Investors. On 15 May 2020, IQSA Holdings S.à r.l. was acquired by Capella UK Bidco 1 Limited, a wholly owned subsidiary of IQSA Holdco Limited. The new ultimate shareholders of the Group are investment funds advised by affiliates of The Blackstone Group Inc.

Financial risk management

Credit risk

Credit risk occurs when a counterparty to a financial instrument fails to discharge an obligation to the Partnership. It may occur through receivables, or cash and cash equivalents held at banks. The Partnership's receivables relate principally to amounts due from other affiliated companies and students. Management monitors the ability of these debtors to meet their obligations on an ongoing basis. Expected credit loss has been calculated as outlined in Note 2.2.

Interest rate risk

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

Liquidity and cash flow risk

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

Political donations
The Partnership has not made any political donations during the year (2019: £nil).

Independent auditors
The General Partner of the Partnership resolved to appoint Ernst & Young to as independent auditors of the Partnership on 14 February 2021.

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

Statement of General Partners' responsibilities
The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", Companies Act 2006 and applicable UK law).

Under company law the General Partner 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period.

In preparing the financial statements, the General Partner is 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the qualifying partnership will continue in business.

The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

General partners' confirmations as to disclosure of information to auditors
As far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditors are unaware.

The General Partner has taken all the steps that they ought to have taken to make themself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Going Concern

The Partners consider it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2020. The Partnership is reliant on a letter of support from IQSA Holdco Limited ("The Group"), owing to the fact it has forecast net cash outflows for the period to 30 September 2022 (the "Relevant Period"). The Partnership has received confirmation that the Group intends to support the Partnership for the period to September 2022.

In assessing the ability of the Group to provide this support, the directors of the Group have prepared a going concern assessment for the Group which considered two scenarios, a "base case" and a "severe but plausible downside scenario" for the period to 30 September 2022.

Under the base case, the Group is forecast to have positive cash throughout the Relevant Period, however, as a result of the impact of COVID-19 and the cash-trap mechanism in the debt facility, the Group is reliant on additional funds to support the cash requirements of non-ring-fenced assets until cash trap is released. A letter of support has been provided by the Group's shareholders to ensure that, during the Relevant Period, the Partnership has access to funding of up to an aggregate amount of £33.5m necessary in order for the Group to operate and meet its liabilities during the Relevant Period, which provides sufficient headroom under the base case scenario.

Under the severe but plausible downside scenario, the Group remains in cash trap for the remainder of the going concern review period. As such, excess cash cannot be released to fund the on-going cash requirements of unencumbered assets. As a result, under the severe but plausible downside scenario, the letter of support provided by the Group's shareholders may not be sufficient to meet the Group's total cash requirements.

The Group's directors have reasonable certainty they will have access to additional funds from the shareholders if required, however, they acknowledge there is no written confirmation of this and therefore there is uncertainty over the ability of the Group to provide this support to the Partnership. As such, this represents a material uncertainty that casts significant doubt on the Partnerships' ability to continue as a going concern. The financial statements do not contain the adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

Subsequent events

REIT Conversion

On 1 October 2020, the Group converted to a UK Real Estate Investment Trust ("REIT"). As a result of this, the profits and gains of the Group's property rental business will not be subject to UK corporation tax going forwards so long as the REIT conditions are met. Profits and gains outside of the property rental business will continue to be subject to UK corporation tax.

Brexit

The Brexit transition period formally ended on 31 December 2020, at which point the UK left the single market and customs union. The long-term impact of this on demand from European students is unknown, however, may result in EU students being charged higher tuition fees than UK students. Despite this, the UK continues to be one of the top student destinations in the world and this isn't expected to impact future occupancy rates overall.

For and on behalf of the General Partner

James Neil Mortimer
For and on behalf of LTS Paris Gardens (General Partner) Limited

28 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LTS PARIS GARDENS LIMITED PARTNERSHIP

Opinion

We have audited the financial statements of LTS Paris Gardens Limited Partnership for the year ended 30 September 2020 which comprise Statement of Profit and Loss, Statement of Financial Position, Statement of Changes in Partners' Interests and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, [and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements], and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in relation to going concern

We draw attention to note 2 in the financial statements, which indicates that the Partnership is reliant on financial support from its ultimate parent, IQSA Holdco Ltd ("the Parent"). Whilst a letter of financial support has been received from the Parent which states that it will provide financial assistance if required, the Parent has identified that under its severe but plausible downside scenario, it may not be able to meet its total cash requirements during the period to 30 September 2022. As a result, a material uncertainty exists that may cast significant doubt on the Partnership's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, accordingly, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

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

- the information given in the General Partners' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The General Partners' Report has been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the General Partners' Report

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

- the members were not entitled to prepare the financial statements in accordance with the small qualifying partnerships regime and take advantage of the small qualifying partnerships' exemption in preparing the General Partners' Report and the requirement to prepare a Strategic Report.

Respective responsibilities of members

As explained more fully in the General Partners' Responsibilities Statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the 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 members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Graeme Downes (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 June 2021

LTS Paris Gardens Limited Partnership **Limited Partnership Registration No. LP014743**

Statement of Profit and Loss

For the year ended 30 September 2020

	Note	Year ended 30-Sep-20 £'000	Year ended 30-Sep-19 £'000
Revenue	3	3,379	4,323
Cost of sales		(3,073)	(3,966)
Gross profit		**306**	**357**
Administrative expenses		(247)	(237)
Operating profit	4	**59**	**120**
Interest receivable and similar income	6	5	15
Profit for the year		**64**	**135**

All of the results stated above relate to continuing operations. Aside from the above, the Partnership has no other items of comprehensive income or loss. Consequently, no separate statement of comprehensive income is presented.

The notes on pages 11 to 18 form an integral part of these financial statements.

LTS Paris Gardens Limited Partnership | **Limited Partnership Registration No. LP014743**

Statement of Financial Position

As at 30 September 2020

	Note	As at 30-Sep-20 £'000	As at 30-Sep-19 £'000
Current assets			
Trade and other receivables	7	1,167	1,091
Cash and cash equivalents	8	330	1,474
Total current assets		**1,497**	**2,565**
Total assets		**1,497**	**2,565**
Creditors - amounts falling due within one year	9	(1,218)	(2,350)
Net current assets		**279**	**215**
Net assets		**279**	**215**
Represented by:			
Partners' capital	10	1	1
Retained earnings	10	278	214
Partners' interests		**279**	**215**

The financial statements on pages 8 to 10 and the accompanying notes on pages 11 to 18 were approved by the General Partner and authorised for issue on 28 June 2021 and are signed on its behalf by:

James Neil Mortimer

For and on behalf of LTS Paris Gardens (General Partner) Limited

LTS Paris Gardens Limited Partnership **Limited Partnership Registration No. LP014743**
Statement of Changes in Partner's Interests
For the year ended 30 September 2020

	Partners' capital	Retained earnings	Partners' interests
	£'000	£'000	£'000
Balance at 1 October 2019	1	214	215
Profit for the year	-	64	64
Balance at 30 September 2020	1	278	279

	Partners' capital	Retained earnings	Partners' interests
	£'000	£'000	£'000
Balance at 1 October 2018	1	79	80
Profit for the year	-	135	135
Balance at 30 September 2019	1	214	215

The notes on pages 11 to 18 form an integral part of these financial statements.

1. General information

The principal activities of the Partnership are described in the General Partners' Report. The Partnership is exempt, by virtue of section 400, of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Partnership as an individual undertaking and not about its Group. The Partnership is an indirect wholly owned subsidiary of IQSA Holdco Limited, incorporated and registered in Jersey.

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 years presented, unless otherwise stated. Amounts are presented in pounds sterling, which is also the functional currency of the Partnership, rounded to the nearest one thousand pounds sterling, unless otherwise stated.

2.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention. 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 year ended 30 September 2020.

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

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  10(d) (statements of cash flows)
  111 (cash flow statement information), and
  134-136 (capital management disclosures).

- 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 following paragraphs of IFRS 16 , 'Leases':
  52 (disclosing the leases for which the Partnership is a lessee),
  89 (second sentence),
  90 and 91 (finance and operating lease disclosure in tabular format),
  93 (significant changes in carrying amount of net investment in finance leases), and
  97 (disclosing the maturity analysis of lease payments for leases in which the Partnership is a lessor).
- Paragraphs 91 to 99 of IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

- The requirements in IAS 24, 'Related party disclosures':
  to disclose related party transactions between two or more wholly owned members of a group;
  paragraph 17 (key management compensation); and
  paragraph 18A related to key management service provided by a separate management entity.

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 Holdco Limited. Copies of the consolidated financial statements are publicly available, as outlined in Note 12.

2.1.1 Critical accounting 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. 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. The Partnership makes a provision for impairment of trade receivables in line with IFRS 9 outlined in Note 2.2.

2.1.2 Going concern

The Partners consider it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2020. The Partnership is reliant on a letter of support from IQSA Holdco Limited ("The Group"), owing to the fact it has forecast net cash outflows for the period to 30 September 2022 (the "Relevant Period"). The Partnership has received confirmation that the Group intends to support the Partnership for the period to September 2022.

In assessing the ability of the Group to provide this support, the directors of the Group have prepared a going concern assessment for the Group which considered two scenarios, a "base case" and a "severe but plausible downside scenario" for the period to 30 September 2022.

Under the base case, the Group is forecast to have positive cash throughout the Relevant Period, however, as a result of the impact of COVID-19 and the cash-trap mechanism in the debt facility, the Group is reliant on additional funds to support the cash requirements of non-ring-fenced assets until cash trap is released. A letter of support has been provided by the Group's shareholders to ensure that, during the Relevant Period, the Partnership has access to funding of up to an aggregate amount of £33.5m necessary in order for the Group to operate and meet its liabilities during the Relevant Period, which provides sufficient headroom under the base case scenario.

Under the severe but plausible downside scenario, the Group remains in cash trap for the remainder of the going concern review period. As such, excess cash cannot be released to fund the on-going cash requirements of unencumbered assets. As a result, under the severe but plausible downside scenario, the letter of support provided by the Group's shareholders may not be sufficient to meet the Group's total cash requirements.

2. Significant accounting policies (continued)

2.1.2 Going concern

The Group's directors have reasonable certainty they will have access to additional funds from the shareholders if required, however, they acknowledge there is no written confirmation of this and therefore there is uncertainty over the ability of the Group to provide this support to the Partnership. As such, this represents a material uncertainty that casts significant doubt on the Partnerships' ability to continue as a going concern. The financial statements do not contain the adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

2.1.3 New standards, amendment and IFRIC interpretations

The following changes to accounting standards are effective from 1 October 2019:

IFRS 16 replaces IAS 17 that relates to the treatment of leases. In adopting IFRS16, modified retrospective approach has been used, making the right-of-use asset equal to the lease liability. The turnover leases held by the Partnership as lessee, consist solely of fully variable lease payments which are expensed to the Profit and Loss on a systematic basis, consistent with the prior year under IAS 17, as outlined in Note 2.7.

No other new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 September 2020, have had a material impact on the Partnership.

2.2 Trade and other receivables

Trade and other receivables are recognised at fair value less expected credit losses. The credit loss model applies the simplified approach, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

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 Partnership does not utilise any bank overdrafts, were an overdrawn position to be shown at the year end it would be disclosed within borrowings in current liabilities.

2.4 Distribution to Partners

The profits of the Partnership is distributed at such time as the Partners determine in accordance with the Limited Partnership agreement.

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 measured at fair value.

2.6 Revenue recognition

Revenue includes rental income from property leased out under operating leases (comprising direct lets to students) 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 partnership 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 The Partnership recognises other ancillary income when the relevant performance obligation has been met.

2. Significant accounting policies (continued)

2.7 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 use the asset or assets, even if that right is not explicitly specified in the arrangement.

Partnership as a lessee

With the adoption of IFRS 16 Leases, the distinction between operating and finance leases has been removed. The Partnership is a lessee on a turnover lease from a Property Company with in the Group, rental payments are fully variable in nature to the Property Company and therefore accounted for in the Statement of Profit and Loss in accordance with IFRS 16.

Partnership as a lessor

The Partnership is a lessor in operating leases with students to provide accommodation. The leases are all short term in nature and do not transfer substantially all the risks and rewards of ownership of an asset. Contingent rents are recognised as revenue in the reporting period in which they are earned.

3 Revenue

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

Analysis of revenue by category	**Year Ended 30-Sep-20 £'000**	**Year Ended 30-Sep-19 £'000**
Rental income	3,358	4,277
Other ancillary income	21	46
	3,379	4,323

Income is primarily derived through academic year contracted rental agreements with students. All rental income arises from investment properties the Partnership operates under operating leases and does not own.

Revenue was lower than typical in the financial year, driven by the early contract release offer to students, which resulted in both lower collections of rent and rent refunds. In addition, lower occupancy for the 20/21 academic year resulted in lower rent collections received during August and September 2020.

The future minimum lease payments under non-cancellable operating leases were £2,106,000 at the year end (2019: £3,310,000).

4 Operating result

	Year Ended 30-Sep-20 £'000	Year Ended 30-Sep-19 £'000
Operating result before taxation is stated after charging:		
Wages and salaries	110	110
Social security costs	10	9
Other pension costs	8	-
Staff costs	128	119
Impairment of trade receivables	10	12
Operating lease expenses	2,298	3,064
Auditors' remuneration (Audit services only)	4	10

Expenses incurred that directly related to the generating of rental income totalled £789,000 (2019: £902,000). Additionally, payments made in respect of operating lease payments to the Property Company totalled £2,298,000 (2019: £3,064,000).

Wages and salary costs are paid by IQSA Services Limited and recharged back to the operating partnerships. The wages and salary costs disclosed above are for direct staff costs and exclude corporate salary recharges, which are recognised within administrative expenses.

The Partnership has not incurred any direct operating expenses during the year that generate rental income (2019: £nil).

5 Employees and General Partners

No staff members were directly employed by the Partnership during the year (2019: no staff). During the year there were no emoluments paid to the general partner (2019: no emoluments).

6 Interest receivable and similar income

	Year Ended 30-Sep-20 £'000	Year Ended 30-Sep-19 £'000
Other interest receivable	5	15

7 Trade and other receivables

	30-Sep-20 £'000	30-Sep-19 £'000
Trade receivables	427	401
Amounts owed by group undertakings	711	274
Other receivables	8	378
Prepayments and accrued income	21	38
	1,167	1,091

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 expected credit losses of £114,000 (2019: £85,000).

8 Cash and cash equivalents

	30-Sep-20 £'000	30-Sep-19 £'000
Cash at bank and in hand	330	1,474

Of the cash balance £nil (2019: £50,000) represents security deposits from tenants, and £nil (2019: £633,000) has restricted use under the terms of an external loan facility of which this Partnership forms part of the security along with the properties it operates.

9 Creditors - amounts falling due within one year

	30-Sep-20 £'000	30-Sep-19 £'000
Amounts owed to group undertakings	152	257
Trade payables	22	1
Taxation and social security	21	-
Deferred income and accruals	1,014	2,028
Other creditors	9	64
	1,218	2,350

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

Included within the other creditors are the security deposits of £10,000 (2019: £50,000), 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 £929,000 (2019: £1,931,000).

10 Partners' interests

	30-Sep-20 £'000	30-Sep-19 £'000
Authorised, issued and fully paid		
IQSA Paris Gardens S.à r.l. (Limited Partner)	278	215
LTS Paris Gardens (General Partner) Limited (GP)	-	-
	278	215

Retained earnings includes all current and prior period retained profits and losses.

11 Contingent liabilities and capital commitments

There are no material capital commitments at 30 September 2020.

At the start of the year the Partnership was 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. On the 14 May 2020 the Group entered into a new debt facility, totalling £2,899.5m. The Partnership, along with other entities in the Group, acts as a guarantor and obligor and could be liable to settle some or all of the drawn facility in the event of default.

The Partnership 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.

On 31 August 2015, the Partnership entered into a 25 year lease agreement with IQSA Paris Gardens S.à r.l.. Under these lease agreements, the Partnership has commitments to pay 97% of the income less costs that will arise from lettings of the investment properties.

12 Ultimate controlling party

At 30 September 2020, the Partnership was owned 99.9% by IQSA Paris Gardens S.à r.l. and 0.1% by LTS Paris Gardens (General Partner) Limited (GP).

IQSA Holdco Limited, having its registered office at 44 Esplanade St Helier Jersey JE4 9WG, is the parent company into which the Partnership's financial statements are consolidated.

For the year ended 30 September 2019 the Partnership was a subsidiary of a group headed by IQSA Holdings S.à r.l. and the ultimate shareholders were The Goldman Sachs Group, The Wellcome Trust and Greystar UK Portfolio I Investors. On 15 May 2020, IQSA Holdings S.à r.l. was acquired by Capella UK Bidco 1 Limited, a wholly owned subsidiary of IQSA Holdco Limited. The new ultimate shareholders of the Group are investment funds advised by affiliates of The Blackstone Group Inc.

Copies of the consolidated financial statements are available from The International Stock Exchange in Guernsey.

13 Subsequent events

REIT Conversion

On 1 October 2020, the Group converted to a UK REIT. As a result of this, the profits and gains of the Group's property rental business will not be subject to UK corporation tax going forwards so long as the REIT conditions are met. Profits and gains outside of the property rental business will continue to be subject to UK corporation tax.

Brexit

The Brexit transition period formally ended on 31 December 2020, at which point the UK left the single market and customs union. The long-term impact of this on demand from European students is unknown, however, may result in EU students being charged higher tuition fees than UK students. Despite this, the UK continues to be one of the top student destinations in the world and this isn't expected to impact future occupancy rates overall.