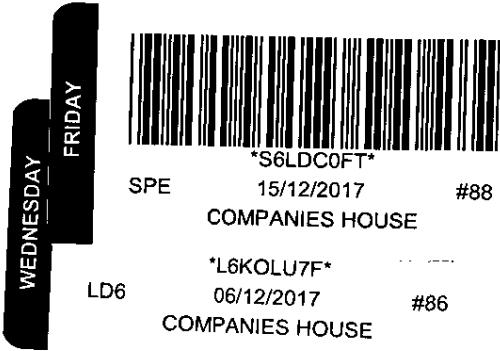


The Student Housing Company (Kings Cross) Limited

Registered Company Number 08298702

Financial Statements

For the year ended 31 December 2016



The Student Housing Company (Kings Cross) Limited
Financial Statements
For the year ended 31 December 2016

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The Student Housing Company (Kings Cross) Limited

Directors' report for the year ended 31 December 2016

The Directors present their Report and the Financial Statements for the year ended 31 December 2016.

Principal activity

The company is incorporated in the United Kingdom and the principal activities are to provide operating services to Unicity X Kings Cross S.à r.l., which invests in student accommodation.

Business review

The Company was incorporated on 19 November 2012 and it is a subsidiary of Unicity X Kings Cross S.à r.l.. For the year ended 31 December 2016 the company made a profit before tax of £54,000 (2015: £45,000) and had net assets of £97,000 (2015: £55,000).

For the year ended 31 December 2016 the company was entitled to exemption from audit under section 479A (2015: section 477 applied) of the Companies Act 2006. For the financial year ended 31 December 2016, no members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

Future developments

The Company will continue to provide operating services to Unicity X Kings Cross S.à r.l..

Dividends

The company did not pay any dividends during the year (2015: £nil). The Directors do not recommend the payment of a dividend.

Directorships

The following were directors of the company:

Timothy Mitchell	<i>Appointed 29 September 2016</i>
Robert Waterhouse	<i>Appointed 29 September 2016</i>
Justin Bickle	<i>Resigned 29 September 2016</i>
Nael Khatoun	<i>Resigned 29 September 2016</i>
Robert John Crompton	<i>Resigned 29 September 2016</i>
Mario Adario	<i>Resigned 29 September 2016</i>
Matthew Taylor	<i>Resigned 29 September 2016</i>
Antony Allen	<i>Appointed 27 July 2017</i>

Accounting principles

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

Strategic Report exemption

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption. Accordingly no strategic report has to be prepared.

Registered Office

The registered office of the company is 5 Old Bailey, London, EC4M 7BA.

By order of the Board

R Waterhouse

Director

Date: 29/11/2017



The Student Housing Company (Kings Cross) Limited

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.


Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board



R Waterhouse

Director

Date: 29/11/2017

The Student Housing Company (Kings Cross) Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

	Note	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Rental income	5	3,363	3,047
Direct operating costs	5	(3,282)	(2,982)
Profit from operations		<u>81</u>	<u>65</u>
Operating expenses		-	(8)
Net operating profit		<u>81</u>	<u>57</u>
Net finance costs		(27)	(12)
Profit before tax		<u>54</u>	<u>45</u>
Income tax expense	7	(12)	(9)
Profit for the year		<u>42</u>	<u>36</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>42</u>	<u>36</u>

All of the results stated above relate to continuing operations.

The notes on pages 7 to 15 form an integral part of these financial statements.

The Student Housing Company (Kings Cross) Limited
Statement of financial position as at 31 December 2016
(Company Registration Number 08298702)

		31 December 2016	31 December 2015
	Note	£'000	£'000
Assets			
Current assets			
Trade and other receivables	8	502	605
Cash and cash equivalents	9	1,975	2,049
Amounts due from related parties	16	552	708
		<u>3,029</u>	<u>3,362</u>
Total assets		<u>3,029</u>	<u>3,362</u>
Liabilities			
Current liabilities			
Trade and other payables	10	2,443	2,854
Amounts due to related parties	16	478	444
Corporation tax	7	11	9
		<u>2,932</u>	<u>3,307</u>
Total liabilities		<u>2,932</u>	<u>3,307</u>
Net assets		<u>97</u>	<u>55</u>
Equity attributable to equity holders			
Share capital	11	-	-
Retained earnings		97	55
		<u>97</u>	<u>55</u>
Total equity		<u>97</u>	<u>55</u>

For the year ended 31 December 2016 the company was entitled to exemption under section 479A of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The financial statements on pages 3 to 15 were approved by the board of directors and authorised for issue on 19 November 2017 and are signed on its behalf by:



R Waterhouse
Director



T Mitchell
Director

The notes on pages 7 to 15 form an integral part of these financial statements.

The Student Housing Company (Kings Cross) Limited
Statement of changes in equity for the year ended 31 December 2016

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2016	-	55	55
Total comprehensive income for the year	-	42	42
Balance at 31 December 2016	<u>-</u>	<u>97</u>	<u>97</u>

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2015	-	19	19
Total comprehensive income for the year	-	36	36
Balance at 31 December 2015	<u>-</u>	<u>55</u>	<u>55</u>

The notes on pages 7 to 15 form an integral part of these financial statements.

The Student Housing Company (Kings Cross) Limited
Statement of cash flows for the year ended 31 December 2016

	Note	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Cash flows from operating activities			
Net operating profit		81	57
Operating cash flows before movement in working capital		<u>81</u>	<u>57</u>
Increase in trade and other receivables	8/16	258	(993)
Increase in trade and other payables	10/16	(377)	598
Cash generated from operations		<u>(38)</u>	<u>(338)</u>
Tax		(9)	(5)
Interest paid		(27)	(12)
Net cash generated from operating activities		<u>(74)</u>	<u>(355)</u>
Net increase in cash and cash equivalents		(74)	(355)
Cash and cash equivalents at the beginning of the year	9	2,049	2,404
Cash and cash equivalents at the end of the year	9	<u>1,975</u>	<u>2,049</u>

The notes on pages 7 to 15 form an integral part of these financial statements.

The Student Housing Company (Kings Cross) Limited

Notes to the financial statements for the year ended 31 December 2016

1. Basis of preparation

The Student Housing Company (Kings Cross) Limited is a company incorporated and domiciled in the UK.

These financial statements have been prepared and approved by the directors and in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared in Sterling (rounded to the nearest thousand), which is the functional currency of the Company, and under the historical cost convention. A summary of the significant accounting policies, which have been applied consistently, is set out in Note 2 below.

The Company was incorporated on 19 November 2012 and is a subsidiary of Unicity X Kings Cross S.à r.l..

This entity is a UK registered subsidiary of GSA Club GBP HoldCo 2 S.à r.l. These financial statements are exempt from the requirements of Section 475 of the Companies Act relating to the audit of individual accounts by virtue of a guarantee provided by the Company under Section 479A of the Companies Act.

2. Significant accounting policies

The accounting policies adopted reflect the Standards, Amendments to Standards and Interpretations which are mandatory for the year ended 31 December 2015 and those not yet effective but early adopted. During 2016, the following new standards and amendments adopted by the Company either had no significant impact on the financial statements or resulted in changes to presentation and disclosure only:

- (a) The following standards, amendments and interpretations have been adopted for the year ended 31 December 2016.

IFRS 11 Joint Arrangements (Amendment)

The amendments regard the accounting for acquisitions of an interest in a joint operation. These amendments are effective for accounting periods beginning on or after 1 January 2016. The adoption of this new standard has had no material impact on the financial statements.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets (Clarification)

The clarifications regard the acceptable methods of depreciation and amortisation. These amendments are effective for accounting periods beginning on or after 1 January 2016. The adoption of this new standard has had no material impact on the financial statements.

IAS 27 Separate Financial Statements (Amendment)

The amendments regard the accounting for investments in subsidiaries, associates and joint ventures. These amendments are effective for accounting periods beginning on or after 1 January 2016. The adoption of this new standard has had no material impact on the financial statements.

Annual Improvements 2012-2014 Cycle

This cycle makes amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting. These amendments are effective for accounting periods beginning on or after 1 January 2016. The adoption of this new standard has had no material impact on the financial statements.

IAS 1 Presentation of Financial Statements (Amendment)

The amendments regard the preparation of financial statements. These amendments are effective for accounting periods beginning on or after 1 January 2016. The adoption of this new standard has had no material impact on the financial statements.

The Student Housing Company (Kings Cross) Limited

Notes to the financial statements for the year ended 31 December 2016

2. Significant accounting policies (continued)

IFRS 10 Consolidated Financial Statements (Amendment)

The amendments regard the sale or contribution of assets between an investor and its associate or joint venture. It also regards amendments on the application of the consolidation exception. These amendments are effective for accounting periods beginning on or after 1 January 2016. The adoption of this new standard has had no material impact on the financial statements.

(b) Standards and Interpretations recently issued but not yet effective

The sections below represent new or amended EU endorsed accounting standards relevant to the Company's results that are issued but not effective.

IFRS 9 Financial Instruments

This standard is the first step in the process to replace IAS 39 "Financial Instruments; Recognition and Measurement". The effective date has been delayed to annual periods beginning on or after 1 January 2018. Early adoption is permitted, however the standard has not yet been endorsed by the EU. Management has yet to assess the full impact of IFRS 9 to the Company.

IFRS 15 Revenue from Contracts with Customers

This standard is effective for accounting periods beginning on or after 1 January 2018. Management has yet to assess the full impact of IFRS 15 to the Company.

IFRS 16 Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard is effective for annual periods beginning on or after 1 January 2019. Management has yet to assess the full impact of IFRS 16 to the Company.

IAS 12 Income Tax (Amendments)

The International Accounting Standards Board (IASB) has published final amendments to IAS 12 'Income Taxes'. The IASB had concluded that the diversity in practice around the recognition of a deferred tax asset that is related to a debt instrument measured at fair value is mainly attributable to uncertainty about the application of some of the principles in IAS 12. Therefore the amendments consist of some clarifying paragraphs and an illustrating example. The amendments are effective for annual periods beginning on or after 1 January 2017.

IAS 7 Statement of Cash Flows (Amendments)

The International Accounting Standards Board (IASB) has published amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. They are effective for annual periods beginning on or after 1 January 2017, with earlier application being permitted. Management has yet to assess the full impact of IAS 7 to the Company.

IFRS 2 Share-based Payment (Amendments)

The International Accounting Standards Board (IASB) has published amendments to IFRS 2 'Share-based Payment'. The amendments are intended to clarify IFRS 2 to improve the accounting for cash-settled share-based payment transactions. They are effective for annual periods beginning on or after 1 January 2018, with earlier application being permitted. Management has yet to assess the full impact of IAS 7 to the Company.

The Student Housing Company (Kings Cross) Limited

Notes to the financial statements for the year ended 31 December 2016

2. Significant accounting policies (continued)

(c) Intangible assets

This category comprises software and website design and development. These assets are stated at cost less accumulated amortisation and are amortised to their residual value on a straight-line basis over their estimated useful lives, which are estimated at three years.

The residual values and useful lives are reviewed, and adjusted if appropriate, at least yearly.

(d) Trade and other receivables

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

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are deducted from cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition they are measured at amortised cost, using the effective interest method. The carrying value of trade and other payables is considered to approximate to fair value.

(g) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting, where the effect is expected to be material, the expected future flows at a pre-tax rate which reflects current market assessments of the time value of money and the risk specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(h) Share capital

Ordinary shares are classed as equity. External costs, if any, directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of any tax effects.

(i) Expenses

Expenses are recognised on an accruals basis and recorded in profit or loss as incurred.

(j) Revenue

The Company recognises revenue on an accruals basis when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company. Revenue comprises rental income and other recoveries from tenants of the investment property. Rental income includes income from ancillary operations such as retail and other ancillary services (Note 5).

The Student Housing Company (Kings Cross) Limited

Notes to the financial statements for the year ended 31 December 2016

2. Significant accounting policies (Continued)

(k) Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). An impairment loss is recognised in the statement of comprehensive income when the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the amount that would have been determined, net of applicable depreciation, if no impairment loss had been recognised.

(l) Foreign currency transactions

Transactions in foreign currencies are translated into Pound Sterling at exchange rates approximating to the exchange rate ruling at the day of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Pound Sterling at the exchange rate ruling at that date.

Differences on translation are recognised in the statement of comprehensive income.

(m) Corporation tax

Corporation tax in the statement of comprehensive income comprises current and deferred tax for the year. Tax is recognised in the statement of comprehensive income except to the extent that it relates to the items recognised directly in equity, in which case it is recognised in equity. Current tax is the tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is provided in full where a potential liability exists using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

No provision is made for temporary differences arising on the initial recognition of assets or liabilities, which affect neither accounting nor taxable profit to the extent that they will not reverse in the foreseeable future.

The Student Housing Company (Kings Cross) Limited

Notes to the financial statements for the year ended 31 December 2016

3. Going concern

The Company has been a wholly owned subsidiary of Unicity X Kings Cross S.à r.l since 19 November 2012.

The Directors regularly stress test the business model to ensure that the Company has adequate working capital and have reviewed the current and projected financial position, making reasonable assumptions about future trading performance of the Company.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for its foreseeable future and, therefore, they adopt the going concern basis in preparing the financial statements.

4. Significant judgements, key assumptions and estimates

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis; revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the directors, there are no significant areas of estimation uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

5. Rental income and Direct operating expenses

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
<u>Rental income</u>		
Rental income from investment properties	3,363	3,047

The rental income arises on one year lets to students representing one educational term, a nomination agreement with educational establishments and a lease with Unicity X Kings Cross S.à r.l.. Under this lease the Company sub lets to students directly, and pays 97% of the rental income and charges 100% of the operating cost to/from Unicity X Kings Cross S.à r.l.. There is no contingent income and other short term and ancillary income is not considered material.

Details of amounts due under non-cancellable operating leases are disclosed in Note 14

The rental income included in the statement of comprehensive income all arises on the investment properties that the Company provides services for.

The Student Housing Company (Kings Cross) Limited
Notes to the financial statements for the year ended 31 December 2016

5. Rental income and Direct operating expenses (continued)

Direct operating expenses

The direct operating expenses arise solely on investment properties which generated rental income as follows:

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
Direct operating expenses	(3,282)	(2,982)

The nature of the costs incurred shown above comprise payments of £2,444,000 (2015: £1,971,000) to Unicity X Kings Cross S.à r.l. under the lease, for insurance and general maintenance and repair costs of maintaining the properties to a high standard.

6. Staff numbers & costs

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
Salaries and wages	137	115
Social Security costs	10	11
	<u>148</u>	<u>126</u>
	No.	No.
Average number of staff employed for the year ended 31 December 2016 (excluding directors)	<u>5</u>	<u>4</u>

7. Income tax expense

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
Current period tax expense	<u>12</u>	<u>9</u>

The tax charge can be reconciled to the profit
per the income statement as follows:

Tax on UK profit at 20% (2015: 20.25%)	11	9
Adjustment to tax from previous period	1	-
	<u>12</u>	<u>9</u>

The Student Housing Company (Kings Cross) Limited
Notes to the financial statements for the year ended 31 December 2016

7. Income tax expense (continued)

Deferred tax assets

The Company has no losses for tax purposes in 2016 available to offset future profits chargeable to tax in the UK (2015: nil).

The Company has applied the main rate of corporation tax of 20% for the year ending 31 December 2016.

A prior year adjustment of £1,000 has been recognised when calculating the current year's income tax expense. The adjustment caused an increase from the expected current income tax charge of 20%, inflating the value to 22.2% of pre-tax profit.

8. Trade and other receivables

	31 December 2016	31 December 2015
	£'000	£'000
Trade receivables	454	500
Other receivables and prepayments	48	105
	<u>502</u>	<u>605</u>

Trade receivables represents balances with tenants in relation to the letting of units in the investment property. There is no material risk to currency exposure as the trade and other receivables are denominated in Pound Sterling.

9. Cash and cash equivalents

	31 December 2016	31 December 2015
	£'000	£'000
Cash at bank and in hand	<u>1,975</u>	<u>2,049</u>

The Student Housing Company (Kings Cross) Limited
Notes to the financial statements for the year ended 31 December 2016

10. Trade and other payables

	31 December 2016	31 December 2015
	£'000	£'000
Trade and other payables	357	633
Deferred income	2,086	2,221
	<u>2,443</u>	<u>2,854</u>

Trade and other payables includes £nil (2015: £464,000) relating to the lease payments due to the Unicity X Kings Cross S.à r.l.. Deferred income of 2016: £2,086,000 (2015: £2,221,000) relates to rent received in advance from students.

11. Share capital

	31 December 2016	31 December 2015
	£	£
Issued and unpaid:		
Ordinary shares – 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

12. Contingent liabilities

There are no material contingent liabilities at 31 December 2016 (2015: nil).

13. Capital commitments

The company had no capital commitments as at 31 December 2016 (2015: nil).

14. Operating leases

Leases as lessee

At 31 December 2016 the Company had operating lease commitments to related parties.

On 8 September 2014, the Company entered into a lease agreement with Unicity X Kings Cross S.à r.l. in connection with its investment property. Under the lease agreement, the Company has commitments to pay 97% of the rental income less 100% of the operating costs that arise from lettings of the investment property.

15. Subsequent events

There are no events subsequent to 31 December 2016 which require disclosure in these financial statements.

The Student Housing Company (Kings Cross) Limited
Notes to the financial statements for the year ended 31 December 2016

16. Related party transactions

Amounts due to related parties:

	31 December 2016	31 December 2015
	£'000	£'000
The Student Housing Company Ltd	472	427
The Student Housing Company (Edinburgh) Ltd	6	-
Threesixty Developments Ltd	-	17
Total	<u>478</u>	<u>444</u>

Amounts due from related parties:

	31 December 2016	31 December 2015
	£'000	£'000
Unicity XI Edinburgh S.à r.l.	-	708
Unicity X Kings Cross S.à r.l.	552	-
Total	<u>552</u>	<u>708</u>

17. Ultimate controlling party

The company is a subsidiary undertaking of Unicity X Kings Cross S.à r.l. which is the immediate parent company and is incorporated in Luxembourg. The ultimate parent is GSA Club GBP HoldCo 2 S.à r.l., incorporated in Luxembourg and the ultimate controlling party is GSA Club GBP Limited Partnership incorporated in Jersey.