

The Student Housing Company (Exeter) Limited

Registered Company Number 10946879

Financial Statements

For the year ended 31 December 2021



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The Student Housing Company (Exeter) Limited
Director's report
For the year ended 31 December 2021

The Directors present the Report and the Financial Statements of The Student Housing Company (Exeter) Limited (the "Company") for the year ended 31 December 2021.

Principal activity

The Company is incorporated in the United Kingdom and the principal activities are to provide operating services to GSA HSRE SJP Limited, which invests in student accommodation.

Business review

The Company was incorporated on 5 September 2017 and is a subsidiary of GSA HSRE SJP Limited. For the year ended 31 December 2021, the Company made a loss before tax of £429,778 (2020: £65,724) and had net assets of £422,425 (2020: £74,305).

Dividends

The Company did not pay any dividends during the period (2020: £nil). The Directors do not recommend the payment of a dividend.

Directorships

The following were directors of the Company for the full period, and subsequently, unless otherwise stated:

Robert Waterhouse

Ben Harvie

Thomas Walker

Appointed 3 February 2022

Resigned 3 February 2022

Accounting principles

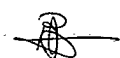
Details of the significant accounting principles adopted are disclosed in Note 2 to these financial statements.

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 4th Floor 3 More London Riverside, London, United Kingdom, SE1 2AQ .



By order of the Board

R Waterhouse

Director

September 2022

The Student Housing Company (Exeter) Limited
Statement of Directors' responsibilities
For the year ended 31 December 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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
September 2022

The Student Housing Company (Exeter) Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

		1 January 2021 to 31 December 2021	1 January 2020 to 31 December 2020
		£	£
	Note		
Rental income	5	2,295,685	2,190,797
Direct and other operating expenses	6	(2,074,623)	(2,123,710)
Net operating profit		<u>221,062</u>	<u>67,087</u>
Administration expenses		209,111	(1,214)
Net finance costs	7	(395)	(149)
Profit before tax		<u>429,778</u>	<u>65,724</u>
Income tax expense	8	(81,658)	(12,488)
Profit for the period		<u>348,120</u>	<u>53,236</u>
Other comprehensive income		-	-
Total comprehensive income for the year/period		<u>348,120</u>	<u>53,236</u>

The accompanying notes on pages 7 to 16 form an integral part of these financial statements.

The Student Housing Company (Exeter) Limited
Statement of financial position
31 December 2021

		31 December 2021 £	31 December 2020 £
	Note		
Assets			
Current assets			
Trade and other receivables	9	957,851	293,798
Amounts due from related parties	10	1,829,031	1,456,977
Cash and cash equivalents	11	914,110	769,284
		<u>3,700,992</u>	<u>2,520,059</u>
Total assets		<u>3,700,992</u>	<u>2,520,059</u>
Liabilities			
Current liabilities			
Trade and other payables	12	2,373,211	2,428,325
Corporation tax payable		99,087	17,429
Amounts payable to related parties	13	806,269	-
		<u>3,278,567</u>	<u>2,445,754</u>
Total liabilities		<u>3,278,567</u>	<u>2,445,754</u>
Net assets		<u>422,425</u>	<u>74,305</u>
Equity attributable to equity holders			
Share capital	14	1	1
Retained earnings		422,424	74,304
		<u>422,425</u>	<u>74,305</u>
Total equity		<u>422,425</u>	<u>74,305</u>

For the financial year in question, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. 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 16 were approved by the board of directors and authorised for issue on 5 September 2022 and were signed on its behalf by:



R Waterhouse
Director

The accompanying notes on pages 7 to 16 form an integral part of these financial statements.

The Student Housing Company (Exeter) Limited
Statement of changes in equity
For the year ended 31 December 2021

	Share Capital £	Retained Earnings £	Total £
Balance at 1 January 2021	1	74,304	74,305
Total comprehensive income for the year	-	348,120	348,120
Balance at 31 December 2021	<u>1</u>	<u>422,424</u>	<u>422,425</u>
Balance at 1 January 2020	1	21,068	21,069
Total comprehensive income for the period	-	53,236	53,236
Balance at 31 December 2020	<u>1</u>	<u>74,304</u>	<u>74,305</u>

The accompanying notes on pages 7 to 16 form an integral part of these financial statements.

The Student Housing Company (Exeter) Limited
Statement of cash flows
For the year ended 31 December 2021

		1 January 2021 to 31 December 2021 £	1 January 2020 to 31 December 2020 £
	Note		
Cash flows from operating activities			
Profit before tax		429,778	65,724
Adjustments for:			
Finance costs	7	395	149
Operating cash flows before movement in working capital		<u>430,173</u>	<u>65,873</u>
Change in trade and other receivables and related parties		(1,036,108)	135,492
Change in trade and other payables and related parties		751,156	534,630
Net cash from operations		<u>(284,952)</u>	<u>670,122</u>
Finance costs paid	7	(395)	(149)
Net cash from operating activities		<u>144,826</u>	<u>735,846</u>
Net increase in cash and cash equivalents		144,826	735,846
Cash and cash equivalents at the beginning of the period	11	769,284	33,438
Cash and cash equivalents at the end of the period	11	<u>914,110</u>	<u>769,284</u>

The accompanying notes on pages 7 to 16 form an integral part of these financial statements.

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

1. Basis of preparation

The Student Housing Company (Exeter) Limited (the “Company”) is 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, 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 5 September 2017 and is a subsidiary of GSA HSRE SJP Limited (the “Parent Company”).

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 unless otherwise stated.

The following relevant standards, amendments and interpretations to existing standards effective on or after 1 January 2020 have been adopted by the Company;

- Amendments to clarify the definition of a business (IFRS 3)
- Amendments regarding pre-replacement issues in the context of the IBOR reform (IFRS 7, IFRS 9, IAS 39)
- Amendments to the definition of material (IAS 1, IAS 8)

The adoption of the above standards, amendments and interpretations to existing standards had no material impact on the financial statements.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards and they are not thought to have a significant impact on the financial statements in the year of adoption.

(a) Trade and other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company includes in this category short-term receivables and prepayments. The Company considers that the carrying amount of other receivables is approximately equal to their fair value.

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.

(b) 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.

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

2. Significant accounting policies (continued)

(c) 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.

(d) 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.

(e) 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.

(f) Expenses

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

(g) 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, which the Company manages on behalf of the Parent Company. Rental income includes income from ancillary operations such as retail and other ancillary services.

(h) Impairment

Impairment – financial assets

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable.

Trade receivables are written off when there is no reasonable expectation of recovery. Impaired debts are derecognised when they are assessed as uncollectible.

(i) 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 profit or loss and other comprehensive income.

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

2. Significant accounting policies (continued)

(j) Corporation tax

Corporation tax in the statement of profit or loss and other comprehensive income comprises current tax for the year. Tax is recognised in the statement of profit or loss and other 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 statement of financial position date, and any adjustment to the tax payable in respect of previous years.

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.

3. Going concern

During the period ended 31 December 2021, the Company recorded a net profit of £429,778 (2020: £65,724million) and had net assets of £422,425 million (2020: £74,305 million) at 31 December 2021.

Based on the above the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

4. Significant judgements, key assumptions and estimates

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.

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

5. Rental and other income

(a) Rental income

	1 January 2021 to 31 December 2021	1 January 2020 to 31 December 2020
	£	£
Rental income from investment properties	2,295,685	2,190,797

The rental income arises on a combination of one-year lets to students representing three educational terms and summer rent.

Details of amounts due under non-cancellable operating leases is disclosed in Note 18.

The rental income included in the statement of profit or loss and other comprehensive income arises on the investment property for which the Company provides services.

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

6. Direct and other operating expenses

(a) Direct and other operating expenses

	1 January 2021 to 31 December 2021	1 January 2020 to 31 December 2020
	£	£
Lease expense	1,517,961	1,504,612
Salaries and wages	244,261	273,113
Utilities	126,530	216,404
Property management costs	6,960	(10,892)
Marketing expenses	41,789	46,927
General administration	124,354	84,063
Material	12,768	9,183
	<u>2,074,623</u>	<u>2,123,710</u>

A lease expense of £1,517,961 (2020: £1,504,612) to the Parent Company has been recognised in accordance with the lease entered in to on 26 July 2019. See Note 18.

(b) Staff numbers

	1 January 2021 to 31 December 2021	1 January 2020 to 31 December 2020
	£ No.	£ No.
Average number of staff employed (excluding directors)	-	-
	<u>-</u>	<u>-</u>

No director's remuneration was paid during the period (2020: £nil).

7. Net finance costs

	1 January 2021 to 31 December 2021	1 January 2020 to 31 December 2020
	£	£
Bank charges	395	149
	<u>395</u>	<u>149</u>

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

8. Income tax expense

	1 January 2021 to 31 December 2021 £	1 January 2020 to 31 December 2020 £
Income tax expense	81,658	12,488
	<u>81,658</u>	<u>12,488</u>

The tax expense is equivalent to the statutory tax rate of 19% and applied to the Company's profit before tax.

The Company has no tax losses in 2021 available to offset future profits chargeable to tax in the UK (2020: nil).

9. Trade and other receivables

	31 December 2021 £	31 December 2020 £
Trade receivables	957,851	293,798
	<u>957,851</u>	<u>293,798</u>

Rent for the total tenancy period is recognised as a receivable on commencement of the lease as it establishes the contractual right to receive the rent. Trade receivables of £957,851 are neither past due nor impaired as of the period end and represent rents that are payable by instalments over the lease term of not more than twelve months.

10. Amounts due from related parties

	31 December 2021 £	31 December 2020 £
GSA HSRE SJP Limited	1,829,031	1,456,978
	<u>1,829,031</u>	<u>1,456,978</u>

11. Cash and cash equivalents

	31 December 2021 £	31 December 2020 £
Cash at bank and in hand	914,110	769,284
	<u>914,110</u>	<u>769,284</u>

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

12. Trade and other payables

	31 December 2021 £	31 December 2020 £
Deferred income	1,616,764	1,070,370
Trade payables	440,197	489,197
Other creditors	18,763	569,598
Accruals	297,487	299,160
	<u>2,373,211</u>	<u>2,428,325</u>

Deferred income of £1,616,764 relates to rent recognised in advance from students.

13. Amounts payable to related parties

	31 December 2021 £	31 December 2020 £
Uninest UK	806,269	-
	<u>806,269</u>	<u>-</u>

14. Share capital

	31 December 2021 £	31 December 2020 £
Issued and unpaid:		
Ordinary shares – 1 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

15. Financial risk management

The Company's risk management policies and practices are set out below. The Board of Directors monitors these risks through the use of regular management reporting and regularly reviews the status of these risks to ensure that they continue to be managed appropriately.

Foreign currency management

All operational income, costs and bank accounts are denominated in Pound Sterling (£). Therefore, the Company considers the impact of foreign currency transactions to be low.

Cash management and liquidity

Cash levels are monitored to ensure sufficient resources are available to meet the Company's operational requirements.

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

15. Financial risk management (continued)

Sensitivity analysis

The Company considers its exposure to exchange rate risks as low because all bank accounts are denominated in Pound Sterling, most suppliers are based in the UK, and as such, obligations are settled in Pound Sterling.

Credit risk

The Company's principal financial assets are bank and cash balances, trade and other receivables and amounts due from related parties. The Company's credit risk is attributable to its trade and other receivables, cash balances and amounts due from related parties.

Trade receivables consist principally of rents due from tenants. The tenant base is diversified geographically, with tenants generally of good financial standing. Tenant leases require all tenants to either pay fully in advance or in three instalments. Rental deposits and personal guarantees are held in respect of some leases. Taking these factors into account, the risk to the Company of individual tenant default and the credit risk of trade receivables is considered low.

The credit risk on cash balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Company's maximum exposure to credit risk is represented by the balance of accounts receivable and the balance of other current assets disclosed in the Company's statement of financial position.

Financial maturity analysis

The table below analyses the Company's financial liabilities in their relevant maturity groupings based on the period remaining until the contractual maturity date.

	Carrying amount £	Contractual cash flows £	Under 1 year £	1 to 2 Years £	Between 2 and 5 Years £	More than 5 years £
31 December 2021						
Trade and other payables*	756,447	756,447	756,447	-	-	-
	<u>756,447</u>	<u>756,447</u>	<u>756,447</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>756,447</u></u>	<u><u>756,447</u></u>	<u><u>756,447</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
31 December 2020						
Trade and other payables*	1,357,955	1,357,955	1,357,955	-	-	-
	<u>1,357,955</u>	<u>1,357,955</u>	<u>1,357,955</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>1,357,955</u></u>	<u><u>1,357,955</u></u>	<u><u>1,357,955</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

*Excludes deferred income, which is not a financial liability.

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

16. Contingent liabilities

There are no material contingent liabilities at 31 December 2021 (2020: nil).

17. Capital commitments

The Company had no capital commitments as at 31 December 2021 (2020: nil).

18. Operating leases

Leases as lessor

The Company's investment property is let under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	31 December 2021 £	31 December 2020 £
Less than one year	1,616,764	1,070,370
Total	<u>1,616,764</u>	<u>1,070,370</u>

No tenants are on leases greater than one year. Only committed income has been disclosed in the current year from rooms let directly to tenants, representing one educational term.

Leases as lessee

At 31 December 2021, the Company had operating lease commitments to related parties.

On 15 October 2019, the Company entered into a lease agreement with GSA HSRE SJP Limited in connection with the investment property at St James Park, Stadium Way, Exeter for a term of 22 years from 26 July 2019.

19. Related party transactions

Amounts due from related parties

GSA HSRE SJP Limited is considered a related party as it is the 100% shareholder of the Company.

The Company incurred and accrued lease expenses under the management lease agreement with GSA HSRE SJP Limited of £1,517,961 during the period. The Company also had a balance payable to Uninest UK of £806,269 (2020: £603,274 balance receivable).

The Student Housing Company (Exeter) Limited
Notes to the financial statements
For the year ended 31 December 2021

20. Ultimate controlling party

The Company is a subsidiary undertaking of GSA HSRE SJP Limited, which is the immediate parent company and is incorporated in Jersey. The ultimate controlling party as at 31 December 2022 was GSA HSRE UCT JV Limited Partnership, which is a Limited Partnership established in Jersey.

21. Significant and subsequent events

On 18 March 2022, GSAF Holdco GBP Ltd acquired all the share capital of GSA HSRE SJP Ltd from GSA UCT JV Limited Partnership. As a result of this, the ultimate controlling party is now GSAF GBP Jersey Unit Trust which is a unit trust established in Jersey.

Subsequent events have been evaluated up to the date of the signing of the financial statements and there are no further material events to be adjusted or disclosed in these financial statements