

GCP QMUL LIMITED

**REGISTERED IN ENGLAND AND WALES
COMPANY NUMBER 10974710**

**ANNUAL REPORT
FOR THE PERIOD 21 SEPTEMBER 2017 to 30 JUNE 2018**

WEDNESDAY



A06 *A7Z7PDCY*
13/02/2019 #277
COMPANIES HOUSE

CONTENTS

	Page
Corporate Information	3
Directors' Report	4 – 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 – 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 – 19

CORPORATE INFORMATION

Directors

Robert Peto (Chairman) (appointed on 21 September 2017)
Marlene Wood (appointed on 21 September 2017)
Peter Dunscombe (appointed on 21 September 2017 and retired on 6 November 2018)
Malcolm Naish (appointed on 21 September 2017)
Gillian Day (appointed on 23 February 2018)

Secretary and Registered Office

Link Company Matters Limited
51 New North Road
Exeter EX4 4EP
Tel: 01392 477500

Independent Auditor

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

DIRECTORS' REPORT

Introduction

The Directors present the annual report and financial statements for GCP QMUL Limited (the "Company") for the period 21 September 2017 to 30 June 2018.

The Directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415(A) (1) and (2) of the Companies Act 2006.

The Company is a wholly-owned subsidiary of GCP Student Living plc (the "Parent Company")

Principal activity

The Company was incorporated on 21 September 2017. The principal activity of the Company is, and for the foreseeable future will continue to be, the provision of student accommodation in line with the Parent Company's investment strategy.

The Company is part of a group which consists of the Ultimate Parent Company and its subsidiaries (the "Group").

Strategic report

The Directors have taken advantage of the exemption allowed under section 414B of the Companies Act 2006 and have not prepared a strategic report.

Results and dividend

The loss for the period, after taxation, amounted to £7,000.

In October 2017, the Company entered into a conditional forward-purchase agreement to acquire a private student accommodation residence currently under construction immediately adjacent to Queen Mary University of London. A deposit of £2,570,000 was paid

Share capital

At 30 June 2018 the Company had in issue 4 ordinary shares of £1 each. Equity shareholders' funds totaled £2,563,000.

Directors

The Directors who served during the period were:

Robert Peto (appointed on 21 September 2018)

Marlene Wood (appointed on 21 September 2018)

Peter Dunscombe (appointed on 21 September 2018 and retired on 6 November 2018)

Malcolm Naish (appointed on 21 September 2018)

Gillian Day (appointed on 23 February 2018)

DIRECTORS' REPORT (continued)

Directors' Interests

All of the current Directors are also directors of the Parent Company.

The Directors do not hold any shares in the Company, nor did they during the period under review. Their interests in the shares of the Parent Company are disclosed in the Parent Company's annual report and financial statements for the period ended 30 June 2018.

No Director has a contract of service with the Company, and there were no contracts or arrangements at any time during the period ended 30 June 2018, or since, in which a Director of the Company was materially interested, whether directly or indirectly.

Auditor

The Auditor for the period was Ernst & Young LLP who have expressed their willingness to remain in office as Auditor of the Company.

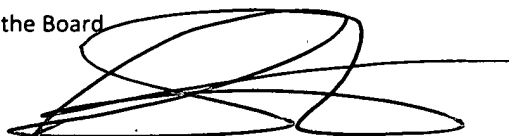
Disclosure of Information to the Auditor

Each Director confirms that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is 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 Auditor is aware of that information.

By order of the Board

Robert Peto
Director

4 February 2019

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards ("IFRS") as adopted by the European Union (the "EU").

The Directors are required to prepare financial statements for each financial period which 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 those 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on a going concern basis unless it is inappropriate to assume 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GCP QMUL LIMITED

Opinion

We have audited the financial statements of GCP QMUL Limited for the period ended 30 June 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 30 June 2018 and of its profit for the period then ended;
- ▶ have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ▶ the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GCP QMUL LIMITED (continued)

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 strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and Directors' report have 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 strategic report or 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 by the parent company, 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, 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

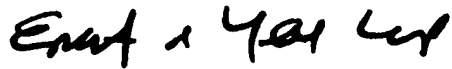
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GCP QMUL LIMITED (continued)

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.



Ashley Coups (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
6 February 2019

STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2018

		Period ended 30 June 2018 £'000
Continuing operations	Notes	
Administration expenses	2	(7)
Operating loss		(7)
Finance income		-
Loss before tax		(7)
Tax charge for the period		-
Loss for the period		(7)

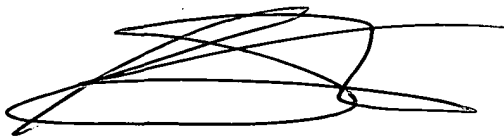
There were no items of other comprehensive income and therefore, profit for the period also reflects the total comprehensive income for the period.

The accompanying notes on pages 14 to 19 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

		As at 30 June 2018 £'000
Assets	Notes	
Non-current assets		
Investment property deposit	5	2,648
Total assets		2,648
Liabilities		
Current liabilities		
Trade and other payables	6	(85)
Total liabilities		(85)
Net assets		2,563
Equity		
Share capital	7	-
Share premium	8	2,570
Retained earnings	9	(7)
Total equity		2,563

These financial statements were approved by the Board of Directors of GCP QMUL Limited on 4 February 2019 and signed on its behalf by:



Robert Peto
Director

Company registered number 10974710

The accompanying notes on pages 14 to 19 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2018

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance at the start of the period	-	-	-	-
Profit for the period	-	-	(7)	(7)
Total comprehensive income	-	-	(7)	(7)
Ordinary shares issued	-	2,570	-	2,570
Balance at 30 June 2018	-	2,570	(7)	(2,563)

The accompanying notes on pages 14 to 19 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the period ended 30 June 2018

	Period ended 30 June 2018 £'000
Cash flows from operating activities	
Operating loss	(7)
Adjustments to reconcile profit for the period to net cash flows:	
Increase in other payables and accrued expenses	4
Net cash flow used in operating activities	(3)
Cash flows from financing activities	
Net cash paid from group entities	3
Net cash flow (used in)/ generated from financing activities	3
Net (decrease)/ increase in cash and cash equivalents	-
Cash and cash equivalents at start of the period	-
Cash and cash equivalents at end of the period	-
Non-cash items	
Forward purchase agreement deposit and costs	2,648
Share capital issued	(2,570)

The accompanying notes on pages 14 to 19 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2018

1. General information

The Company was incorporated in England and Wales on 21 September 2017. The registered office of the Company is 51 New North Road, Exeter EX4 4EP.

The Company is a wholly-owned subsidiary of the Parent Company. The results of the Company are included in the consolidated financial statements of the Ultimate Parent Company which are available from Companies House.

2. Basis of preparation

These financial statements are prepared in accordance with IFRS issued by the International Accounting Standards Board as adopted by the EU. The financial statements have been prepared under the historical cost convention, except for investment property that has been measured at fair value. The audited financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

These financial statements are in respect of the period 21 September 2017 to 30 June 2018. The Company's reporting period is shorter than one year in order to align the financial reporting date with the financial reporting date of the Group. There are no comparative figures as this is the first accounting period for the Company.

The following new standards and amendments to existing standards have been published and once approved by the EU, will be mandatory for the Company's accounting periods beginning after 1 July 2018 or later periods.

- IFRS 7 Financial Instruments: Disclosures – amendments regarding additional hedge accounting disclosures (applies when IFRS 9 is applied).
- IFRS 9 Financial Instruments (Effective for annual periods beginning on or after 1 January 2018). Financial instruments will remain at amortised cost and the expected credit loss model is not expected to lead to a material increase in impairment due to the nature and size of financial assets.
- IFRS 15 Revenue from Contracts (effective for annual periods beginning on or after 1 January 2018). The Company's revenue is outside the scope of IFRS 15.
- IFRS 16 – Leases (effective for annual periods beginning on or after 1 January 2019). IFRS 16 has minimal impact on the Company.

The Company does not expect the adoption of new accounting standards issued but not yet effective to have a significant impact on its financial statements.

2.2 Significant accounting judgements and estimates

The preparation of these audited financial statements in accordance with IFRS, requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future being a period of at least 12 months from the date that these financial statements are approved. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2018

2.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Functional and presentation currency

The overall objective of the Company is to generate returns in Pound Sterling and the Company's performance is evaluated in Pound Sterling. Therefore, the Directors consider Pound Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have therefore adopted it as the functional and presentation currency.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with banks and other financial institutions with an initial maturity of three months or less.

c) Trade and other receivables

Rent and other receivables are recognised at their original invoiced value. An impairment provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

d) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently held at amortised cost.

e) Operating and administration expenses

Property operating expenses and administration expenses are charged to the income statement and are accounted for on an accruals basis.

f) Taxes

Corporation tax is recognised in the income statement except where in certain circumstances corporation tax may be recognised in other comprehensive income.

As part of a REIT group, the Company is exempt from corporation tax on the profits and gains from its property rental business, provided the Group continues to meet certain conditions as per REIT regulations.

Non-qualifying profits and gains of the Company (the residual business) continue to be subject to corporation tax. Therefore, current tax is the expected tax payable on the non-qualifying taxable income for the period if applicable, using tax rates enacted or substantively enacted at the balance sheet date.

g) Dividends to shareholders

Dividends due to the Company's shareholders are recognised when they are declared. For interim dividends this is when they are declared.

2. Administration expenses

	Period ended 30 June 2018
	£'000
Administration expenses	7
Total	7

3. Auditor's remuneration

	Period ended 30 June 2017
	£'000
Audit fee	4
Total	4

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2018

4. Taxation

As a member of a REIT Group, the Company's UK property rental business (both income and capital gains) is exempt from tax. Any residual income from non-property business is subject to corporation tax. Corporation tax charges have arisen as follows:

	Period ended 30 June 2018 £'000
Corporation tax on residual income for current period	-
Total	-

Reconciliation of tax charge to profit before tax:

	Period ended 30 June 2018 £'000
Loss before tax	(7)
Corporation tax at 19%	-
Tax exempt property rental business	-
Tax charge on residual income	-

The UK Government announced as part of the Finance (No 2) Act 2015, which received Royal Assent on 18 November 2015, that the main rate of corporation tax rate would be reduced from 20% to 19% from 1 April 2017. As part of the Finance Act 2016, a further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016 and received Royal Assent on 15 September 2016. This will affect the rate at which future UK cash tax will be payable.

5. Trade and other receivables

	As at 30 June 2017 £'000
Forward purchase agreement deposit and costs	2,648
Total	2,648

The company has entered into a conditional forward purchase agreement to acquire a private student accommodation residence currently under construction. A deposit of £2,570,000 and additional costs associated with the deposit of £78,000 have been paid in the period

6. Other payables and accrued expenses

	As at 30 June 2018 £'000
Accruals	4
Trade and other payables	81
Total	85

7. Share capital

	Period ended 30 June 2018 Number of shares
Issued and fully paid:	
At the start of the period	-
Issued during the period	4
Total	4

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2018

7. Share capital (continued)

Share capital comprises one class of ordinary shares. At general meetings of the Company, shareholders are entitled to one vote on a show of hands and on a poll, to one vote for every share held. There are no restrictions on the size of a shareholding or the transfer of shares.

8. Share premium

	Period ended 30 June 2018 £'000
At the start of the period	-
Shares issued during the period	2,570
Total	2,570

9. Capital and reserves

Share capital

Share capital is the nominal amount of the Company's ordinary shares in issue. This equates to £1 per ordinary share.

Share premium

Share premium relates to amounts subscribed for share capital in excess of nominal value less associated issue costs of the subscriptions.

Retained earnings

Retained earnings represent the profits of the Company and other distributable amounts less dividends paid to date. It should be noted that unrealised gains on the revaluation of investment properties contained within this reserve are not distributable until the gains crystallise on the sale of the investment property.

Retained earnings comprise the following cumulative amounts:

	As at 30 June 2018 £'000
Total unrealised gains on investment properties	-
Total revenue profits/(losses)	(7)
Retained earnings	(7)

10. Financial risk management objectives and policies

The Company has trade and other receivables, trade and other payables and cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is minimal.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2018

10. Financial risk management objectives and policies (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its leasing activities and its financing activities, including deposits with banks.

Credit risk is managed by requiring tenants to pay rentals in advance. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 to 2 periods	2 to 5 periods	Total
Period ended 30 June 2018	£'000	£'000	£'000	£'000	£'000	£'000
Other payables and accrued expenses	-	4	-	-	-	4
Amounts due to related parties	81	-	-	-	-	81
	81	4	-	-	-	85

11. Capital management

The Company's capital is represented by share capital and reserves.

The principal objective of the Company's capital management strategy is to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid, issue new shares or return capital to the Parent Company. In any circumstances, the Parent Company and the Ultimate Parent Company will provide adequate financial support to ensure the Company's business continuity.

12. Related party transactions

As defined by IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2018

12. Related party transactions (continued)

The table below discloses transactions and balances between the Company, its Parent Company and other related parties.

	Period ended 30 June 2018
Transactions during the period	£'000
Costs paid by GCP Student Living Plc	(2,651)
Shares issued to GCP Student Living Plc	2,570
	As at
Balances outstanding at the end of the period	30 June 2018
GCP Student Living Plc	(81)

13. Ultimate controlling party

The Company's ultimate parent undertaking is GCP Student Living plc. The Company's financial results are included within the Group accounts which are publicly available at Companies House.