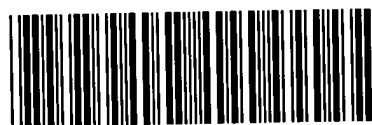


GCP QMUL LIMITED

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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GCP QMUL Limited
Company Number 10974710
Financial statements for the year ended 30 June 2021

CORPORATE INFORMATION

Directors

David Hunter (Chairman)
Marlene Wood
Malcolm Naish
Gillian Day

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 year ended 30 June 2021.

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

Principal activity

The principal activity of the Company is to invest in purpose built student accommodation in line with the Parent Company's investment strategy.

Risks and uncertainties

The continuing Covid-19 pandemic has created a period of significant uncertainty for the Company, and the longer-term impact of this event remains difficult to quantify. This could have an impact on the Company's investment strategy. To address these risks the Directors, together with the Company's advisors, continue to monitor global events as they relate to student numbers and the attractiveness of the UK as a destination for international students. The Directors consider the Company and the Group to be defensively positioned to weather any resulting disruption.

Going concern

In assessing the Company's ability to continue as a going concern, the Directors have considered the Company's investment objective, risk management policies, capital management (see note 11 and 12 to the financial statements) and the nature of its portfolio and expenditure projections.

On 6 September 2021, the shareholders of the Parent Company approved resolutions relating to the acquisition of the Parent Company by a consortium of investors (the "Consortium").

On 6 December 2021 the Competition and Markets Authority approved the acquisition and on 15 December final approval was granted by the courts. The Acquisition will therefore be completed in the coming days.

The Directors are aware that the Consortium has stated its intention to break up the Group upon completion of the acquisition. The Directors understand that the steps the Consortium would take to break up the Group would include the winding up of the Company. For this reason, the Directors have assessed that it is sufficiently likely that the Company will not be operating in twelve months from the date of approval of these financial statements, and as such these financial statements have not been prepared on the going concern basis.

As set out in Note 2.2, the Directors have a reasonable expectation that the Company has sufficient cash resources and financing available to meet its liabilities as they fall due for the period until such time as it is wound up.

DIRECTORS' REPORT (continued)

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 year amounted to £95,000 (2020: £3,090,000).

The Directors have not declared or paid a dividend in respect of the year ended 30 June 2021 (2020: £Nil).

Share Capital

As at 30 June 2021, the Company had in issue 4 (2020: 4) ordinary shares of £1 each. Equity shareholders' funds totalled £(637,000) (2020: £(542,000)).

Directors

The Directors who served during the year were:

David Hunter
Russell Chambers (Appointed and resigned 1 February 2021)
Gillian Day
Malcolm Naish
Robert Peto (Retired 4 November 2020)
Marlene Wood

All of the current Directors will resign when the acquisition of the Parent Company completes in the coming days and will be replaced by representatives of the Consortium.

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 year ended 30 June 2021.

No Director has a contract of service with the Company, and there were no contracts or arrangements at any time during the year ended 30 June 2021, or since, in which a Director of the Company was materially interested, whether directly or indirectly.

Auditor

The Auditor for the year was Ernst & Young LLP, who has expressed its willingness to remain in office as Auditor of the Company.

GCP QMUL Limited
Company Number 10974710
Financial statements for the year ended 30 June 2021

DIRECTORS' REPORT (continued)

Disclosure of Information to 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

A handwritten signature in black ink, appearing to read 'M. Wood', written over a horizontal line.

Marlene Wood
Director
17 December 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 (the 'Company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, Statement of Cash Flows, and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- ▶ give a true and fair view of the Company's affairs as at 30 June 2021 and of its loss for the year then ended;
- ▶ have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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. 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 Directors' Report, 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.

Emphasis of matter – financial statements prepared on a break-up basis

We draw attention to note 2.2 to the financial statements which explains that on 6 September 2021, shareholders of the Parent Company, GCP Student Living plc ('Parent Company') approved resolutions relating to the acquisition of the Parent Company by a special purpose vehicle formed by a consortium comprising Scape Living plc and iQSA Holdco Limited (the "Consortium"). The Directors understand that the steps the Consortium would take to break up the Group would include the winding up of the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break-up basis as described in note 2.2. 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 contained within the annual report.

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.

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 course of 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 this gives to a material misstatement in the financial statements themselves. 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 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 Directors' Responsibilities Statement set out on page 7, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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

Our approach was as follows:

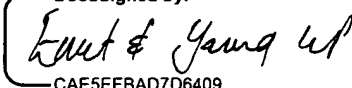
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks that are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006) and relevant tax compliance regulations, including section 1158 of the Corporation Tax Act 2010.
- We understood how GCP QMUL Limited is complying with those frameworks by making enquiries of senior management of the investment manager, and the administrator, as well as the Chairman of the Group Audit and Risk Committee and Directors of the Company. We corroborated our understanding through our review of Board and committee meeting minutes of the company and papers provided to the Group Audit and Risk Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with members of senior management to understand where they considered there was susceptibility to fraud. We considered the controls the Company has established to address the risks identified, or that otherwise prevent, deter or detect fraud; and how senior management and the Group audit and risk committee monitor those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to identify non-compliance with the reporting requirements of the Company.

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.

DocuSigned by:


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James Beszant (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
17 December 2021

GCP QMUL Limited
 Company Number 10974710
 Financial statements for the year ended 30 June 2021

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

		Year ended 30 June 2021	Year ended 30 June 2020
Continuing operations	Notes	£'000	£'000
Administration expenses	3	(95)	(3,090)
Loss before tax		(95)	(3,090)
Tax charge for the year	5	-	-
Loss for the year		(95)	(3,090)

There were no items of other comprehensive income and therefore the loss for the year also reflects the total comprehensive loss for the year.

The accompanying notes on pages 15 to 21 form an integral part of these financial statements.

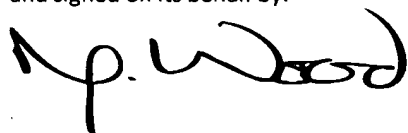
GCP QMUL Limited
 Company Number 10974710
 Financial statements for the year ended 30 June 2021

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		As at 30 June 2021 £'000	As at 30 June 2020 £'000
Assets	Notes		
Current assets			
Cash and cash equivalents	6	1	-
Total assets		1	-
Liabilities			
Current liabilities			
Trade and other payables	7	(638)	(542)
Total liabilities		(638)	(542)
Net liabilities		(637)	(542)
Equity			
Share capital	8	-	-
Share premium	9	2,570	2,570
Retained earnings	10	(3,207)	(3,112)
Total equity		(637)	(542)

These financial statements were approved by the Board of Directors of GCP QMUL Limited on 17 December 2021 and signed on its behalf by:



Marlene Wood
 Director

Company number 10974710

The accompanying notes on pages 15 to 21 form an integral part of these financial statements.

GCP QMUL Limited
 Company Number 10974710
 Financial statements for the year ended 30 June 2021

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2020	-	2,570	(3,112)	(542)
Total comprehensive loss	-	-	(95)	(95)
Balance at 30 June 2021	-	2,570	(3,207)	(637)

For the year ended 30 June 2020

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2019	-	2,570	(22)	2,548
Total comprehensive loss	-	-	(3,090)	(3,090)
Balance at 30 June 2020	-	2,570	(3,112)	(542)

The accompanying notes on pages 15 to 21 form an integral part of these financial statements.

GCP QMUL Limited
 Company Number 10974710
 Financial statements for the year ended 30 June 2021

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Notes	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Cash flows from operating activities			
Operating loss		(95)	(3,090)
Adjustments to reconcile loss for the year to net cash flows:			
Net recharges from Parent Company		53	8
Increase in other payables and accrued expenses		27	2,654
Net cash flow used in operating activities		(15)	(428)
Cash flows from financing activities			
Net cash received from Parent Company		16	428
Net cash flow generated from financing activities		16	428
Net increase in cash and cash equivalents		1	-
Cash and cash equivalents at start of the year		-	-
Cash and cash equivalents at end of the year	6	1	-

The accompanying notes on pages 15 to 21 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1. General information

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

The Company is a wholly-owned subsidiary of the Parent Company. The Company's financial results are included within the consolidated financial statements of the Parent Company which represent both the largest and smallest group for which financial statements are prepared and of which the Company is a member. The Group's consolidated financial statements are publicly available at Companies House.

2. Basis of preparation

These financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared on a break-up basis as described in note 2.2. 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 year ended 30 June 2021. Comparative figures are for the year ended 30 June 2020.

2.1 Changes to accounting standards and interpretations

In the current period, the Company has applied a number of amendments to IFRS. The adoption of these updates has not had a significant impact on the Company's financial statements. These also include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosure and presentation requirements, including updates relating to Covid-19.

Further to the above, there are no new IFRS or IFRIC interpretations that are issued but not effective that would be expected to have a significant impact on the Company's financial statements.

2.2 Significant accounting judgements and estimates

The preparation of these audited financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

2.2 Significant accounting judgements and estimates (continued)**Going concern**

The Directors have made an assessment of the Company's ability to continue as a going concern. In making their assessment, the Directors have considered the potential impacts of the acquisition of the Parent Company by a consortium on investors and the ongoing Covid-19 pandemic on the Group, operations and the investment portfolio.

The Directors, the Investment Manager and other service providers have put in place contingency plans to minimise disruption from the Covid-19 pandemic. Whilst the economic future is uncertain, the Directors believe it is possible the Group could experience further deductions in income and/or property valuations, however this should not be to a level which would threaten the Company's ability to continue as a going concern.

On 6 September 2021, the shareholders of the Parent Company approved resolutions relating to the acquisition of the Parent Company by a consortium of investors (the "Consortium"). On 6 December 2021 the Competition and Markets Authority approved the acquisition. The acquisition was subsequently approved by the courts on 15 December and therefore is expected to complete in the coming days. The Directors are aware that the Consortium has stated its intention to break up the Group upon completion of the acquisition. The Directors understand that the steps the consortium would take to break up the Group would include the winding up of the Company. For this reason, the Directors have assessed that it is sufficiently likely that the Company will not be operating in twelve months from the date of approval of these financial statements, and as such these financial statements have not been prepared on a going concern basis. The following changes have been made to the financial statements in respect of this:

- £25,000 of expenses have been accrued in relation to professional fees for winding up the Company; and
- All assets and liabilities have been classified as current.

The Directors have a reasonable expectation that the Company has sufficient cash resources and financing available to meet its liabilities as they fall due for the period until such time as it is wound up. In forming this expectation, the Directors have considered the results of forecasting and stress testing carried out by the Investment Manager, including analysis of the ongoing impact of the Covid-19 pandemic on market conditions and its impact on the Company.

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 of cash at bank.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

2.3 Summary of significant accounting policies (continued)**c) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently carried at amortised cost less provision for impairment. Where the time value of money is material, receivables are carried at amortised cost using the effective interest method. Impairment provisions are recognised on the expected credit loss model detailed within IFRS 9.

The Company recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables where necessary. The loss allowance is based on lifetime expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Impaired balances are reported net, however impairment provisions are recorded within a separate provision account with the loss being recognised within administration costs within the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

d) Trade and other payables

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

e) Administration expenses

Administration expenses are charged to the Statement of Comprehensive Income and are accounted on an accruals basis.

f) Taxes

Corporation tax is recognised in the Statement of Comprehensive Income except where in certain circumstances corporation tax may be recognised in other comprehensive income.

The Company is part of a REIT group, and Group companies are exempt from corporation tax on the profits and gains from their 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 year if applicable, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

3. Administration expenses

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Administration expenses	95	3,090
Total	95	3,090

£3,070,000 of the administration expenses in the year ended 30 June 2020 relate to the aborted acquisition of an investment property.

4. Auditor's remuneration

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Audit fee	6	5
Total	6	5

5. Taxation

A description of the Company's tax status is outlined in note 2.3.

Corporation tax charges have arisen as follows:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Corporation tax for current year	-	-
Total tax	-	-

Reconciliation of tax charge to loss before tax:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Loss before tax	(95)	(3,090)
Corporation tax at 19% (2020: 19%)	(18)	(587)
Tax exempt property rental business	18	587
Total tax	-	-

Deferred tax on losses have not been recognised as the Company is not expecting to have sufficient taxable income to recover this. The cumulative tax losses carried forward is £605,000.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

6. Cash and cash equivalents

	30 June 2021	30 June 2020
	£'000	£'000
Cash at bank	1	-
Total	1	-

7. Trade and other payables

	30 June 2021	30 June 2020
	£'000	£'000
Accruals	35	8
Amounts due to Parent Company	603	534
Total	638	542

Amounts due to parent company are unsecured, interest free and repayable on demand.

8. Share capital

	30 June 2021	30 June 2020
	Number of Shares	Number of Shares
Issued and fully paid:		
At the start of the year	4	4
Issued during the year	-	-
At the end of the year	4	4

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.

9. Share premium

	30 June 2021	30 June 2020
	£'000	£'000
At the start of the year	2,570	2,570
Shares issued during the year	-	-
Balance at the end of the year	2,570	2,570

10. 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.

Retained earnings

Retained earnings represent the profits of the Company and other distributable amounts less dividends paid to date.

Retained earnings comprise the following cumulative amounts:

	30 June 2021	30 June 2020
	£'000	£'000
Accumulated revenue losses	(3,207)	(3,112)
Retained earnings	(3,207)	(3,112)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

11. 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.

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 financing activities, including deposits with banks.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

The following table analyses the Company's exposure to credit risk:

	30 June 2021 £'000	30 June 2020 £'000
Cash and cash equivalents	1	-
Total	1	-

The cash and cash equivalents at 30 June 2021 are held with Barclays Bank plc which has been given an A-1 credit rating by Standard & Poor's.

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:

	Less than 3 months £'000	3 to 12 months £'000	1 to 2 years £'000	2 to 5 years £'000	Total £'000
Year ended 30 June 2021					
Accruals	35	-	-	-	35
Amounts due to Parent Company	603	-	-	-	603
Total	638	-	-	-	638
	Less than 3 months £'000	3 to 12 months £'000	1 to 2 years £'000	2 to 5 years £'000	Total £'000
Year ended 30 June 2020					
Accruals	8	-	-	-	8
Amounts due to Parent Company	534	-	-	-	534
Total	542	-	-	-	542

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

12. 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 will provide adequate financial support to ensure the Company's business continuity.

13. 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 or a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

	Year ended 30 June 2021	Year ended 30 June 2020
	£'000	£'000
Transactions during the year		
Costs recharged by the Parent Company	(53)	(8)
Net cash transferred by the Parent Company	(16)	(428)
	As at	As at
Balances outstanding at the end of the year	30 June 2021	30 June 2020
GCP Student Living plc	(603)	(534)

14. Ultimate controlling party

The ultimate parent company is GCP Student Living plc. In the opinion of the Directors, there is no ultimate controlling party.

15. Events after the reporting period

On 11 August 2021 the Parent Company published a circular to shareholders containing the details of the Board recommended acquisition of the Parent Company by a consortium. On 6 September 2021 shareholders voted in favour of the acquisition. On 6 December 2021 the Competition and Markets authority approved the acquisition, and approval was provided by the courts on the 15 December and it is thus expected to complete in the coming days.