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Registered Company Number : 05835382

IQ (Shareholder GP) Limited

Directors' Report and Financial Statements

For the year ended 30 September 2023

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IQ (Shareholder GP) Limited
Directors' Report and Financial Statements
For the year ended 30 September 2023

Registered Company Number : 05835382

Contents

IQ (Shareholder GP) Limited **Registered Company Number : 05835382**
Directors' Report
For the year ended 30 September 2023

The Directors present their report and the audited financial statements for IQ (Shareholder GP) Limited ("the Company") for the year ended 30 September 2023. The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Company has taken an exemption from the requirement to prepare a strategic report under section 414B of the Companies Act 2006.

Principal activities

The Company is a private company limited by shares, incorporated in the United Kingdom. The principal activity of the Company is to act as a holding Company for the investments in iQ (General Partner) Limited, iQ Letting (General Partner) Limited, iQ Two (General Partner) Limited, iQ Two (General Partner 2) Limited, iQ Two Letting (General Partner) Limited, iQ Two Letting (General Partner 2) Limited, iQ Shoreditch (General Partner) Limited, iQ Shoreditch (General Partner 2) Limited, iQ Shoreditch Letting (General Partner) Limited and iQ Shoreditch Letting (General Partner 2) Limited. The Company also acts as the general partner to IQSA (Bloomsbury) Limited Partnership, which is part of a partnership that lets out student accommodation. The Company also has nominal interest in iQ Shoreditch Unit Trust. The Company and its other affiliated companies are subsidiaries of IQSA Holdco Limited ("the Group"), incorporated and registered in Jersey and listed on The International Stock Exchange in Guernsey.

Future developments

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

Results and dividends

The operating loss before taxation for the year was £10,933 (2022: £1,677), full results for the year are set out on page 10.

The Directors do not recommend the payment of an ordinary dividend in the current year (2022: £nil).

Directorships

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

Gemma Nandita Kataky (resigned 24 February 2023)
Rachana Gautam Vashi (appointed 24 February 2023)
Michael David Vrana
James Neil Mortimer
Dushyant Singh Sangar
Matthew Scott Loughlin

Financial risk management

Credit risk

Credit risk occurs when a counterparty to a financial instrument fails to discharge an obligation to the Company, it may occur through receivables. The Company has minimal receivables and therefore has limited credit risk.

Financial risk management (continued)

Interest rate risk

The Company finances its operations with short term intercompany advances that are interest free. Therefore, the Company has no exposure to interest rate risk.

Liquidity and cash flow risk

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

The Group entered into a debt facility in 2020. The Company, along with other entities in the Group, acts as a guarantor and obligor and could be liable to settle some or all of the drawn facility in the event of default. The Directors assessed the likelihood of the drawn facility entering default and concluded that it is not probable. The Directors consider, therefore, there is limited risk to the Company.

Directors' indemnities and insurance

The Company has agreed to indemnify each director and other officer throughout the year and at the date of approval of the financial statements against liabilities incurred in relation to acts of omissions arising in the ordinary course of their duties. The indemnity applies only to the extent permitted by law. The Company has in place appropriate third party Directors & Officers Liability insurance cover in respect of potential legal action against its directors and officers. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report. This indemnity is subject to the conditions set out in the Companies Act 2006.

Political donations

The Company has not made any political donations during the year (2022: £nil).

Independent auditor

The Directors note that Ernst & Young LLP were duly appointed as auditor of the Company (the Auditor) for the financial year ended 30 September 2023. It is hereby resolved that the Auditor be deemed re-appointed in accordance with Section 487 of the Companies Act 2006.

Registered office

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

Statement of Directors' responsibilities in respect of the financial statements

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

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

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

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 the financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations as to disclosure of information to the auditor

In the case of each Director in office at the date the Directors' Report is approved:
- to the best of each director's knowledge and belief, there is no relevant audit information of which the company's 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.

Going Concern

The Directors consider it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2023. The Company has received a letter of support and confirmation from IQSA Holdco Limited ("the Group") that, should it be necessary, the Group will support the Company for the going concern period to 30 June 2025 (the "Relevant Period").

The Company is expected to continue as a going concern for the Relevant Period, with no material commitments or undisclosed off-balance arrangements that would impact its ability to meet its liabilities as they fall due, in addition to its documented letter of support from IQSA Holdco Limited. In assessing the ability of the Group to provide this support, the Group's Directors have prepared two cash flow scenarios, a "base case" and a "severe but plausible downside scenario" for the Relevant Period.

Under the base case, the Group remains in a positive cash position for the existing operating business throughout the Relevant Period. Under the severe but plausible downside scenario, there is sufficient free cash headroom, and it is the Group Directors' expectation that the Group will remain in compliance with its covenants of its individual financing arrangements.

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Going Concern (continued)

Both scenarios assume that the Group's shareholders will provide additional support to fund specific committed development cash requirements and premiums to enter certain interest rate hedges required to extend the Group's existing debt facilities. A capped letter of support for £271.3m from the Group's shareholders has been provided to the Group in relation to these cash requirements. In addition, the Group's shareholders have confirmed that any repayment terms related to current or future shareholder loans between the Group (as borrower) and the shareholders (as lenders), will be extended for a further period or periods such that they do not require repayment within the Relevant Period.

The Relevant Period considered by the Group Directors has been extended to 30 June 2025, beyond the minimum 12-month time horizon. Both cash flow scenarios assume that the Group's Balance Sheet facility is refinanced before May 2025, when the final extension period expires. The Group Directors therefore concluded it appropriate to consider the status of refinancing these facilities in their assessment and extended the Relevant Period to include this significant event.

The Group successfully refinanced the CMBS debt facility of £540.2m on 15 February 2024.

In addition, the Group has started to engage with lenders regarding the refinancing of the Balance Sheet debt facility of £2,359.3m, but as at the date of approval of these financial statements, discussions remain at an early stage. However, based on the proven ability of the Group and its shareholders to successfully arrange large debt facilities (most recently shown through the refinance of the CMBS facility in February 2024), combined with strong relationships with lenders, expected loan to value ratios / forecast performance of the assets and current market sentiment in favour of lending against PBSA assets, the Directors are confident the Group will be able to refinance ahead of the facility maturity date.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the Relevant Period, being the period to 30 June 2025. However, in reaching this conclusion, the Directors note that the process of refinancing the Balance Sheet debt facility is only at an early stage and until a refinancing is completed the specific circumstances of this facility results in the existence of a material uncertainty which may cast significant doubt over the Group's, and therefore the Company's, ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

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Subsequent events

There have been no significant events since the year end.

On behalf of the Board

DocuSigned by:

James Neil Mortimer
Director
11 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IQ (SHAREHOLDER GP) LIMITED

Opinion

We have audited the financial statements of iQ (Shareholder GP) Limited (the 'company') for the year ended 30 September 2023 which comprise the Statement of Profit and Loss, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. 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.

Material uncertainty relating to going concern

We draw attention to Note 2.1.1 to the financial statements, which describe the uncertainty relating to IQSA Holdco Limited, the intermediate parent undertaking, who has provided a letter of support to the company, being able to successfully refinance its Balance Sheet loan facility of £2,359.3m due in May 2025. As stated in Note 2.1.1, these events or conditions, along with other matters as set forth in note 2.1.1, indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 rise 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.

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 are those that relate to the reporting framework, namely FRS 101 and Companies Act 2006, and the relevant tax regulations in the United Kingdom, including the UK REIT regulations.

- We understood how the company is complying with those frameworks by making enquiries of management and those charged with governance. We then assessed the culture of honesty and ethical behaviour in the company, and the processes in place to reward such behaviour and reprimand behaviour not in keeping with these values. We corroborated our inquiries through inspection of the iQ group policies, board minutes and through inspection of whistleblowing reports made to the company's ethics hotline during the year.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding how management is incentivised, if any assets may be a risk of misappropriation and through understanding key accounting estimates.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved identifying any instances of management override of controls through inquiry with those charged with governance and employees in the business and through testing of journal entries exhibiting higher risk criteria and inspecting the documentation supporting those journal entries to challenge whether the transaction was genuine. We also made formal inquiries of the company's in house legal counsel and inspected minutes of meetings to identify non-compliance.

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:
Ernst & Young LLP
6746549038DA4C1

Claire Johnson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

11 March 2024

IQ (Shareholder GP) Limited **Registered Company Number : 05835382**
Statement of Profit and Loss
For the year ended 30 September 2023

	Notes	Year ended 30-Sep-23 £	Year ended 30-Sep-22 £
Administrative expenses		(10,933)	(1,677)
Operating loss before taxation	3	**(10,933)**	**(1,677)**
Income tax credit/(expense)	5	1,785	(372)
Loss for the year		**(9,148)**	**(2,049)**

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

The notes on pages 13 to 19 form an integral part of these financial statements.

IQ (Shareholder GP) Limited **Registered Company Number : 05835382**
Statement of Financial Position
As at 30 September 2023

	Notes	As at 30-Sep-23 £	As at 30-Sep-22 £
Non-current assets			
Investments	6	7,940	7,940
Current assets			
Trade and other receivables	7	1,785	-
Creditors - amounts falling due within one year	8	(52,242)	(41,309)
Net current liabilities		**(50,457)**	**(41,309)**
Net liabilities		**(42,517)**	**(33,369)**
Equity			
Called up share capital	9	10,000	10,000
Share premium account	9	127,934	127,934
Accumulated losses	9	(180,451)	(171,303)
Total equity		**(42,517)**	**(33,369)**

The financial statements on pages 10 to 12 and the accompanying notes on pages 13 to 19 were approved by the board of directors and authorised for issue on 11 March 2024 and are signed on its behalf by:

DocuSigned by:

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James Neil Mortimer
Director

IQ (Shareholder GP) Limited
Statement of Changes in Equity
For the year ended 30 September 2023

Registered Company Number : 05835382

	Called up share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
Balance at 1 October 2021	10,000	127,934	(169,254)	(31,320)
Year ended 30 September 2022				
Loss for the year	-	-	(2,049)	(2,049)
Balance at 30 September 2022	**10,000**	**127,934**	**(171,303)**	**(33,369)**
Year ended 30 September 2023				
Loss for the year	-	-	(9,148)	(9,148)
Balance at 30 September 2023	**10,000**	**127,934**	**(180,451)**	**(42,517)**

The notes on pages 13 to 19 form an integral part of these financial statements.

1. General information

The Company is a private company, limited by shares, incorporated in the United Kingdom. Its principal activities are described in the Directors' Report. The Company is an indirect wholly owned subsidiary of IQSA Holdco Limited, incorporated and registered in Jersey. The Company is exempt by virtue of section 401 of the Companies Act 2006 to prepare consolidated financial statements.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated. Amounts are presented in pounds sterling, which is also the functional currency of the Company, rounded to the nearest pound sterling, unless stated otherwise.

2.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention, as modified by certain financial assets and financial liabilities measured at fair value.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2023.

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

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

- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

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

- Paragraphs 91 to 99 of IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, relevant disclosures are given in the Group financial statements of IQSA Holdco Limited. Copies of the consolidated financial statements are publicly available as outlined in Note 11.

2.1.1 Going concern

The Directors consider it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2023. The Company has received a letter of support and confirmation from IQSA Holdco Limited ("the Group") that, should it be necessary, the Group will support the Company for the going concern period to 30 June 2025 (the "Relevant Period").

The Company is expected to continue as a going concern for the Relevant Period, with no material commitments or undisclosed off-balance arrangements that would impact its ability to meet its liabilities as they fall due, in addition to its documented letter of support from IQSA Holdco Limited. In assessing the ability of the Group to provide this support, the Group's Directors have prepared two cash flow scenarios, a "base case" and a "severe but plausible downside scenario" for the Relevant Period.

Under the base case, the Group remains in a positive cash position for the existing operating business throughout the Relevant Period. Under the severe but plausible downside scenario, there is sufficient free cash headroom, and it is the Group Directors' expectation that the Group will remain in compliance with its covenants of its individual financing arrangements.

Both scenarios assume that the Group's shareholders will provide additional support to fund specific committed development cash requirements and premiums to enter certain interest rate hedges required to extend the Group's existing debt facilities. A capped letter of support for £271.3m from the Group's shareholders has been provided to the Group in relation to these cash requirements. In addition, the Group's shareholders have confirmed that any repayment terms related to current or future shareholder loans between the Group (as borrower) and the shareholders (as lenders), will be extended for a further period or periods such that they do not require repayment within the Relevant Period.

The Relevant Period considered by the Group Directors has been extended to 30 June 2025, beyond the minimum 12-month time horizon. Both cash flow scenarios assume that the Group's Balance Sheet facility is refinanced before May 2025, when the final extension period expires. The Group Directors therefore concluded it appropriate to consider the status of refinancing these facilities in their assessment and extended the Relevant Period to include this significant event.

The Group successfully refinanced the CMBS debt facility of £540.2m on 15 February 2024.

2. Significant accounting policies (continued)

2.1.1 Going concern (continued)

In addition, the Group has started to engage with lenders regarding the refinancing of the Balance Sheet debt facility of £2,359.3m, but as at the date of approval of these financial statements, discussions remain at an early stage. However, based on the proven ability of the Group and its shareholders to successfully arrange large debt facilities (most recently shown through the refinance of the CMBS facility in February 2024), combined with strong relationships with lenders, expected loan to value ratios / forecast performance of the assets and current market sentiment in favour of lending against PBSA assets, the Directors are confident the Group will be able to refinance ahead of the facility maturity date.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the Relevant Period, being the period to 30 June 2025. However, in reaching this conclusion, the Directors note that the process of refinancing the Balance Sheet debt facility is only at an early stage and until a refinancing is completed the specific circumstances of this facility results in the existence of a material uncertainty which may cast significant doubt over the Group's, and therefore the Company's, ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

2.1.2 New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 September 2023, have had a material impact on the Company.

2.2.1 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less a provision for expected credit loss. If required a provision for expected credit loss of trade receivables is established based on an expected credit loss model applying the simplified approach, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

2.2.2 Amounts due from group undertakings

Amounts due from group undertakings are initially recognised at fair value. They are subsequently recorded at amortised cost less expected credit losses. The Company assesses on a forward-looking basis, the expected credit losses associated with its amounts due from group undertakings.

2.3 Investments

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

2.4 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2. Significant accounting policies (continued)

2.5.1 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are initially recorded at fair value and subsequently at amortised cost.

2.5.2 Amounts owed to group undertakings

Amounts owed to group undertakings are initially recorded at fair value and subsequently recorded at amortised cost.

2.6 Income tax

The tax expense for the period comprises current and deferred income taxes. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in retained earnings. In this case, the tax is also recognised in other comprehensive income or directly in retained earnings respectively.

Current income tax is the expected tax payable on the taxable profit for the year, together with any adjustment to the tax payable in relation to previous periods. Taxable profit differs from the profit before tax, as reported in the Statement of Profit and Loss, because it excludes items of income or expense taxable or deductible in other accounting periods, as well as items that will never be taxable or deductible. The current tax charge is calculated using tax rates that are enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax law is subject to interpretation, and establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

Deferred income tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases and is accounted for using the balance sheet liability method. Deferred income tax liabilities are provided in full, and deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill, or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

3 Operating loss before taxation

	Year ended 30-Sep-23 £	Year ended 30-Sep-22 £
Operating loss before taxation is stated after charging:		
Auditor's remuneration (Audit services only)	4,290	3,575
Expected credit loss provision	-	(3,250)
	4,290	325

The provision in the prior year was for the expected credit loss of intercompany receivables.

4 Employees and Directors

No staff members were directly employed by the Company during the year (2022: no staff). Directors are paid by other companies in the Group and recharged accordingly across the Group. There were no emoluments recharged to or paid directly from the Company in the year (2022: no emoluments). No directors received remuneration in the year for qualifying services to the Company, including that paid by other companies in the Group on behalf of the Company (2022: £nil).

5 Income tax credit/(expense)

	30-Sep-23	30-Sep-22
	£	£
(a) Tax (credit)/expense included in profit and loss		
Current tax:		
Adjustments to current tax in respect of prior periods	(1,785)	372
Total tax (credit)/expense included in profit and loss	(1,785)	372
(b) Total tax reconciliation		
Loss before taxation	(10,933)	(1,677)
Tax at the main rate of UK corporation tax of 22% (2022: 19%)	(2,405)	(319)
Effects of:		
Expenses not deductible under the REIT regime	2,405	319
Prior period adjustment to current tax	(1,785)	372
Total tax (credit)/expense included in profit and loss	(1,785)	372

As the Group, of which the Company is a part, is a UK Real Estate Investment Trust ("REIT"), the profits and gains of its property rental business are not subject to UK corporation tax so long as the REIT conditions are met. Profits and gains outside of the property rental business are subject to UK corporation tax of 25% for profits arising from 1 April 2023 (2022: 19%). The weighted average tax rate for 2023 was 22% (2022: 19%).

6 Investments

	Unlisted investments
	£
Cost	
At 1 October 2022 & at 30 September 2023	12,010
	12,010
Net book value	
At 1 October 2022 & at 30 September 2023	7,940
	7,940

6 Investments (continued)

Name of company	Percentage of shareholding	Registered address
iQ (General Partner) Limited iQ Letting (General Partner) Limited iQ Two (General Partner) Limited iQ Two (General Partner 2) Limited iQ Two Letting (General Partner) Limited iQ Two Letting (General Partner 2) Limited iQ Shoreditch (General Partner) Limited iQ Shoreditch (General Partner 2) Limited iQ Shoreditch Letting (General Partner) Limited iQ Shoreditch Letting (General Partner 2) Limited	100%	7th Floor Cottons Centre, Cottons Lane, London, SE1 2QG, UK
IQSA (Bloomsbury) Limited Partnership	0.1%	
iQ Shoreditch Unit Trust	Nominal	47 Esplanade, St Helier, Jersey, Channel Islands, JE1 0BD

The Directors have reviewed the carrying value of its subsidiaries held by the Company and have determined that no impairment of investments is required (2022: £nil).

7 Trade and other receivables - amounts falling due within one year

	30-Sep-23	30-Sep-22
	£	£
Taxation and social security	1,785	-
	1,785	-

Taxation and social security relates to a prior year corporation tax adjustment.

8 Creditors - amounts falling due within one year

	30-Sep-23	30-Sep-22
	£	£
Amounts owed to group undertakings	42,901	35,335
Accruals	9,341	5,974
	52,242	41,309

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

9 Equity

	30-Sep-23	30-Sep-22
Authorised, issued and fully paid:	£	£
5,000 ordinary A shares of £1 each	5,000	5,000
5,000 ordinary B shares of £1 each	5,000	5,000
	10,000	10,000

The rights attached to each class of shares are equal.

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

10 Contingent liabilities and capital commitments

There are no contingent liabilities or capital commitments at 30 September 2023 (2022: £nil).

On 14 May 2020 the Group entered into a debt facility, totalling £2,190.3m. The Company, along with other entities in the Group, acts as a guarantor and obligor and could be liable to settle some or all of the drawn facility in the event of default. The Directors have assessed the fair value of the loan guarantee under IFRS 9 and concluded that it is not significant.

At the year ended 30 September 2023 the principal balance of the facility was £2,319.4m.

11 Ultimate controlling party

At 30 September 2023, the immediate parent of the Company was iQ Properties S.à r.l..

IQSA Holdco Limited, having its registered office at 22 Grenville Street, St Helier, JE4 8PX, Jersey, is the parent company into which the Company's financial statements are consolidated. Copies of the consolidated financial statements are available from The International Stock Exchange in Guernsey.

The ultimate shareholders of the Group are investment funds advised by affiliates of The Blackstone Group Inc.

12 Subsequent events

There have been no significant events since the year end.

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Limited Partnership Registration No. LP016102

IQSA (Bloomsbury) LP

General Partner's Report and Financial Statements

For the year ended 30 September 2023

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Contents

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The General Partner presents their report and the audited financial statements for IQSA (Bloomsbury) LP ("the Partnership") for the year ended 30 September 2023. The entity is a limited partnership domiciled in the United Kingdom.

The General Partner's Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Partnership has taken an exemption from the requirement to prepare a strategic report under section 414B of the Companies Act 2006.

Principal activities

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

Future Developments

The General Partner expects the Partnership will continue to operate in its current capacity for the foreseeable future.

Results

The operating profit for the year was £2,234k (2022: £1,719k), the full results for the year are set out on page 9.

The Partners do not recommend the payment of a distribution in the current year (2022: £nil)

Partners

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

iQ (Shareholder GP) Limited (General Partner)
Titanium Bloomsbury S.à r.l. (Limited Partner)

Financial risk management

Credit risk

Credit risk occurs when a counterparty to a financial instrument fails to discharge an obligation to the Partnership. It may occur through receivables, or cash and cash equivalents held at banks. The Partnership's receivables relate principally to amounts due from other affiliated companies and students. Management monitors the ability of these debtors to meet their obligations on an ongoing basis. Expected credit loss has been calculated as outlined in Note 2.3.1.

Interest rate risk

The Partnership finances its operations with short term intercompany advances that are interest free. Therefore, the Partnership has limited exposure to interest rate risk.

Financial risk management (continued)

Liquidity and cash flow risk

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

The Group entered into a debt facility in 2020. The Partnership, along with other entities in the Group, acts as a guarantor and obligor and could be liable to settle some or all of the drawn facility in the event of default. The General Partner assessed the likelihood of the drawn facility entering default and concluded that it is not probable. The General Partner considers, therefore, there is limited risk to the Partnership.

Political donations

The Partnership has not made any political donations during the year (2022: £nil).

Independent auditor

The General Partner notes that Ernst & Young LLP were duly appointed as auditor of the Partnership (the Auditor) for the financial year ended 30 September 2023. It is hereby resolved that the Auditor be deemed re-appointed in accordance with Section 487 of the Companies Act 2006.

Registered office

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

Statement of General Partner's responsibilities in respect of these financial statements

The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

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

Under company law the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the qualifying partnership and of the profit or loss of the qualifying partnership for that period.

In preparing the financial statements, the General Partner is required to:
- Select suitable accounting policies and then apply them consistently.
- State whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the qualifying partnership will continue in business.

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Statement of General Partner's responsibilities in respect of these financial statements (continued)
The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

General Partner's confirmations as to disclosure of information to the auditor
To the best of General Partner's knowledge and belief, there is no relevant audit information of which the Partnership's auditor is unaware.

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

Going Concern

The General Partner considers it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2023. The Partnership has received a letter of support and confirmation from IQSA Holdco Limited ("the Group") that, should it be necessary, the Group will support the Partnership for the going concern period to 30 June 2025 (the "Relevant Period").

The Partnership is expected to continue as a going concern for the Relevant Period, with no material commitments or undisclosed off-balance arrangements that would impact its ability to meet its liabilities as they fall due, in addition to its documented letter of support from IQSA Holdco Limited. In assessing the ability of the Group to provide this support, the Group's Directors have prepared two cash flow scenarios, a "base case" and a "severe but plausible downside scenario" for the Relevant Period.

Under the base case, the Group remains in a positive cash position for the existing operating business throughout the Relevant Period. Under the severe but plausible downside scenario, there is sufficient free cash headroom, and it is the Group Directors' expectation that the Group will remain in compliance with its covenants of its individual financing arrangements.

Both scenarios assume that the Group's shareholders will provide additional support to fund specific committed development cash requirements and premiums to enter certain interest rate hedges required to extend the Group's existing debt facilities. A capped letter of support for £271.3m from the Group's shareholders has been provided to the Group in relation to these cash requirements. In addition, the Group's shareholders have confirmed that any repayment terms related to current or future shareholder loans between the Group (as borrower) and the shareholders (as lenders), will be extended for a further period or periods such that they do not require repayment within the Relevant Period.

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Going Concern (continued)

The Relevant Period considered by the Group Directors has been extended to 30 June 2025, beyond the minimum 12-month time horizon. Both cash flow scenarios assume that the Group's Balance Sheet facility is refinanced before May 2025, when the final extension period expires. The Group Directors therefore concluded it appropriate to consider the status of refinancing these facilities in their assessment and extended the Relevant Period to include this significant event.

The Group successfully refinanced the CMBS debt facility of £540.2m on 15 February 2024.

In addition, the Group has started to engage with lenders regarding the refinancing of the Balance Sheet debt facility of £2,359.3m, but as at the date of approval of these financial statements, discussions remain at an early stage. However, based on the proven ability of the Group and its shareholders to successfully arrange large debt facilities (most recently shown through the refinance of the CMBS facility in February 2024), combined with strong relationships with lenders, expected loan to value ratios / forecast performance of the assets and current market sentiment in favour of lending against PBSA assets, the Directors are confident the Group will be able to refinance ahead of the facility maturity date.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the General Partner has formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the Relevant Period, being the period to 30 June 2025. However, in reaching this conclusion, the General Partner notes that the process of refinancing the Balance Sheet debt facility is only at an early stage and until a refinancing is completed the specific circumstances of this facility results in the existence of a material uncertainty which may cast significant doubt over the Group's, and therefore the Partnership's, ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the Partnership was unable to continue as a going concern.

Subsequent events
There have been no significant events since the year end.

For and on behalf of the General Partner

DocuSigned by:
4B1B8F96A8B44AB
James Neil Mortimer
For and on behalf of iQ (Shareholder GP) Limited

25 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF IQSA (BLOOMSBURY) LP

Opinion

We have audited the financial statements of IQSA (Bloomsbury) LP for the year ended 30 September 2023 which comprise the Statement of Profit and Loss, the Statement of Financial Position, the Statement of Changes in Partners' Interests and the related notes 1 to 16, including a summary of significant accounting policies.The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

Basis for opinion

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

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

Material uncertainty relating to going concern

We draw attention to Note 2.1.2 to the financial statements, which describe the uncertainty relating to IQSA Holdco Limited, the intermediate parent undertaking, who has provided a letter of support to the partnership, being able to successfully refinance its Balance Sheet debt facility of £2,359.3m due in May 2025. As stated in Note 2.1.2, these events or conditions, along with other matters as set forth in note 2.1.2, indicates that a material uncertainty exists that may cast significant doubt on the partnership's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern.

Other information

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

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of members

As explained more fully in the General Partner's Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 qualifying partnership and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the partnership and determined that the most significant are those that relate to FRS 101, Companies Act 2006, and the relevant tax regulations in the United Kingdom, including the UK REIT regulations.

- We understood how the partnership is complying with those frameworks by making enquiries of management and those charged with governance. We then assessed the culture of honesty and ethical behaviour in the partnership, and the processes in place to reward such behaviour and reprimand behaviour not in keeping with these values. We corroborated our inquiries through inspection of the iQ group policies, board minutes and through inspection of whistleblowing reports made to the partnership's ethics hotline during the year.

- We assessed the susceptibility of the partnership's financial statements to material misstatement, including how fraud might occur by understanding how management is incentivised, if any assets may be a risk of misappropriation.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved identifying any instances of management override of controls through inquiry with those charged with governance and employees in the business and through testing of journal entries exhibiting higher risk criteria and inspecting the documentation supporting those journal entries to challenge whether the transaction was genuine. We also made formal inquiries of the partnership's in house legal counsel and inspected minutes of meetings to identify non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at . This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:
Ernst & Young LLP
6746549038DA4C1

Claire Johnson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
25 March 2024

IQSA (Bloomsbury) LP **Limited Partnership Registration No. LP016102**
Statement of Profit and Loss
For the year ended 30 September 2023

	Notes	Year ended 30-Sep-23 £'000	Year ended 30-Sep-22 £'000
Revenue	3	5,323	4,942
Cost of sales		(2,905)	(2,995)
Gross profit		**2,418**	**1,947**
Administrative expenses		(184)	(228)
Operating Profit	4	**2,234**	**1,719**
Interest receivable and similar income	6	10	2
Interest payable and similar charges	7	(683)	(718)
Profit for the year		**1,561**	**1,003**

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

The notes on pages 12 to 20 form an integral part of these financial statements.

IQSA (Bloomsbury) LP **Limited Partnership Registration No. LP016102**
Statement of Financial Position
As at 30 September 2023

	Notes	As at 30-Sep-23 £'000	As at 30-Sep-22 £'000
Fixed assets			
Right-of-use asset	8	29,002	31,233
Current assets			
Trade and other receivables	9	6,851	4,405
Cash and cash equivalents	10	835	963
Total current assets		**7,686**	**5,368**
Total assets		**36,688**	**36,601**
Current liabilities			
Creditors - amounts falling due within one year	11	(3,672)	(3,402)
Lease liability - current	12	(1,827)	(1,744)
Net current liabilities		**(5,499)**	**(5,146)**
Total assets less current liabilities		**31,189**	**31,455**
Lease liability - non current	12	(29,602)	(31,429)
Net assets		**1,587**	**26**
Represented by:			
Partners' capital	13	-	-
Retained earnings	13	1,587	26
Partners' interests		**1,587**	**26**

The financial statements on pages 9 to 11 and the accompanying notes on pages 12 to 20 were approved by the General Partner and authorised for issue on 25 March 2024 and are signed on its behalf by:

DocuSigned by:

4B1B8F96A8B44AB

James Neil Mortimer
For and on behalf of iQ (Shareholder GP) Limited

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IQSA (Bloomsbury) LP **Limited Partnership Registration No. LP016102**
Statement of Changes in Partners' Interests
For the year ended 30 September 2023

	Partners' capital	Retained earnings	Partners' interests
	£'000	£'000	£'000
Balance at 1 October 2021	-	(977)	(977)
Year ended 30 September 2022:			
Profit for the year	-	1,003	1,003
Balance at 30 September 2022	**-**	**26**	**26**
Year ended 30 September 2023:			
Profit for the year	-	1,561	1,561
Balance at 30 September 2023	**-**	**1,587**	**1,587**

The notes on pages 12 to 20 form an integral part of these financial statements.

1. General information

The principal activities of the Partnership are described in the General Partner's Report. The Partnership is incorporated in the United Kingdom. The Partnership is an indirect wholly owned subsidiary of IQSA Holdco Limited, incorporated and registered in Jersey.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Amounts are presented in pounds sterling, which is also the functional currency of the Partnership, rounded to the nearest one thousand pounds sterling, unless otherwise stated.

2.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.1.1.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2023.

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

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

- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

- The following paragraphs of IFRS 16 , 'Leases':
  52 (disclosing the leases for which the Partnership is a lessee),
  89 (second sentence),
  90 and 91 (finance and operating lease disclosure in tabular format),
  93 (significant changes in carrying amount of net investment in finance leases), and
  97 (disclosing the maturity analysis of lease payments for leases in which the Partnership is a lessor).

- Paragraphs 91 to 99 of IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, relevant disclosures are given in the Group financial statements of IQSA Holdco Limited. Copies of the consolidated financial statements are publicly available, as outlined in Note 15.

2.1.1 Critical accounting estimates and assumptions

The Partnership makes estimates and assumptions concerning the future. These estimates and assumptions are subject to uncertainty as they are based on the outcome of future events. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The only estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is the provision for expected credit loss in line with IFRS 9, outlined in Note 2.3.1.

IFRS 16 lease asset and liability:
The Partnership has retrospectively adopted IFRS 16 as at 1 October 2019. This has resulted in a recognition of a right-of-use asset and a corresponding lease liability. The lease asset and liability recognised are material to the financial statements due to the size of future lease payments (see Note 2.8). In calculating the lease liability, the General Partner determined the present value of future lease payments using an incremental borrowing rate which is subject to estimation uncertainty. Amending the incremental borrowing rate has an impact on the present value of the lease liability and as such will impact the amount of amortisation of the corresponding right of use asset and the interest expense on the lease liability each year.

2.1.2 Going concern

The General Partner considers it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2023. The Partnership has received a letter of support and confirmation from IQSA Holdco Limited ("the Group") that, should it be necessary, the Group will support the Partnership for the going concern period to 30 June 2025 (the "Relevant Period").

The Partnership is expected to continue as a going concern for the Relevant Period, with no material commitments or undisclosed off-balance arrangements that would impact its ability to meet its liabilities as they fall due, in addition to its documented letter of support from IQSA Holdco Limited. In assessing the ability of the Group to provide this support, the Group's Directors have prepared two cash flow scenarios, a "base case" and a "severe but plausible downside scenario" for the Relevant Period.

2. Significant accounting policies (continued)

2.1.2 Going concern (continued)

Under the base case, the Group remains in a positive cash position for the existing operating business throughout the Relevant Period. Under the severe but plausible downside scenario, there is sufficient free cash headroom, and it is the Group Directors' expectation that the Group will remain in compliance with its covenants of its individual financing arrangements.

Both scenarios assume that the Group's shareholders will provide additional support to fund specific committed development cash requirements and premiums to enter certain interest rate hedges required to extend the Group's existing debt facilities. A capped letter of support for £271.3m from the Group's shareholders has been provided to the Group in relation to these cash requirements. In addition, the Group's shareholders have confirmed that any repayment terms related to current or future shareholder loans between the Group (as borrower) and the shareholders (as lenders), will be extended for a further period or periods such that they do not require repayment within the Relevant Period.

The Relevant Period considered by the Group Directors has been extended to 30 June 2025, beyond the minimum 12-month time horizon. Both cash flow scenarios assume that the Group's Balance Sheet facility is refinanced before May 2025, when the final extension period expires. The Group Directors therefore concluded it appropriate to consider the status of refinancing these facilities in their assessment and extended the Relevant Period to include this significant event.

The Group successfully refinanced the CMBS debt facility of £540.2m on 15 February 2024.

In addition, the Group has started to engage with lenders regarding the refinancing of the Balance Sheet debt facility of £2,359.3m, but as at the date of approval of these financial statements, discussions remain at an early stage. However, based on the proven ability of the Group and its shareholders to successfully arrange large debt facilities (most recently shown through the refinance of the CMBS facility in February 2024), combined with strong relationships with lenders, expected loan to value ratios / forecast performance of the assets and current market sentiment in favour of lending against PBSA assets, the Directors are confident the Group will be able to refinance ahead of the facility maturity date.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the General Partner has formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the Relevant Period, being the period to 30 June 2025. However, in reaching this conclusion, the General Partner notes that the process of refinancing the Balance Sheet debt facility is only at an early stage and until a refinancing is completed the specific circumstances of this facility results in the existence of a material uncertainty which may cast significant doubt over the Group's, and therefore the Partnership's, ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the Partnership was unable to continue as a going concern.

2.1.3 New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 September 2023, have had a material impact on the Partnership.

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2. Significant accounting policies (continued)

2.2 Right-of-use asset

The right-of-use asset is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on assets is calculated using the straight-line method. The right-of-use asset is depreciated over the life of the related lease, as follows:

Right-of-use asset: 17 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Operating expenses' in the Statement of Profit and Loss.

2.3.1 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less a provision for expected credit loss. A provision for expected credit loss of trade receivables is established based on an expected credit loss model applying the simplified approach, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

2.3.2 Amounts due from group undertakings

Amounts due from group undertakings are initially recognised at fair value. They are subsequently recorded at amortised cost less expected credit losses. The Partnership assesses on a forward-looking basis, the expected credit losses associated with its amounts due from group undertakings.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash in hand balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer. Although the Partnership does not utilise any bank overdrafts, were an overdrawn position to be shown at the year end it would be disclosed within borrowings in current liabilities.

2.5 Distribution to Partners

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

2.6.1 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are initially recorded at fair value and subsequently at amortised cost.

2.6.2 Amounts owed to group undertakings

Amounts owed to group undertakings are initially recorded at fair value and subsequently recorded at amortised cost.

2. Significant accounting policies (continued)

2.7 Revenue recognition

Revenue includes rental income from property leased out under operating leases (comprising of direct lets to students) and other ancillary income from properties. Rental income from short term tenants is recognised on a straight-line basis over the lease term. When the partnership provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

The Partnership recognises other ancillary income when the relevant performance obligation has been met.

2.8 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right use the asset or assets, even if that right is not explicitly specified in the arrangement.

Partnership as a lessee

The Partnership recognises a right-of-use asset representing its right to use the underlying asset and a corresponding lease liability representing an obligation to make lease payments. The Partnership is the lessee of student accommodation. Under IFRS 16, a right-of-use asset and a lease liability in relation of these leases has been recognised on the Partnership's balance sheet. Lease liabilities include all fixed lease payments. The full term of the leases is included in the calculation since management does not have the intention to exercise the break clauses in any of the leases. Lease payments are discounted at the weighted average incremental borrowing rate of 2.06%, as the rate implicit in the leases are not readily determinable.

Partnership as a lessor

The Partnership is a lessor in operating leases with students to provide accommodation. The leases are all short term in nature and do not transfer substantially all the risks and rewards of ownership of an asset.

2.9 Income Tax

The entity has not provided for taxation as it is transparent for tax purposes.

3 Revenue

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

Analysis of revenue by category	**Year ended 30-Sep-23 £'000**	**Year ended 30-Sep-22 £'000**
Rental income	5,296	4,914
Other ancillary income	27	28
	5,323	4,942

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

The future minimum un-discounted lease payments collectable under non-cancellable operating leases was £5,391,272 at the year end (2022: £4,542,000).

4 Operating profit

	Year ended 30-Sep-23 £'000	Year ended 30-Sep-22 £'000
Operating profit is stated after charging:		
Wages and salaries	127	125
Social security costs	10	9
Other pension costs	2	3
Staff costs	139	137
Expected credit loss of trade receivables	6	50
Auditor's remuneration (Audit services only)	8	7
Depreciation - right of use asset	2,231	2,231

Cost of sales arose solely on leased investment properties which generated rental income. These costs comprise of insurance, marketing, site staff and general maintenance and expected credit losses on receivables. These expenses totalled £674,000 (2022: £764,000).

Cost of sales also includes the depreciation related to the right-of-use asset that has been recognised for the lease. Terms of the lease are outlined in Note 12.

5 Employees and General Partner

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

No staff members were directly employed by the Partnership during the year (2022: no staff). During the year there were no emoluments recharged to or paid directly from the Partnership to the general partner (2022: no emoluments). The staff costs were £139,000 (2022: £137,000) as outlined in Note 4.

6 Interest receivable and similar income

	Year ended 30-Sep-23 £'000	Year ended 30-Sep-22 £'000
Bank Interest Received	10	2
	10	2

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7 Interest payable and similar charges

	Year ended 30-Sep-23 £'000	Year ended 30-Sep-22 £'000
Interest on lease liability	683	718
	683	718

Please see Note 12 for further information on the lease liability.

8 Right-of-use asset

	Right-of-use asset £'000s
Cost as at 1 Oct 2022 and 30 Sep 2023	37,926
Accumulated depreciation as at 1 Oct 2022	6,693
Depreciation	2,231
Accumulated depreciation as at 30 Sep 2023	8,924
Net book value 30 Sep 2022	31,233
Net book value 30 Sep 2023	29,002

Right-of-use asset includes student accommodation which the Partnership leases located in London. The lease expires on 29 September 2036.

The following amounts have been recognised in the Statement of Profit and Loss in relation to the right of use asset.

	30-Sep-23 £'000	30-Sep-22 £'000
Depreciation on right-of-use asset	2,231	2,231
	2,231	2,231

9 Trade and other receivables

	30-Sep-23 £'000	30-Sep-22 £'000
Trade receivables	306	319
Amounts owed by group undertakings	6,517	4,063
Other receivables	-	9
Prepayments	27	13
Accrued income	1	1
	6,851	4,405

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9 Trade and other receivables (continued)

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable upon demand. Trade receivables represents balances with tenants in relation to the letting of units in the investment property. Trade receivables are stated after expected credit losses of £57,000 (2022: £59,000).

10 Cash and cash equivalents

	30-Sep-23 £'000	30-Sep-22 £'000
Cash at bank and in hand	835	963
	835	963

11 Creditors - amounts falling due within one year

	30-Sep-23 £'000	30-Sep-22 £'000
Amounts owed to group undertakings	821	675
Trade payables	15	17
Taxation and social security	1	1
Deferred income	2,681	2,580
Accruals	135	110
Other creditors	19	19
	3,672	3,402

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable upon demand.
Included within the Other creditors are the security deposits of £19,000 (2022: £19,000), owed to students at the conclusion of their tenancy.

12 Lease liability

The lease liability is related to the future payments for the lease of student accommodation located in London. The lease expires on 29 September 2036 and interest is charged on the lease liability at an annual rate of 2.06%.

The table below shows the maturity analysis of the contractual undiscounted cash flows for the lease liability.

	30-Sep-23 £'000	30-Sep-22 £'000
Within one year	2,476	2,428
1 - 5 years	10,411	10,207
5 + years	23,467	26,148
	36,354	38,783

The following amounts have been recognised in the Statement of Profit and Loss in relation to the lease liability.

12 Lease liability (continued)

	30-Sep-23	30-Sep-22
	£'000	£'000
Interest on lease liability	683	718
	683	718

Total outflow in the year in respect of leases was £2,428,000 (2022: £2,333,540).

13 Partners' interests

	iQ (Shareholder GP) Limited	Titanium Bloomsbury S.à r.l.	Total
	£	£	£
Partners' capital	-	-	-
	-	-	-

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

14 Contingent liabilities and capital commitments

There are no contingent liabilities and material capital commitments at 30 September 2023 (2022: £nil).

On 14 May 2020 the Group entered into a debt facility, totalling £2,190.3m. The Partnership, along with other entities in the Group, acts as a guarantor and obligor and could be liable to settle some or all of the drawn facility in the event of default. The General Partner has assessed the fair value of the loan guarantee under IFRS 9 and concluded that it is not significant.

At the year ended 30 September 2023 the principal balance of the facility was £2,319.4m.

15 Ultimate controlling party

At 30 September 2023, the Partnership was owned 99.99% IQSA Titanium Bloomsbury S.à r.l. and 0.01% by iQ (Shareholder GP) Limited.

IQSA Holdco Limited, having its registered office at 22 Grenville Street, St. Helier, JE4 8PX, Jersey, is the parent company into which the Partnership's financial statements are consolidated. Copies of the consolidated financial statements are available from The International Stock Exchange in Guernsey.

The ultimate shareholders of the Group are investment funds advised by affiliates of The Blackstone Group Inc.

16 Subsequent events

There have been no significant events since the year end.