Registered Company Number : 07577097

IQSA (GP1) Limited

Directors' Report and Financial Statements

For the year ended 30 September 2021

Registered Company Number : 07577097

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IQSA (GP1) Limited **Registered Company Number : 07577097**
Directors' Report
For the year ended 30 September 2021

The Directors present their report and the audited financial statements for IQSA (GP1) Limited ("the Company") for the year ended 30 September 2021. These accounts have been prepared in accordance with the provisions applicable to the Small Companies Regime. 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 general partner to IQSA (Wembley Court) LP as well as holding 1% partnership interest in this entity. 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 £81,942 (2020: loss of £4,078), full results for the year are set out on page 8.

The Directors do not recommend the payment of an ordinary dividend in the current year (2020: £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:

Rebecca Jane Worthington (resigned 26 February 2021)
Matthew Graham Merrick (resigned 30 July 2021)
Gemma Nandita Kataky
Michael David Vrana
Peter Gerald Holden (resigned 8 December 2020)
James Neil Mortimer (appointed 25 February 2021)
Robert Roger (appointed 25 February 2021 resigned 30 July 2021)
Dominic John Rowell (appointed 30 July 2021)
Dushyant Singh Sanga (appointed 30 July 2021)

Change in ownership

On 15 May 2020, the previous head of the group, IQSA Holdings S.à r.l., was acquired by Capella UK Bidco 1 Limited, a wholly owned subsidiary of IQSA Holdco Limited. This resulted in new ultimate shareholders of the Group which are investment funds advised by affiliates of The Blackstone Group Inc.

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's receivables relate principally to amounts due from other affiliated companies. Management monitors the ability of these debtors to meet their obligations on an ongoing basis.

Interest rate risk

There is no interest rate risk in the Company.

Liquidity and cash flow risk

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

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 (2020: £nil).

Independent auditors

The Directors of the Company resolved to reappoint Ernst & Young as independent auditors of the Company.

Registered office

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

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).

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.

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

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 auditors are 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 auditors are 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 2021. The Company is reliant on a letter of support from IQSA Holdco Limited ("The Group"), owing to the fact it has forecast net cash outflows for the period to 31 March 2023 (the "Relevant Period"). The Company has received confirmation that the Group intends to support the Company for the Relevant Period.

In assessing the ability of the Group to provide this support, the directors of the Group have prepared a going concern assessment for the Group which considered two 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. There is also sufficient headroom within the cash trap funds to mitigate against further downside due to Covid-19 or other factors. Under the severe but plausible downside scenario, the Group remains in cash trap for the remainder of the going concern review period with the liquidity requirements of the existing operating ring-fenced assets met through funds generated within the debt facilities.

Going Concern (continued)

A capped letter of support for (£66.1m) has been provided by the Group's shareholders to fund committed acquisition and development cash requirements outside of the existing operating sites and hence outside of the cash trap. This letter of support contains a number of conditions which the Directors have assessed as either being within their control, or where these are outside their control the Directors' have assessed that they have a remote chance of occurring, and as such the Directors have concluded that they can rely on this support being provided as required over the Relevant Period. As a result of this assessment, the Directors have concluded that the Group has sufficient free cash not trapped within the Group's debt facilities to meet the Company's liquidity requirements for the Relevant Period.

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 shareholder (as lender), will be extended for a further period or periods such that they do not require repayment within the Relevant Period.

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 31 March 2023.

Subsequent events

There have been no significant events since the year end.

On behalf of the Board

DocuSigned by:
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James Neil Mortimer
Director
23 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IQSA (GP1) LIMITED

Opinion

We have audited the financial statements of IQSA (GP1) Limited (the 'Company') for the year ended 30 September 2021 which comprise Statement of Profit and Loss, Statement of Financial Position, 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 2021 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 the provisions available for small entities, in the circumstances set out in the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 31 March 2023.

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 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
- 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 as set out on page 2, 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 FRS 101, 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 manual 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.

Ernst & Young LLP

Graeme Downes (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
24 March 2022

IQSA (GP1) Limited **Registered Company Number : 07577097**
Statement of Profit and Loss
For the year ended 30 September 2021

	Note	Year ended 30-Sep-21 £	Year ended 30-Sep-20 £
Administrative expenses		(81,942)	(5,027)
Other income	3	-	949
Operating loss before taxation	4	**(81,942)**	**(4,078)**
Income tax benefit	6	15,517	-
Loss for the year		**(66,425)**	**(4,078)**

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 11 to 16 form an integral part of these financial statements.

IQSA (GP1) Limited — **Registered Company Number : 07577097**

Statement of Financial Position

As at 30 September 2021

	Note	As at 30-Sep-21 £	As at 30-Sep-20 £
Current assets			
Trade and other receivables	7	4,100,414	1,112,682
Creditors - amounts falling due within one year	8	(4,202,812)	(1,148,655)
Net current liabilities		**(102,398)**	**(35,973)**
Net liabilities		**(102,398)**	**(35,973)**
Equity			
Called up share capital	9	1	1
Accumulated losses	9	(102,399)	(35,974)
Total equity		**(102,398)**	**(35,973)**

The financial statements on pages 8 to 10 and the accompanying notes on pages 11 to 16 were approved by the board of directors and authorised for issue on 23 March 2022 and are signed on its behalf by:

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James Neil Mortimer

Director

IQSA (GP1) Limited **Registered Company Number : 07577097**

Statement of Changes in Equity
For the year ended 30 September 2021

	Called up share capital	Accumulated losses	Total equity
	£	£	£
Balance at 1 October 2019	1	(31,896)	(31,895)
Year ended 30 September 2020			
Loss for the year	-	(4,078)	(4,078)
Balance at 30 September 2020	**1**	**(35,974)**	**(35,973)**
Year ended 30 September 2021			
Loss for the year	-	(66,425)	(66,425)
Balance at 30 September 2021	1	**(102,399)**	**(102,398)**

The notes on pages 11 to 16 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.

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.

2.1 Basis of preparation

These financial statements were 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 these policies which apply in preparing the financial statements for the year ended 30 September 2021.

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.

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. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Amounts are presented in pounds sterling, which is also the functional currency of the Company, rounded to the nearest pound sterling, unless otherwise stated.

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 2021. The Company is reliant on a letter of support from IQSA Holdco Limited ("The Group"), owing to the fact it has forecast net cash outflows for the period to 31 March 2023 (the "Relevant Period"). The Company has received confirmation that the Group intends to support the Company for the Relevant Period.

In assessing the ability of the Group to provide this support, the directors of the Group have prepared a going concern assessment for the Group which considered two 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. There is also sufficient headroom within the cash trap funds to mitigate against further downside due to Covid-19 or other factors. Under the severe but plausible downside scenario, the Group remains in cash trap for the remainder of the going concern review period with the liquidity requirements of the existing operating ring-fenced assets met through funds generated within the debt facilities.

A capped letter of support for (£66.1m) has been provided by the Group's shareholders to fund committed acquisition and development cash requirements outside of the existing operating sites and hence outside of the cash trap. This letter of support contains a number of conditions which the Directors have assessed as either being within their control, or where these are outside their control the Directors' have assessed that they have a remote chance of occurring, and as such the Directors have concluded that they can rely on this support being provided as required over the Relevant Period. As a result of this assessment, the Directors have concluded that the Group has sufficient free cash not trapped within the Group's debt facilities to meet the Company's liquidity requirements for the Relevant Period.

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 shareholder (as lender), will be extended for a further period or periods such that they do not require repayment within the Relevant Period.

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 31 March 2023.

2.1.2 New standards, amendment and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 September 2021, have had a material impact on the Company.

2. Significant accounting policies (continued)

2.2 Trade and other receivables

Trade and other receivables are recognised at fair value less expected credit losses. The credit loss model applies the simplified approach, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

2.3 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.

2.4 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 Income tax

The tax expense for the year comprises UK 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 accumulated losses. In this case, the tax is also recognised in other comprehensive income or directly in accumulated losses 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 years. 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.

2.6 Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the Company's activity.

3 *Other income*

The Company is entitled to an equivalent priority payment of 0.025% of the net income per annum from IQSA (Wembley Court) LP.

4 Operating result before taxation

	Year Ended 30-Sep-21 £	Year Ended 30-Sep-20 £
Operating result before taxation is stated after charging:		
Expected credit loss provision	76,267	-
Auditors' remuneration (Audit services only)	3,868	3,100

The provision is for the expected credit loss of intercompany receivables as outlined in Note 7.

5 Employees and Directors

No staff members were directly employed by the entity during the year (2020: 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 (2020: 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 (2020: £nil).

6 Income tax benefit

	30-Sep-21 £	30-Sep-20 £
(a) Tax benefit included in profit and loss		
Current tax:		
Current tax on result for the year	(15,517)	-
Total current tax benefit	(15,517)	-
Deferred tax:		
Adjustments to deferred tax in respect of prior years	-	-
Total deferred tax (benefit)	-	-
Total tax expense included in profit and loss	(15,517)	-
(b) Total tax reconciliation		
Result on ordinary activities before taxation	(81,942)	(4,078)
Tax at the main rate of UK corporation tax of 19% (2020: 19%)	(15,569)	(775)
Effects of:		
Tax on share of partnership profits	52	-
Temporary differences arising on which no deferred tax asset is recognised	-	775
Total tax benefit included in profit and loss	(15,517)	-

6 Income tax expense (continued)

The Group of which the Company is a part of became a UK Real Estate Investment Trust ("REIT") on 1 October 2020. As a result of this, 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 will continue to be subject to UK corporation tax, for which the main rate is currently 19% (2020: 19%).

In his Budget Statement on 3 March 2021, the UK Chancellor announced that the main rate of UK corporation tax would increase to 25% from 1 April 2023. This may have a potential impact on profits made by the residual business of the Group only from that date.

7 Trade and other receivables

	30-Sep-21	30-Sep-20
	£	£
Taxation and social security	15,517	-
Amounts owed by group undertakings	4,084,897	1,112,682
	4,100,414	1,112,682

Amounts owed by group undertakings, are unsecured, interest free, have no fixed date of repayment and are repayable on demand. These are stated after provisions for expected credit loss of £76,267 (2020: £nil).

8 Creditors - amounts falling due within one year

	30-Sep-21	30-Sep-20
	£	£
Amounts owed to group undertakings	4,196,788	1,142,907
Accruals	6,024	5,748
	4,202,812	1,148,655

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

9 Equity

	30-Sep-21	30-Sep-20
Authorised, issued and fully paid:	£	£
1 (2020: 1) ordinary share of £1 (2020: £1)	1	1

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

10 Contingent liabilities and capital commitments

There are no contingent or capital liabilities at 30 September 2021 (2020: £nil).

In addition, on 14 May 2020 the Group entered into a debt facility, totalling £2,190m. 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. At the year end 30 September 2021 the principal balance of the facility was £2,265m.

11 Ultimate controlling party

At 30 September 2021, the immediate parent of the Company was IQSA (Wembley Court) GP1 Limited.

IQSA Holdco Limited, having its registered office at 44 Esplanade St Helier Jersey JE4 9WG, 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.

On 15 May 2020, the previous head of the group, IQSA Holdings S.à r.l., was acquired by Capella UK Bidco 1 Limited, a wholly owned subsidiary of IQSA Holdco Limited. This resulted in new ultimate shareholders of the Group which are investment funds advised by affiliates of The Blackstone Group Inc.

12 Subsequent events

There have been no significant events since the year end.

Limited Partnership Registration No. LP014402

IQSA (Wembley Court) LP

General Partner's Report and Financial Statements

For the year ended 30 September 2021

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The General Partner presents their report and the audited financial statements for IQSA (Wembley Court) LP ("the Partnership") for the year ended 30 September 2021. The entity is a limited partnership domiciled in the United Kingdom. These accounts have been prepared in accordance with the provisions applicable to the Small Companies Regime. 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 operating 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.

Results

The profit on ordinary activities for the year was £65k (2020: £96k), the full results for the year are set out on page 7.

Partners

The partners who were in office during the year and up to the date of signing the financial statements were:
IQSA (GP1) Limited (General Partner)
GSGA II Real Estate S.à r.l. (Limited Partner)

Change in ownership

On 15 May 2020, the previous head of the group, IQSA Holdings S.à r.l., was acquired by Capella UK Bidco 1 Limited, a wholly owned subsidiary of IQSA Holdco Limited. This resulted in new ultimate shareholders of the Group which are investment funds advised by affiliates of The Blackstone Group Inc.

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 2.2.

Interest rate risk

The Partnership finances its operations with cash generated by operations and short term intercompany advances that are interest free. Therefore, the Partnership has no exposure to interest rate risk.

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.

Political donations

The Partnership has not made any political donations during the year (2020: £nil).

Independent auditors

The General Partner of the Partnership resolved to reappoint Ernst & Young LLP to as independent auditors of the Partnership.

Registered office

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

Statement of General Partner's responsibilities

The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable UK laws and regulation.

Company law requires the General Partner to prepare financial statements for each financial year. Under that law the General Partners have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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.

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 auditors

To the best of General Partner's knowledge and belief, there is no relevant audit information of which the Partnership's auditors are 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 auditors are 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 2021. The Partnership is reliant on a letter of support from IQSA Holdco Limited ("The Group"), owing to the fact it has forecast net cash outflows for the period to 31 March 2023 (the "Relevant Period"). The Partnership has received confirmation that the Group intends to support the Partnership for the Relevant Period.

In assessing the ability of the Group to provide this support, the directors of the Group have prepared a going concern assessment for the Group which considered two 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. There is also sufficient headroom within the cash trap funds to mitigate against further downside due to Covid-19 or other factors. Under the severe but plausible downside scenario, the Group remains in cash trap for the remainder of the going concern review period with the liquidity requirements of the existing operating ring-fenced assets met through funds generated within the debt facilities.

A capped letter of support for (£66.1m) has been provided by the Group's shareholders to fund committed acquisition and development cash requirements outside of the existing operating sites and hence outside of the cash trap. This letter of support contains a number of conditions which the Directors have assessed as either being within their control, or where these are outside their control the Directors' have assessed that they have a remote chance of occurring, and as such the Directors have concluded that they can rely on this support being provided as required over the Relevant Period. As a result of this assessment, the Directors have concluded that the Group has sufficient free cash not trapped within the Group's debt facilities to meet the Partnership's liquidity requirements for the Relevant Period.

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 shareholder (as lender), will be extended for a further period or periods such that they do not require repayment within the Relevant Period.

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 31 March 2023.

Subsequent events

There have been no significant events since the year end.

For and on behalf of the General Partner

DocuSigned by:
James Mortimer
EEE9CFE7A4BE48D...
James Neil Mortimer
For and on behalf of IQSA (GP1) Limited

25 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IQSA (WEMBLEY COURT) LP

Opinion

We have audited the financial statements of IQSA (Wembley Court) LP (the 'Partnership') for the year ended 30 September 2021 which comprise Statement of Profit and Loss, Statement of Financial Position, Statement of Changes in Partners' Interests 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 Partnership's affairs as at 30 September 2021 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.

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 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 the provisions available for small entities, in the circumstances set out in the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Partnership's ability to continue as a going concern for a period to 31 March 2023.

Our responsibilities and the responsibilities of the General Partner 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 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 General Partner is 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.

Opinions 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 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 Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the General Partner's 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the General Partner was entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the General Partner's Report and from the requirement to prepare a strategic report.

Responsibilities of members

As explained more fully in the General Partner's Responsibilities Statement as set out on page 2, 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 the 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 entity and management.

Our approach was as follows:

- 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 manual 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 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 Partnership'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 Partnership'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 Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ernst & Young LLP

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Graeme Downes (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

28 March 2022

IQSA (Wembley Court) LP **Limited Partnership Registration No. LP014402**
Statement of Profit and Loss
For the year ended 30 September 2021

	Note	Year ended 30-Sep-21 £'000	Year ended 30-Sep-20 £'000
Revenue	3	4,311	5,038
Cost of sales		(3,654)	(4,338)
Gross profit		**657**	**700**
Administrative expenses		(592)	(612)
Operating profit	4	**65**	**88**
Interest receivable and similar income		-	8
Profit on ordinary activities		**65**	**96**
Profit for the year		**65**	**96**

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 10 to 16 form an integral part of these financial statements.

IQSA (Wembley Court) LP **Limited Partnership Registration No. LP014402**
Statement of Financial Position
As at 30 September 2021

	Note	As at 30-Sep-21 £'000	As at 30-Sep-20 £'000
Current assets			
Trade and other receivables	6	5,797	3,335
Cash and cash equivalents	7	1,082	761
Total current assets		**6,879**	**4,096**
Total assets		**6,879**	**4,096**
Creditors - amounts falling due within one year	8	(5,705)	(2,987)
Net current assets		**1,174**	**1,109**
Net assets		**1,174**	**1,109**
Represented by:			
Partners' capital	9	-	-
Partners' loans	9	-	-
Retained earnings	9	1,174	1,109
Partners' interests		**1,174**	**1,109**

The financial statements on pages 7 to 9 and the accompanying notes on pages 10 to 16 were approved by the General Partner and authorised for issue on 25 March 2022 and are signed on its behalf by:

DocuSigned by:
James Mortimer
EEE9CFE7A4BE48D...

James Neil Mortimer
For and on behalf of IQSA (GP1) Limited

IQSA (Wembley Court) LP **Limited Partnership Registration No. LP014402**
Statement of Changes in Partners' Interests
For the year ended 30 September 2021

	Partners' capital	Partners' loans	Retained earnings	Partners' interests
	£'000	£'000	£'000	£'000
Balance at 1 October 2019	-	-	1,013	1,013
Year ended 30 September 2020:				
Profit for the year	-	-	96	96
Balance at 30 September 2020	**-**	**-**	**1,109**	**1,109**
Year ended 30 September 2021:				
Profit for the year	-	-	65	65
Balance at 30 September 2021	**-**	**-**	**1,174**	**1,174**

The notes on pages 10 to 16 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 exempt, by virtue of section 400, of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Partnership as an individual undertaking and not about its Group. 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 were 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 these policies which apply in preparing the financial statements for the year ended 30 September 2021.

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 11.

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 impairment of trade receivables in line with IFRS 9 outlined in Note 2.2.

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 2021. The Partnership is reliant on a letter of support from IQSA Holdco Limited ("The Group"), owing to the fact it has forecast net cash outflows for the period to 31 March 2023 (the "Relevant Period"). The Partnership has received confirmation that the Group intends to support the Partnership for the Relevant Period.

In assessing the ability of the Group to provide this support, the directors of the Group have prepared a going concern assessment for the Group which considered two 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. There is also sufficient headroom within the cash trap funds to mitigate against further downside due to Covid-19 or other factors. Under the severe but plausible downside scenario, the Group remains in cash trap for the remainder of the going concern review period with the liquidity requirements of the existing operating ring-fenced assets met through funds generated within the debt facilities.

2. Significant accounting policies (continued)
2.1.2 Going concern (continued)

A capped letter of support for (£66.1m) has been provided by the Group's shareholders to fund committed acquisition and development cash requirements outside of the existing operating sites and hence outside of the cash trap. This letter of support contains a number of conditions which the Directors have assessed as either being within their control, or where these are outside their control the Directors' have assessed that they have a remote chance of occurring, and as such the Directors have concluded that they can rely on this support being provided as required over the Relevant Period. As a result of this assessment, the Directors have concluded that the Group has sufficient free cash not trapped within the Group's debt facilities to meet the Partnership's liquidity requirements for the Relevant Period.

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 shareholder (as lender), will be extended for a further period or periods such that they do not require repayment within the Relevant Period.

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 31 March 2023.

2.1.3 New standards, amendment and IFRIC interpretations
No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 September 2021, have had a material impact on the Partnership.

2.2 Trade and other receivables
Trade and other receivables are recognised at fair value less expected credit losses. The credit loss model applies the simplified approach, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

2.3 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.

2.4 Distribution to Partners
The profits of the Partnership is distributed at such time as the Partners determine in accordance with the Limited Partnership agreement.

2.5 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. Significant accounting policies (continued)

2.6 Revenue recognition

Revenue includes rental income from property leased out under operating leases (comprising direct lets to students and leases to universities) 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.

Rental income from long term Universities lettings is uplifted by a) Retail Price Index, b) fixed percentage or a combination of both at every anniversary of the lease. Fixed percentage uplifts are recognised on a straight-line basis over the term of the lease and Retail Price Index uplifts are reflected periodically in line with the lease terms.

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

2.7 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 is a lessee on a turnover lease from a Property Company with in the Group, rental payments are fully variable in nature to the Property Company and therefore accounted for in the Statement of Profit and Loss on a systematic basis in accordance with IFRS 16.

Partnership as a lessor
The Partnership is a lessor in operating leases with students and universities to provide accommodation. The leases with students are all short term in nature and do not transfer substantially all the risks and rewards of ownership of an asset. The leases with universities are all long term in nature but are substantially less than the useful life of properties and hence, do not transfer all the risks and rewards of ownership of an asset. Contingent rents are recognised as revenue in the reporting period in which they are earned.

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-21 £'000**	**Year Ended 30-Sep-20 £'000**
Rental income	4,292	4,920
Other ancillary income	19	118
	4,311	5,038

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

3 Revenue (continued)

Rental income is lower than a typical academic year in both the current and previous year owing to lower occupancy rates and higher voids driven by Covid-19, deferred start dates were also offered in the prior year. Additionally, the Group offered a 14-week rent rebate in the spring to those students who could not access their accommodation due to the lockdown restrictions imposed by the UK government in January 2021.

The future minimum un-discounted lease payments collectable under non-cancellable operating leases was £8,423,000 at the year end (2020: £12,402,000).

4 Operating result

	Year Ended 30-Sep-21 £'000	Year Ended 30-Sep-20 £'000
Operating result before taxation is stated after charging:		
Wages and salaries	227	242
Social security costs	14	17
Other pension costs	8	7
Staff costs	249	266
Expected credit loss of trade receivables	80	144
Operating lease expenses	2,086	2,806
Auditors' remuneration (Audit services only)	6	4

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 repair costs of maintaining the properties to a high standard. These expenses totalled £1,568,000 (2020: £4,338,000). Additionally, payments made in respect of operating lease payments to the Property Company totalled £2,086,000 (2020: £2,806,000). Terms of the lease are outlined in Note 10.

The Partnership has not incurred any direct operating expenses during the year that generate rental income (2020: £nil).

5 Employees and General Partner

Wages and salary costs are paid by a member of the Group and recharged back to the Partnership. 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 (2020: no staff). During the year there were no emoluments recharged to or paid directly from the Partnership to the general partner (2020: no emoluments). The staff costs were £249,000 (2020: £266,000) as outlined in Note 4.

6 Trade and other receivables

	30-Sep-21 £'000	30-Sep-20 £'000
Trade receivables	871	841
Amounts owed by group undertakings	4,916	2,475
Prepayments and accrued income	10	19
	5,797	3,335

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 £537,000 (2020: £481,041).

7 Cash and cash equivalents

	30-Sep-21 £'000	30-Sep-20 £'000
Cash at bank and in hand	1,082	761

8 Creditors - amounts falling due within one year

	30-Sep-21 £'000	30-Sep-20 £'000
Amounts owed to group undertakings	2,742	684
Trade payables	23	20
Taxation and social security	13	7
Deferred income and accruals	2,844	2,193
Other creditors	83	83
	5,705	2,987

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 £82,000 (2020: £81,000), owed to students at the conclusion of their tenancy.

Included within the Deferred income and accruals figure is advance payments of rental income received, not recognised as income until earned of £2,543,000 (2020: £1,946,000).

9 Partners' interests

	GSGA II Real Estate S.à r.l. £'000	IQSA (GP1) Limited (GP) £'000	Total £'000
Partners' capital	-	-	-
Partners' loans	-	-	-
	-	-	-

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

10 Contingent liabilities and capital commitments

There are no material capital commitments at 30 September 2021 (2020: £nil).

In addition, on 14 May 2020 the Group entered into a debt facility, totalling £2,190m. 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. At the year ended 30 September 2021 the principal balance of the facility was £2,265m.

On 31 March 2016, the Partnership also entered into a 20 year lease agreement with GSG Athena 2 S.à r.l.. Under these lease agreements, the Partnership has commitments to pay 97% of the income less costs that will arise from lettings of the investment properties.

11 Ultimate controlling party

At 30 September 2021, the Partnership was owned 99% by GSGA II Real Estate S.à r.l. and 1% by IQSA (GP1) Limited.

IQSA Holdco Limited, having its registered office at 44 Esplanade St Helier Jersey JE4 9WG, 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.

On 15 May 2020, the previous head of the group, IQSA Holdings S.à r.l., was acquired by Capella UK Bidco 1 Limited, a wholly owned subsidiary of IQSA Holdco Limited. This resulted in new ultimate shareholders of the Group which are investment funds advised by affiliates of The Blackstone Group Inc.

12 Subsequent events

There have been no significant events since the year end.