

Get Living London EV N04 Limited

Annual report and financial statements

For the period ended 31 December 2020

Company Registration No. 08613928



Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

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Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

Company Information

Directors

Rick De Blaby

Gregory John Hyatt

Registered office

6th Floor Lansdowne House
Berkeley Square
London
W1J 6ER
United Kingdom

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF
United Kingdom

Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

Directors' Report

The Directors present the annual report and the audited financial statements for the period ended 31 December 2020, following a change in the financial year end from 31 March to 31 December.

Directors

The Directors who served during the period, and at the date of this report were:

- Rick De Blaby (appointed 21 August 2020)
- Gregory John Hyatt (appointed 21 August 2020)
- DV4 Administration Limited (resigned 21 August 2020)
- Ann Hodgetts (resigned 21 August 2020)
- Mabel Tan (resigned 21 August 2020)
- Mashood Ashraf (resigned 21 August 2020)

Principal activities

The Company is incorporated and registered in the United Kingdom under the Companies Act 2006 as a private company limited by shares. The principal activity of the Company is the letting of investment property at East Village, London E20 to private residential tenants and a small number of retail tenants.

Results and dividends

The loss for the period amounted to £0.8m (March 2020: £1.6m) before and after tax.

The Directors do not recommend payment of an ordinary dividend for the period (March 2020: £nil).

Principal risks and uncertainties

The Company's activities expose it to a number of risks, both business and financial, principally the impact of changes in political policy regarding Build to Rent (BtR) homes, the potential impact of competition and interruptions due to development activities, and potential lack of customer satisfaction leading to levels of 'resident churn' at higher than anticipated rates.

These risks are mitigated by management by ensuring regular communication to residents regarding developments, investment in marketing campaigns to ensure a clear and competitive market position, and by developing solid relationships with existing tenants and political policy groups to ensure the business maintains its strong position in the sector.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to mitigate liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

Directors' Report (continued)

Principal risks and uncertainties (continued)

The Company is also exposed to the following specific risks:

Credit risk

The Company services the private rental property sector as it rents its investment properties to third party private residents. The private property industry is highly competitive and relies on payment of financial obligations by private individuals, whose economic circumstances can alter from time to time. If a tenant experiences financial difficulties this may result in arrears which, ultimately, are chased through a legal process which can end in repossession of the property. The Directors mitigate this risk by conducting comprehensive credit checks prior to tenancy commencement and will insist on guarantors as required. For those tenants that do not pass credit checks, the Company requires receipt of a deposit prior to tenancy commencement and will insist on guarantors as required.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company has no significant assets or liabilities denominated in currencies other than Pounds Sterling and was therefore not exposed to currency risk at the reporting date.

Interest rate risk

The Company's interest-bearing financial assets and liabilities are fixed rate instruments and therefore not exposed to interest rate risk at the reporting date.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered cash flow requirements for a period of 12 months from when the financial statements are authorised for issue (the "going concern period").

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Get Living PLC. The Directors have received confirmation that Get Living PLC will support the Company for at least one year after these financial statements are approved and signed. The Company's ability to meet its future liabilities is therefore dependent on the financial performance and position of the Group as a whole. The Directors have carried out a review, including consideration of appropriate forecasts, which indicate that the Company will have adequate resources to continue to trade for the going concern period based on the ongoing liquidity of the Group.

At a Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities and shareholder facilities, as well as forecast covenant compliance. Further stress testing involving downside scenarios has been carried out to ensure the Group has sufficient cash resources to continue in operation for the going concern period. The Group has also evaluated potential events and conditions beyond the going concern period that may cast significant doubt on the going concern assessment, specifically, the ability of the Group to secure or extend existing facilities. The Directors are of the view that they have a realistic prospect of securing this financing. Based on this, together with available market information and the Directors' knowledge and experience of the Company, the Directors continue to adopt the going concern basis in preparing the financial statements for the period ended 31 December 2020.

Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

Directors' Report (continued)

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are shown above. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' indemnity

The Company has in place appropriate Directors' and Officers' liability insurance cover in respect of potential legal action against its Directors. These indemnities are qualifying third-party indemnity provisions as defined by Section 234 of the Companies Act 2006. The indemnities were valid throughout the period and are currently valid.

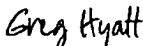
Auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Small companies' exemption

In preparing the report and financial statements, the Directors have taken advantage of the small companies' exemption provided under the Companies Act 2006. The Directors have also taken advantage of the exemption provided under Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 for the requirement to produce a Strategic Report for the period.

Approved by the Board of Directors and signed on behalf of the Board.

DocuSigned by:

224517E3DE0843E...
Gregory John Hyatt
Director

Date: 22/7/2021

Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' 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 period. Under that law the Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Get Living London EV N04 Limited

Opinion

We have audited the financial statements of Get Living London EV N04 Limited (the 'Company') for the period ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 21, 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 31 December 2020 and of its loss for the period 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.

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 of 12 months from when the financial statements are authorised for issue.

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 there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Get Living London EV N04 Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial period 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 entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Independent Auditor's Report to the Members of Get Living London EV N04 Limited (continued)

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

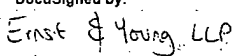
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice)) and the relevant tax regulations in the United Kingdom.
- We understood how Get Living London EV N04 Limited is complying with those frameworks through enquiry with management, and by identifying the policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by reviewing the Company's risk register, enquiry with management during the planning and execution phases of our audit.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved the following:
 - Inquire of members of senior management, and when appropriate, those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
 - Reading minutes of meetings of those charged with governance.
 - Obtaining and reading correspondence from legal and regulatory bodies including HMRC.
 - Performing journal entry testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

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Daniel Saunders (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 23 July 2021

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Statement of comprehensive income**

		For the period ended 31 December 2020	For the year ended 31 March 2020
	Notes	£000	£000
Rental income	4	2,010	2,749
Direct property costs		(498)	(500)
Gross profit		1,152	2,249
Administrative expenses		(263)	(457)
Valuation loss on investment property	8	(940)	(1,401)
Operating profit	5	309	391
Interest payable and similar costs	6	(1,130)	(2,029)
Loss on ordinary activities before taxation		(821)	(1,638)
Taxation	7	-	-
Loss for the period/year		(821)	(1,638)
Other comprehensive income		-	-
Total comprehensive loss for the period/year		(821)	(1,638)

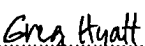
Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Statement of financial position**

		31 December 2020	31 March 2020
	Notes	£000	£000
Fixed assets			
Investment property	8	76,325	76,927
Tangible fixed assets	9	39	94
		76,364	77,021
Current assets			
Debtors	10	2,548	1,536
Current liabilities			
Creditors: amounts falling due within one year	11	(5,803)	(4,877)
Lease liability	12	(96)	(96)
Derivative financial instruments	13	-	-
Net current liabilities		(3,351)	(3,437)
Total assets less current liabilities		73,013	73,584
Non-Current liabilities			
Lease liability	12	(3,786)	(3,704)
Creditors: amounts falling due after more than one year	14	(1,622)	(1,614)
Loans and borrowings	15	(46,052)	(45,892)
Net assets		21,553	22,374
Capital and reserves			
Share capital	16	-	-
Retained earnings		5,940	6,761
Other equity reserve	17	15,613	15,613
Total equity		21,553	22,374

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 13 to 23 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors for issue on 22 July 2021 and were signed on its behalf by:

DocuSigned by:

 22/07/2021 10:49
 Gregory John Hyatt
 Director
 Date: 22/7/2021
 Company Registration No. 08613928

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Statement of changes in equity**

	Share capital	Retained earnings	Other equity reserves	Total Equity
	£000	£000	£000	£000
As at 1 April 2019	-	8,399	19,771	28,170
Total comprehensive loss for the year	-	(1,638)	-	(1,638)
Return of other equity contribution	-	-	(4,158)	(4,158)
As at 31 March 2020	-	6,761	15,613	22,374
Total comprehensive loss for the period	-	(821)	-	(821)
As at 31 December 2020	-	5,940	15,613	21,553

Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

Notes to the financial statements

1. Statement of compliance with FRS 101

These Company financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and under the historical cost convention as modified by the revaluation of investment properties measured at fair value through the statement of comprehensive income. The financial statements are prepared in accordance with the Companies Act 2006.

2. Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 December 2020. The financial statements have been prepared for the 9 month period to 31 December 2020 following a change in the financial year-end of the Company, with the comparative period being for the year to 31 March 2020. The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures - the management of financial risk disclosures including management of credit, liquidity, and market risk and interest rate sensitivity analysis;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement– disclosures around fair values of assets and liabilities;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 76 of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 111 and 134-136 (objectives, policies and processes for managing capital) of IAS 1 Presentation of Financial Statements – presentation of statement of cash flows;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - disclosure of new accounting standards and interpretations that have been issued but are not yet effective;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures – disclosure relating to compensation of key management personnel;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between the parent and wholly-owned subsidiaries; and
- the requirements of paragraphs 52, 89, 90 and 91 of IFRS 16 Leases.

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Notes to the financial statements (continued)****2. Basis of preparation (continued)****Going concern**

The financial statements have been prepared on a going concern basis. The Directors have considered cash flow requirements for a period of 12 months from when the financial statements are authorised for issue (the “going concern period”).

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Get Living PLC. The Directors have received confirmation that Get Living PLC will support the Company for at least one year after these financial statements are approved and signed. The Company’s ability to meet its future liabilities is therefore dependent on the financial performance and position of the Group as a whole. The Directors have carried out a review, including consideration of appropriate forecasts, which indicate that the Company will have adequate resources to continue to trade for the going concern period based on the ongoing liquidity of the Group.

At a Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities and shareholder facilities, as well as forecast covenant compliance. Further stress testing involving downside scenarios has been carried out to ensure the Group has sufficient cash resources to continue in operation for the going concern period. The Group has also evaluated potential events and conditions beyond the going concern period that may cast significant doubt on the going concern assessment, specifically, the ability of the Group to secure or extend existing facilities. The Directors are of the view that they have a *realistic prospect of securing this financing*. Based on this, together with available market information and the Directors’ knowledge and experience of the Company, the Directors continue to adopt the going concern basis in preparing the financial statements for the period ended 31 December 2020.

Key judgements:*Fair value of investment property*

The fair value of the Company’s investment property is a key source of estimation uncertainty, however, in accordance with the accounting policy of the Company, investment property is revalued at each reporting date by the Directors after consideration of a third party assessment of the market value.

Market value is defined as the estimated amount for which a property should exchange on the date of valuation between willing buyer and seller in an arm’s length transaction without compulsion. The Company considers the use of professional external valuers, in accordance with the RICS Valuation Standards, Sixth Edition in the United Kingdom sufficient to reduce but not eliminate the uncertainty.

3. Summary of significant accounting policies**a) Investment property**

Investment property is initially recognised at cost (including transaction costs) and subsequently measured at fair value. Gains or losses arising from changes in fair value of investment property are included in the statement of comprehensive income in the period in which they arise. No depreciation or amortisation is provided in respect of investment property.

Variable consideration relating to the purchase of a property is recognised when it is probable that the Company will be required to settle the obligation and the amount of consideration payable can be reliably estimated. When the liability is recognised it is capitalised to the cost base of the property to which it relates. Any future changes in the liability are capitalised to the cost base of the property.

Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

b) Revenue recognition

Rental income from operating leases is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease, in line with IFRS 16.

Rental income in the Statement of Comprehensive Income includes revenue earned from services and products provided to customers as part of the Company's all-inclusive leases. Management have performed an assessment on the terms of the all-inclusive leases and deemed the revenue allocated to additional goods and services not to be material.

c) Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax is the expected tax payable on any non-REIT taxable profits for the period, using tax rates applicable at the balance sheet date, and any adjustment to tax payable in respect of previous years.

d) Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation. Depreciation of residential fixture and fittings, retail assets, and office fixtures and fittings is charged at 25% per annum on a straight line basis. Plant and machinery is depreciated between 10%-25% on cost per annum, dependent on the asset's useful life. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may be greater than its value in use.

e) Debtors

Debtors are initially recognised on the balance sheet at fair value when the Company has become party to the contractual provisions of the instruments.

They are subsequently carried at amortised cost using the effective interest rate method if the time value of money may have a significant impact on their value.

The Company must make judgements on the recoverability of its debtors at the reporting date and has a policy of providing for impairment based on the expected credit loss model. The Company assesses on a forward-looking basis the expected credit losses associated with its debtors. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the debtor. In determining the expected credit losses the Company takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making a payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements and market expectations and trends in the wider macro-economic environment in which customers operate. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows. The movement in the provision is recognised in the statement of comprehensive income.

Debtor balances are written off when the probability of recovery is assessed as being remote.

f) Interest-bearing and profit-bearing loans

Obligations for bank loans are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and profit-bearing loans are subsequently measured at amortised cost using the effective interest method. The discount between the redeemable amount and the net proceeds is accreted over the term of the loans and charged to the statement of comprehensive income.

Get Living London EV N04 Limited

Annual report and financial statements for the period ended 31 December 2020

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

g) Interest free loans

Obligations for interest free intercompany loans are recognised when the Company becomes party to the related contracts and are measured initially at the fair value represented by the present value of future cash flows discounted at market rate of interest at initial drawdown. An other equity reserve is recognised, being the difference between the fair value of the present value of future cash flows and the consideration advanced.

After initial recognition, interest free intercompany loans are subsequently measured at amortised cost using the effective interest method. The discount between the redeemable amount and the net proceeds is accreted over the term of the loan and charged to the statement of comprehensive income.

In the event of an early repayment of an interest free intercompany loan, a fair value adjustment is made to the drawdown loan balance with the corresponding adjustment made to reduce the other equity reserve.

h) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings which are subsequently held at amortised cost.

i) Derivative financial instruments

The Company used a derivative financial instrument to hedge its exposure to movements in the profit-bearing loans, in the prior period. The derivative was initially recognised at fair value and subsequently re-measured to its prevailing fair value at each reporting date. Changes in the fair value of the derivative financial instrument are recognised as income or expense in the statement of comprehensive income as they arise.

The Company does not apply hedge accounting.

j) Leases

Company as lessee

The Company applies a single recognition and measurement approach for leases, as required by IFRS 16. The Company recognises right of use assets at cost, which includes the amount of lease liability recognised, initial direct costs incurred and lease payments prior to the date of transition. Right of use assets are recognised as Investment Property (note 8) and therefore are not depreciated. A lease liability is recognised at the present value of lease payments to be made over the lease term (note 12). Interest on the lease liability is recognised within interest payable and similar costs (note 6).

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. This includes residential and retail rental contracts, with rental income being accounted for on a straight-line basis over the lease term.

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Notes to the financial statements (continued)****4. Revenue**

Rental income during the period of £2.0m (March 2020: £2.7m) primarily arises from private tenant leases under Assured Shorthold Tenancy (AST) agreements. These residential lease agreements range from 1 to 3 years in tenure with a 6 month break clause on the tenant side. The terms of these tenancies are regularly reviewed by management. The Company has also issued leases for retail units, having terms of 10 years with agreed break clauses, which are located within the investment properties. Rental contracts include a clause to allow the Company to seek compensation if premises are not left in good condition. There are no receivables or contingent assets recognised at 31 December 2020 or at 31 March 2020 in relation to this clause.

	For the period ended 31 December 2020	For the year ended 31 March 2020
	£000	£000
Minimum lease receivable:		
Within one year	809	780
Between one and two years	57	54
Between two and three years	57	54
Between three and four years	57	54
Between four and five years	57	54
After more than five years	576	593
	1,613	1,589

5. Operating profit

Operating profit is stated after charging:

	For the period ended 31 December 2020	For the year ended 31 March 2020
	£000	£000
Auditor's remuneration	4	4
Depreciation	55	215

The company had no employees during the period (March 2020: nil)

Directors' remuneration

The Directors received total remuneration for their services to the Get Living PLC Group for the period ended 31 December 2020 of £0.6m, all of which was paid by Get Living London Limited, a subsidiary of Get Living PLC. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as directors of fellow subsidiary companies.

In the period ended 31 March 2020, prior to the change in Directors of the Company, the Directors were remunerated for their services provided to the group through the controlling parties in which they represent. Their total remuneration was not allocated between the services they provide to the Company and its subsidiaries. Consequently, the Directors received no remuneration or reimbursements from Get Living PLC or any of its subsidiaries.

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Notes to the financial statements (continued)****6. Interest payable and similar costs**

	<u>For the period ended 31 December 2020</u>	<u>For the year ended 31 March 2020</u>
	£000	£000
Profit payable on Murabaha loan	-	738
Interest payable on term loan	792	525
Change in fair value of derivatives	-	(157)
Imputed interest charge on interest free intercompany loan	121	576
Amortised arrangement fees	47	56
Interest on lease liability	155	201
Other finance cost	15	90
	<u>1,130</u>	<u>2,029</u>

7. Taxation

	<u>For the period ended 31 December 2020</u>	<u>For the year ended 31 March 2020</u>
	£000	£000
Current tax charge	-	-
Factors affecting the tax (credit)/charge for the period/year		
Loss before taxation	(821)	(1,638)
Loss before taxation multiplied by standard rate of UK corporation tax of 19% (March 2020: 19%)	(156)	(311)
<i>Effect of:</i>		
Exempt REIT (income)/expense	(258)	311
Fair value adjustments	23	-
Non-allowable expenses	10	-
Valuation gain on investment property	178	-
CIR disallowance	190	-
Other tax adjustments	13	-
Tax credit	<u>-</u>	<u>-</u>

The Company is part of a UK Real Estate Investment Trust (REIT) and is subject to taxation as such. As a result, the Company does not pay United Kingdom corporation tax on the profits and gains from its qualifying rental business in the United Kingdom provided it meets certain conditions. Non-qualifying profits and gains of the Company continue to be subject to corporation tax as normal.

The Company does not have any unrecognized deferred tax assets at 31 December 2020 in respect of tax losses carried forward (March 2020: nil).

The Finance Bill 2021 was substantively enacted in May 2021 which increases the main rate of corporation tax from 19% to 25% from 1 April 2023.

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Notes to the financial statements (continued)****8. Investment property**

	31 December 2020	31 March 2020
	£000	£000
At 1 April	76,927	78,244
Fixtures and fittings	338	84
Loss on revaluation	(940)	(1,401)
	76,325	76,927

	31 December 2020	31 March 2020
	£000	£000
Fair value	72,442	73,127
Finance lease separately recognised (see note 12)	3,883	3,800
	76,325	76,927

The fair value of investment property of £72.4m (March 2020: £73.1m) principally includes leasehold residential property.

The fair values of these leasehold residential properties are third party valuations of the freehold site containing the property held by this Company at 31 December 2020 in accordance with RICS Valuation Standards, Sixth Edition in the United Kingdom by CBRE Limited, who are qualified for the purpose of the valuation in accordance with the RICS valuation standard (refer to note 2 key judgements). That amount is allocated to this property based on the size of the building, less an amount, estimated by the Directors, representing the value of the head lease payments due to the head lease holder. All investment properties are held under lease agreements of 125 years.

The comparable cost of investment property determined under historical cost is £56.6m (March 2020: £56.3m).

The full investment property balance is a right of use asset under IFRS 16 Leases.

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Notes to the financial statements (continued)****9. Tangible fixed assets**

	Residential Fixture & Fittings	Retail Assets	Total
	£000	£000	£000
At Cost			
At 1 April 2019	78	1,113	1,191
Additions in the period	7	-	7
At 1 April 2020	85	1,113	1,198
Additions in the period	-	-	-
At 31 December 2020	85	1,113	1,198
Depreciation			
At 1 April 2019	(57)	(832)	(889)
Charge for the period	(15)	(200)	(215)
At 1 April 2020	(72)	(1,032)	(1,104)
Charge for the period	(5)	(50)	(55)
As at 31 December 2020	(77)	(1,082)	(1,159)
Net Book values			
At 31 March 2020	13	81	94
At 31 December 2020	8	31	39

10. Debtors

	31 December 2020	31 March 2020
	£000	£000
Trade debtors	94	92
Expected credit loss	(61)	(30)
	33	62
Prepayments	17	4
Accrued income	-	(8)
Amounts due from group undertakings	2,493	1,478
Other debtors	5	-
	2,548	1,536

Trade debtors are unsecured, interest free and repayable on demand. Trade debtors are lease receivables due from residents. The expected credit loss was calculated using the provisions matrix in line with the expected credit loss model. Management actively seeks to collect all trade debtors.

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Notes to the financial statements (continued)****11. Creditors: amounts falling due within one year**

	<u>31 December 2020</u>	<u>31 March 2020</u>
	£000	£000
Deferred income and accruals	450	656
Other creditors	336	98
Other taxes	6	1
Amounts due to group undertakings	5,011	4,122
	<u>5,803</u>	<u>4,877</u>

Deferred income includes amounts received in advanced from tenants in relation of future rental amounts.

Other creditors include balances held as deposits from residents.

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

12. Lease liability

The Company holds leasehold property that it classifies as investment property. The leases are accounted for under the single lease recognition model following the transition to IFRS 16 Leases. These leases have terms of 125 years and rent increases by 33% every ten years. Future minimum lease payments under the leases are as follows:

	<u>31 December 2020</u>	<u>31 March 2020</u>
	£000	£000
<i>Future minimum lease payments due:</i>		
Within one year	96	96
Between one to two years	96	96
Between two and three years	96	96
Between three and four years	128	104
Between four and five years	128	128
More than five years	103,778	103,874
	<u>104,322</u>	<u>104,394</u>
Less: finance charges allocated to future periods	(100,440)	(100,596)
Present value of minimum lease payments	<u>3,882</u>	<u>3,800</u>

The lease liability obligation of £3.9m (March 2020: £3.8m) represents the present value of minimum future ground rent payments using the implicit interest rate of the lease, with £0.1m (March 2020: £0.1m) due within 12 months and £3.8m (March 2020: £3.7m) due after more than 12 months.

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Notes to the financial statements (continued)****13. Derivative financial instruments**

The movement in the fair value of the derivative financial instruments is as follows:

	<u>31 December 2020</u>	<u>31 March 2020</u>
	£000	£000
At 1 April	-	156
Change in fair value of derivatives	-	(156)
	<u>-</u>	<u>-</u>

The Company historically held a swap arrangement to swap the floating rate of profit payable from the Murabaha loan to a fixed rate. The swap matured in September 2019 and the loan was fully repaid in October 2019.

14. Creditors: amounts falling due after more than one year

	<u>31 December 2020</u>	<u>31 March 2020</u>
	£000	£000
DCMS Settlement	1,622	1,614
	<u>1,622</u>	<u>1,614</u>

A settlement deed has been negotiated between the ultimate parent, Get Living PLC, and the Secretary of State for Digital, Culture, Media and Sport (DCMS, previously the Olympic Delivery Authority) in relation to the 2011 sale and purchase agreement for SVDP Limited. The settlement agreement was signed in January 2020. As a result, a total agreed sum of £1.6m is deemed payable by the Company.

The balance of £1.6m (March 2020: £1.6m) represents the £1.6m payable, discounted at the government risk-free pre-tax rate which is based on the three-year GBP government bond rate, and adjusted for risks specific to the provision. This payable is due in March 2022.

15. Loans and borrowings

	<u>31 December 2020</u>	<u>31 March 2020</u>
	£000	£000
Non-current		
Term loan	45,000	45,000
Deferred term loan arrangement fees	(547)	(586)
Intercompany loan from parent - interest free	1,599	1,478
	<u>46,052</u>	<u>45,892</u>

On 20 September 2019, an agreement was signed for a new ten-year loan facility, which was used to repay the entire Murabaha loan balance. Interest is payable quarterly at a fixed rate of 2.332% per annum.

The interest free intercompany loan is from the immediate parent company, Get Living London EV2 Holdco Limited and is repayable on 7 November 2024. The total amount drawn is £2.2m (March 2020: £2.2m) at the balance sheet date. The loan was initially recognised at fair value being the net present value of future cash flows, using the market rate of interest at initial drawdown of 10%, with £1.3m (March 2020: £1.3m) recognised as loan payable and £1.0m (March 2020: £1.0m) as an other equity reserve (see note 17). Subsequent measurement of the loan is at amortised cost, using the effective interest rate method. The loan payable balance of £1.6m (March 2020: £1.5m) includes £0.3m (March 2020: £0.2m) of finance charges relating to the unwinding of the interest free loan over the loan term (see note 6).

Get Living London EV N04 Limited*Annual report and financial statements for the period ended 31 December 2020***Notes to the financial statements (continued)****16. Share capital**

	<u>31 December 2020</u>	<u>31 March 2020</u>
	£	£
<i>Allotted, called up share capital</i>		
1 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

Holders of Ordinary Shares are entitled to one vote per share.

The shares are unpaid for current financial period and prior financial year.

The Company is authorised to issue unlimited shares.

17. Other equity reserves

	<u>31 December 2020</u>	<u>31 March 2020</u>
	£000	£000
At 1 April	15,613	19,771
Return of other equity contribution	-	(4,158)
	<u>15,613</u>	<u>15,613</u>

The decrease in the other equity reserve of £4.2m relates to the repayment of a fair valued interest free intercompany loan repaid during the period to 31 March 2020.

18. Related party disclosures

The Company's immediate and ultimate parent undertakings were Get Living London EV Holdco Limited and Get Living PLC respectively.

At 31 December 2020, Get Living PLC was jointly controlled as follows:

- (i) By DOOR SLP, a limited partnership registered and incorporated in Jersey; and
- (ii) By QD UK Holdings LP, a limited partnership registered and incorporated in Scotland; and
- (iii) By Stichting Depositary APG Strategic Real Estate Pool, a pension fund asset manager based in the Netherlands.

Get Living PLC is the smallest group to consolidate these financial statements.

Transactions between the Company and its fellow group entities are summarised in note 6, 10, 11, 15 and 17. The Company's finance lease liabilities are with a company under common control (see note 12).

19. Commitments

There were no commitments as at 31 December 2020 (March 2020: £nil).

20. Contingent liabilities

There were no contingent liabilities as at 31 December 2020 (March 2020: £nil).

21. Subsequent events

It has been concluded that there has been no events or conditions since the balance sheet date that indicate any adjustment would be required to the financial statements.