

Get Living London EV N07 Limited

Annual report and financial statements

For the year ended 31 December 2022

Company Registration No. 08613934 (England and Wales)



Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

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Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Company Information

Directors

Rick De Blaby

Daniel Mark Greenslade

Registered office

6th Floor Landsdowne House

Berkeley Square

London

W1J 6ER

United Kingdom

Auditors

Ernst & Young LLP

1 More Place

London

SE1 2AF

United Kingdom

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Directors' Report

The Directors present the annual report and the audited financial statements for the year ended 31 December 2022.

Directors

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

- Rick De Blaby
- Daniel Mark Greenslade (appointed 18 July 2022)
- Emma Parr (resigned 18 July 2022)

Principal activities

The Company is incorporated and registered in England and Wales 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 profit for the year amounted to £5.7m (2021: loss of £6.7m). The directors do not recommend payment of a dividend for the year (2021: £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.

The Company is also exposed to the following specific risks:

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.

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, or up front payment of rent and will insist on guarantors as required.

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Directors' Report (continued)

Principal risks and uncertainties (continued)

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, the Company was 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 the period to 30 June 2024 (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 a period until 30 June 2024, which is a period of at least one year after the date 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 Get Living PLC Group as a whole (the "PLC Group"). 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 PLC Group.

At a PLC Group level, considerations included potential risks and uncertainties in the business, including the availability and repayment profile of bank facilities and shareholder facilities, as well as forecast covenant compliance. In addition, the Directors considered the potential future risks of economic uncertainty related to a subdued global economic outlook, including the crisis in Ukraine and aftermath of the global pandemic driving global supply constraints leading to high inflation and a cost of living crisis, along with high interest rates as a result of UK political instability and policy changes. The going concern review reflects current trading trends at high occupancies for stabilised assets, a strong launch of lease-up assets and continued strong rental growth. The PLC Group has four debt facilities which expire during the going concern period, of which one has the option to extend to March 2025, with the conditions to do so considered to be within the PLC Directors control. The PLC Directors are confident in the PLC Group's ability to refinance these debt facilities. The PLC Directors have held discussions with a number of potential lenders on the refinancings and a series of competitively priced indicative quotes have been received, subject to credit committee approval. The PLC Directors are confident that the market appetite for lending against Private Rented Sector ("PRS") assets remains strong and that Get Living PLC is well placed to secure the required financing. However, if the PLC Group is not successful in refinancing the debt facilities, it will be reliant on shareholders providing funds to support the repayment of existing debt facilities. The PLC Directors have therefore concluded that there is a material uncertainty with respect to refinancing the loan facilities which may cast significant doubt over the PLC Group's ability to continue as a going concern.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Directors' Report (continued)

Going concern (continued)

Based on this, together with available market information and the Directors' knowledge and experience of the Company, the Directors believe that subject to the material uncertainty relating to the PLC Group achieving the refinancing described above, and the subsequent ability of Get Living PLC to provide support to the Company, the Company will be able to manage its business risks successfully. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements, however, the matters described above result in the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

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 year.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

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Daniel Mark Greenslade
Director

Date: 29 June 2023

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' report that complies with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Independent Auditor's Report to the Members of Get Living London EV N07 Limited

Opinion

We have audited the financial statements of Get Living London EV N07 Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 19, 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".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Material uncertainties relating to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company is reliant on financial support from the ultimate parent company, Get Living Plc. Note 2 indicates there is a material uncertainty relating to the Get Living Plc Group's refinancing of the Portland's Place, New Maker Yards 1 and New Maker Yards 2 debt facilities which fall due in the going concern period.

As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Get Living London EV N07 Limited (continued)

Other information (continued)

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 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.

Independent Auditor's Report to the Members of Get Living London EV N07 Limited (continued)

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:

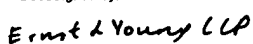
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice)), UK Companies Act 2006 and the relevant tax regulations in the United Kingdom.
- We understood how Get Living London EV N07 Limited is complying with those frameworks through enquiry with Management, and by identifying the policies and procedures regarding compliance with laws and regulations, and for reporting any known instances of non-compliance to those charged with governance. We corroborated our enquiries through our review of board minutes and papers provided to the board, as well as consideration of the results of our audit procedures across the Company to either corroborate or provide contrary evidence which was then followed up. Our assessment included the tone from the top and the emphasis on a culture of honest and ethical behaviour.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussions with Management to understand where they considered there was susceptibility to fraud and by considering the key risks impacting the financial statements, and we identified fraud risk in relation to the valuation of the property portfolio and revenue recognition. For the identified fraud risks, we gained an understanding of the processes and controls by performing walkthroughs to evaluate the design and implementation of controls.
- 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, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business.

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

Independent Auditor's Report to the Members of Get Living London EV N07 Limited (continued)

Use of our report

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

DocuSigned by:

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

Date: 29 June 2023

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Statement of Comprehensive Income

	Notes	2022 £'000	2021 £'000
Rental income	4	5,667	4,767
Direct property costs		(1,281)	(1,859)
Gross profit		4,386	2,908
Administrative expenses		(426)	(482)
Valuation gain/(loss) on investment property	8	4,237	(6,667)
Operating profit/(loss)	5	8,197	(4,241)
Interest payable and similar charges	6	(2,499)	(2,497)
Profit/(loss) on ordinary activities before taxation		5,698	(6,738)
Tax	7	-	-
Profit/(loss) on ordinary activities after taxation		5,698	(6,738)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		5,698	(6,738)

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Statement of Financial Position

		2022	2021
	Notes	£'000	£'000
Non-current assets			
Investment property	8	128,180	123,620
Tangible fixed assets	9	1	6
Total non-current assets		128,181	123,626
Current assets			
Inventory		15	-
Debtors	10	7,510	4,936
Total current assets		7,525	4,936
Total assets		135,706	128,562
Current liabilities			
Creditors: amounts falling due within one year	11	(8,929)	(8,046)
Lease liability	13	(151)	(151)
Net current liabilities		(1,555)	(3,261)
Total assets less current liabilities		126,626	120,365
Non-current liabilities			
Loans and borrowings	12	(78,025)	(77,648)
Lease liability	13	(6,167)	(5,981)
Net assets		42,434	36,736
Capital and reserves			
Share capital	14	-	-
Other equity reserve	15	27,426	27,426
Retained earnings		15,008	9,310
Total equity		42,434	36,736

Get Living London EV N07 Limited

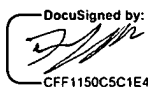
Annual report and financial statements for the year ended 31 December 2022

Statement of Financial Position (continued)

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

The notes on pages 15 to 29 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors for issue on 27 June 2023 and were signed on its behalf by:

DocuSigned by:

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Daniel Mark Greenslade

Director

Company Registration No. 08613934 (England and Wales)

Date: 29 June 2023

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Statement of Changes in Equity

	<u>Share capital</u>	<u>Other equity</u>	<u>Retained</u>	<u>Total equity</u>
	<u>£'000</u>	<u>reserve</u>	<u>earnings</u>	<u>£'000</u>
As at 1 January 2021	-	27,426	16,048	43,474
Total comprehensive loss for the year	-	-	(6,738)	(6,738)
As at 31 December 2021	-	27,426	9,310	36,736
Total comprehensive profit for the year	-	-	5,698	5,698
As at 31 December 2022	-	27,426	15,008	42,434

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

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 for "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 year ended 31 December 2022. The financial statements have been prepared for the year ended 31 December 2022 with the comparative period being the year ended 31 December 2021. 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), 16, 111 and 134-136 (objectives, policies and processes for managing capital) of IAS 1 Presentation of Financial Statements - presentation of statement of cash flows, explicit and unreserved statement of compliance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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, 91 and 93 of IFRS 16 Leases.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

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 the period to 30 June 2024 (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 a period until 30 June 2024, which is a period of at least one year after the date 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 Get Living PLC Group as a whole (the "PLC Group"). 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 PLC Group.

At a PLC Group level, considerations included potential risks and uncertainties in the business, including the availability and repayment profile of bank facilities and shareholder facilities, as well as forecast covenant compliance. In addition, the Directors considered the potential future risks of economic uncertainty related to a subdued global economic outlook, including the crisis in Ukraine and aftermath of the global pandemic driving global supply constraints leading to high inflation and a cost of living crisis, along with high interest rates as a result of UK political instability and policy changes. The going concern review reflects current trading trends at high occupancies for stabilised assets, a strong launch of lease-up assets and continued strong rental growth. The PLC Group has four debt facilities which expire during the going concern period, of which one has the option to extend to March 2025, with the conditions to do so considered to be within the PLC Directors control. The PLC Directors are confident in the PLC Group's ability to refinance these debt facilities. The PLC Directors have held discussions with a number of potential lenders on the refinancings and a series of competitively priced indicative quotes have been received, subject to credit committee approval. The PLC Directors are confident that the market appetite for lending against Private Rented Sector ("PRS") assets remains strong and that Get Living PLC is well placed to secure the required financing. However, if the PLC Group is not successful in refinancing the debt facilities, it will be reliant on shareholders providing funds to support the repayment of existing debt facilities. The PLC Directors have therefore concluded that there is a material uncertainty with respect to refinancing the loan facilities which may cast significant doubt over the PLC Group's ability to continue as a going concern.

Based on this, together with available market information and the Directors' knowledge and experience of the Company, the Directors believe that subject to the material uncertainty relating to the PLC Group achieving the refinancing described above, and the subsequent ability of Get Living PLC to provide support to the Company, the Company will be able to manage its business risks successfully. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements, however, the matters described above result in the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

2. Basis of preparation (continued)

Judgements and estimates

The preparation of financial statements in conformity with UK adopted international accounting standards requires the use of critical judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and assumptions concerning the future, and the accounting results of those estimates may not equal the related actual results.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant notes forming part of these financial statements as discussed below.

Key estimates

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. This valuation uses assumptions including future open market rental values, together with a judgement of applicable capitalisation rates, which reflect current market transactions for similar properties and development costs to complete (note 8).

Other sources of estimation uncertainty

Discount rate on interest free loans

The Company enters into interest free loans with other entities within the PLC Group. These loans are measured at fair value, represented by the present value of future cash flows discounted at the market rate of interest at the date of the initial drawdown. In determining the market rate of interest, management considers interest rates which could be achieved on external funding, and other market observations.

3. Summary of significant accounting policies

a) New and amended standards and interpretations effective in the current financial period

The Company considers new standards and amendments to existing standards that are applicable for the first time in the current financial period. These standards and amendments are either not relevant or do not have a material impact on the Company's financial statements.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

b) 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.

The Company has entered into residential property leases on its investment properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the residential property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the residential property, that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts with tenants as operating leases.

c) 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.

d) 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 statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the rate substantively enacted at the Statement of Financial Position date. Deferred tax assets are not recognised where there is a high degree of uncertainty as to their future utilisation.

e) Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation. Depreciation of residential fixture and fittings, and retail assets is charged at 25% per annum on a straight line basis. 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.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

f) Financial instruments

Trade and other debtors are initially recognised on the Statement of Financial Position at fair value when the Company has become party to the contractual provisions of the instruments.

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

Classification is determined by the nature of the cash flows of the assets and the business model in which they are held.

The Company assesses the recoverability of its debtors on a forward-looking basis and provides for impairment through an expected credit loss model. 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 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.

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 net of directly attributable transaction costs.

After initial recognition the Company's financial liabilities are subsequently held at amortised costs.

g) Interest free loans and other equity reserves

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 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 loan balance with the corresponding adjustment made to reduce the other equity reserve.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

h) Leases

Company as a 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 13). Interest on the lease liability is recognised within interest payable and similar charges (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.

4. Revenue

Rental income during the year of £5.7m (2021: £4.8m) 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 up to 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 2022 or at 2021 in relation to this clause.

	2022	2021
	£'000	£'000
Minimum lease receivable:		
Within one year	1,384	1,211
Between one and two years	42	49
Between two and three years	32	42
Between three and four years	15	32
Between four and five years	-	15
After more than five years	-	-
	1,473	1,349

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

5. Operating result

Operating profit/(loss) is stated after charging:

	<u>2022</u>	<u>2021</u>
	£'000	£'000
Auditor's remuneration	-	-
Depreciation	<u>6</u>	<u>13</u>

An audit fee of £4,000 (2021: £5,000) has been borne by QDD Athletes Village UK Limited, another group company.

The company had no employees during the year (2021: nil).

Directors' remuneration

The Directors received total remuneration for their services to the Get Living PLC Group for the year of £1.7m (2021: £1.0m), 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.

6. Interest payable and similar charges

	<u>2022</u>	<u>2021</u>
	£'000	£'000
Interest payable on term loan	1,761	1,761
Amortised arrangement fees	105	105
Imputed interest charge on interest free intercompany loan	271	271
Finance lease charges	337	328
Unwind of DCMS settlement	4	18
Other finance cost	<u>21</u>	<u>14</u>
	<u><u>2,499</u></u>	<u><u>2,497</u></u>

Get Living London EV N07 Limited*Annual report and financial statements for the year ended 31 December 2022***Notes to the Financial Statements (continued)****7. Taxation**

	<u>2022</u>	<u>2021</u>
	£'000	£'000
Current tax charge	-	-
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	5,698	(6,738)
Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19% (2021: 19%)	1,083	(1,280)
<i>Effect of:</i>		
Exempt REIT (income)	(327)	(56)
Non-allowable expenses	-	2
Valuation (gain)/loss on investment property	(805)	1,267
Imputed interest expense not deductible for tax purposes	51	51
Excess of capital allowances recognised over depreciation	-	(1)
CIR disallowance	-	-
Other tax adjustments	(2)	17
Tax charge	<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 unrecognised deferred tax assets at 31 December 2022 in respect of tax losses carried forward (2021: £1k).

Deferred tax is calculated at the rate substantively enacted at the Statement of Financial Position date of 25% (2021: 25%).

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

8. Investment property

	<u>2022</u>	<u>2021</u>
	<u>£'000</u>	<u>£'000</u>
Opening balance	123,620	129,514
Fixtures and fittings	323	773
Profit/(loss) on revaluation	<u>4,237</u>	<u>(6,667)</u>
	<u>128,180</u>	<u>123,620</u>
Fair value	121,862	117,488
Finance lease recognised separately (note 13)	<u>6,318</u>	<u>6,132</u>
	<u>128,180</u>	<u>123,620</u>

The fair value of investment property of £121.9m (2021: £117.5m) principally includes leasehold residential property.

All investment properties are held under lease agreements of 125 years.

A separate lease liability for the present value of minimum future ground rent payments has been recognised (note 13). The full investment property balance is a right of use asset under IFRS 16 Leases.

The fair values of the investment property held were undertaken in accordance with the latest RICS Valuation Standards in the United Kingdom by CBRE Limited, who are qualified for the purpose of the valuation in accordance with the RICS valuation standard (note 2 - key judgements). The fee arrangement with CBRE for the valuation of the Company's property is fixed, subject to an adjustment for acquisitions and disposals.

The fair values of the investment property are based on the remaining term of the leasehold interest which the Company holds in the investment property. The leasehold valuation in the current year assumes a yield 5 basis points lower than the freehold.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

9. Tangible fixed assets

	Furniture & equipment	Property	Retail assets	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2021	92	10	149	251
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 December 2021	92	10	149	251
Additions	-	-	1	1
Disposals	-	-	-	-
As at 31 December 2022	92	10	150	252
Depreciation				
As at 1 January 2021	(84)	(7)	(141)	(232)
Charge for the year	(7)	-	(6)	(13)
Disposals	-	-	-	-
As at 31 December 2021	(91)	(7)	(147)	(245)
Charge for the year	(1)	(2)	(3)	(6)
Disposals	-	-	-	-
As at 31 December 2022	(92)	(9)	(150)	(251)
Net book value				
As at 31 December 2021	1	3	2	6
As at 31 December 2022	-	1	-	1

Get Living London EV N07 Limited*Annual report and financial statements for the year ended 31 December 2022***Notes to the Financial Statements (continued)****10. Debtors**

	<u>2022</u>	<u>2021</u>
	<u>£'000</u>	<u>£'000</u>
Trade debtors	149	139
Expected credit loss	<u>(53)</u>	<u>(107)</u>
	<u>96</u>	<u>32</u>
Other debtors	229	8
Prepayments	96	30
Accrued income	-	1
Amounts due from group undertakings	<u>7,089</u>	<u>4,865</u>
	<u>7,510</u>	<u>4,936</u>

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Management have assessed the recoverability of amounts due from group undertakings using the expected credit loss model and believe that the likelihood of default is minimal based on support provided by the ultimate parent company.

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.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

11. Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	69	46
Other creditors	956	801
Other taxes	17	4
Deferred income	559	530
DCMS settlement	-	2,782
Amounts due to group undertakings	<u>7,328</u>	<u>3,883</u>
	<u>8,929</u>	<u>8,046</u>

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

Trade creditors are non-interest bearing and are normally settled in accordance with the Company's terms of business.

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

Other creditors include balances held as deposits from residents.

The DCMS Settlement represents the settlement deed 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. The liability was fully settled in 2022.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

12. Loans and borrowings

	<u>2022</u>	<u>2021</u>
	<u>£'000</u>	<u>£'000</u>
Term loan	75,500	75,500
Deferred term loan arrangement fees	(707)	(813)
Intercompany loan from parent - Interest free	<u>3,232</u>	<u>2,961</u>
	<u>78,025</u>	<u>77,648</u>

The term loan is a fully drawn facility entered into in September 2019, repayable in September 2029, and secured against the Company's assets.

The interest free intercompany loan due to a parent entity, Get Living London EV2 Holdco Limited, was issued during a previous financial period. The loan is interest free and repayable in November 2024. Loan drawdowns are valued at the net present value of future cash flows, using the market interest rate of 10%.

	<u>Total drawdown</u>	<u>Drawdown as equity</u>	<u>Drawdown as payable</u>	<u>Imputed interest</u>	<u>Total payable</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
As at 1 January 2021	3,733	1,626	2,107	583	2,690
Imputed interest (note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>271</u>	<u>271</u>
As at 31 December 2021	3,733	1,626	2,107	854	2,961
Imputed interest (note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>271</u>	<u>271</u>
As at 31 December 2022	<u>3,733</u>	<u>1,626</u>	<u>2,107</u>	<u>1,125</u>	<u>3,232</u>

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

13. Lease liability

	<u>2022</u>	<u>2021</u>
	£'000	£'000
Minimum lease payments:		
Within one year	151	151
Between one and two years	201	151
Between two and three years	201	201
Between three and four years	201	201
Between four and five years	201	201
After more than five years	<u>162,140</u>	<u>162,341</u>
	163,095	163,246
Finance charges allocated to future periods	<u>(156,777)</u>	<u>(157,114)</u>
Present value of minimum lease payments	<u>6,318</u>	<u>6,132</u>

The Company holds leasehold property that it classifies as investment property (note 8). The leases are accounted for under the IFRS 16 single lease recognition model.

These leases have terms of 125 and rental is fixed with a minimum escalation of 33% every 10 years.

The lease liability obligation of £6.3m (2021: £6.1m) represents the present value of minimum future ground rent payments using the interest rate implicit in the lease, with £0.2m (2021: £0.2m) payable within one year and £6.2m (2021: £6m) payable after more than one year.

14. Share capital

	<u>2022</u>	<u>2021</u>
	£	£
Allotted, called up share capital		
1 ordinary share of £1 par value	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Holders of ordinary shares are entitled to one vote per share. The shares are unpaid for the current and prior financial years. The Company is authorised to issue unlimited shares.

Get Living London EV N07 Limited

Annual report and financial statements for the year ended 31 December 2022

Notes to the Financial Statements (continued)

15. Other equity reserve

	<u>2022</u>	<u>2021</u>
	<u>£'000</u>	<u>£'000</u>
Opening balance	<u>27,426</u>	<u>27,426</u>
	<u>27,426</u>	<u>27,426</u>

The other equity reserve balance is a result of fair value adjustments made to the interest free intercompany loan due to parent (note 12). This balance is non-distributable.

16. Related party disclosures

The Company's immediate parent undertaking is Get Living London EV Holdco Limited, an entity registered and incorporated in England and Wales. The Company's ultimate parent undertaking is Get Living PLC, an entity registered and incorporated in England and Wales.

As at 31 December 2022, 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. Get Living PLC's financial statements are available online from Get Living PLC's website.

Transactions between the Company and fellow group entities are summarised in notes 5, 6, 10, 11, 12, 13, and 15.

The Company's finance lease liabilities are with a company under common control (note 13).

17. Commitments

There were no commitments as at 31 December 2022 (2021: £nil).

18. Contingent liabilities

There were no contingent liabilities as at 31 December 2022 (2021: £nil).

19. Subsequent events

Subsequent to the year-end QD UK Holdings LP, one of the Company's controlling parties, exchanged on a transaction to dispose of its entire shareholding in Get Living PLC to Aware Super, an Australian superannuation fund.

There have been no further events or conditions since the balance sheet date that indicate any adjustment would be required to the financial statements.