

LIBERTY LIVING INVESTMENTS GP1 LIMITED
Company Number 09375866

Report and Unaudited Financial Statements
For the year ended 31 December 2022

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LIBERTY LIVING INVESTMENTS GP1 LIMITED

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For the year ended 31 December 2022

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LIBERTY LIVING INVESTMENTS GP1 LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2022

The Directors present their Report and the Unaudited financial statements for the period ended 31 December 2022. This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. Accordingly, the Directors have elected to take advantage of the exemption from preparing a Strategic report.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The principal activity of the Company is to act as general partner to Liberty Living Investments 1 Limited Partnership which invests in and operates student accommodation property. The Directors do not foresee a change in principal activity in the near future.

DIRECTORS

The Directors set out below held office during the period and to the date of this report unless otherwise stated:

J Lister	
D Faulkner	(resigned 20 th September 2022)
C Szpojnarowicz	
M Burt	(appointed 20 th September 2022)
N Hayes	(appointed 20 th September 2022 and resigned 20 th December 2022)

SECRETARY

The Secretary set out below held office during the period and to the date of this report unless otherwise stated:

C Szpojnarowicz

GOING CONCERN

The Company is part of The Unite Group plc ('Unite') from which it receives working capital funding. Unite has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company, and in particular, will not seek repayment of the amounts currently made available. In determining the Company's Going Concern assessment the Directors have, therefore, considered the wider Unite Group's future performance.

The Directors have considered a range of scenarios for future performance through the 2022/23 and 2023/24 academic years. The impact of our ESG asset transition plans are included within the cash flows which have been modelled. The assessment includes a base case assuming cash collection and performance for the 2022/23 academic year remains in line with current expectations and sales performance for the 2023/24 academic year consistent with published guidance; and a reasonable worst case scenario where income for the 2023/24 academic year is impacted by reduced sales, equivalent to occupancy of around 90%. Under each of these scenarios, the Directors are satisfied that the Group has sufficient liquidity and will maintain covenant compliance over the next 12 months.

To further support the Directors going concern assessment, a "Reverse Stress Test" was performed to determine the level of performance at which adopting the going concern basis of preparation may not be appropriate. This involved assessing the minimum amount of income required to ensure financial covenants would not be breached. Within the tightest covenant, occupancy could fall to approximately 70% before there would be a breach. The Group has capacity for property valuations to fall by 35% before there would be a breach of the tightest LTV and gearing covenants. Were income or asset values to fall beyond these levels, the Group has certain cure rights, such that an immediate default could be avoided. The Directors are satisfied that the possibility of such an outcome is sufficiently remote that adopting the going concern basis of preparation is appropriate.

LIBERTY LIVING INVESTMENTS GP1 LIMITED

DIRECTORS' REPORT (CONTINUED)
For the year ended 31 August 2022

GOING CONCERN (CONTINUED)

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements.

Approved by the Board of Directors on 12th September 2023 and signed on its behalf by:



.....
J Lister
Director

LIBERTY LIVING INVESTMENTS GP1 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
For the year ended 31 December 2022

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

LIBERTY LIVING INVESTMENTS GP1 LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

		Year ended 31 December 2022	Year ended 31 December 2021
	Note	£000	£000
Revaluation gain on investment in subsidiaries	13	503	451
Operating profit	4	503	451
Profit before tax		503	451
Tax on profit	6	-	-
Profit for the period		503	451

All gains and losses arise from continuing activities.

There are no items of other comprehensive income for either period and accordingly no statement of comprehensive income has been presented.

The accompanying notes form an integral part of these financial statements.

LIBERTY LIVING INVESTMENTS GP1 LIMITED**BALANCE SHEET****As at 31 December 2022****Company Number 09375866**

		31 December 2022	31 December 2021
	Note	£000	£000
Fixed assets			
Investments	13	3,204	2,701
Amounts due from group undertakings	8	309	309
		3,513	3,010
Creditors: amounts falling due within one year	9	(180)	(180)
Net current assets		(180)	(180)
Total assets less current liabilities		3,333	2,830
Creditors: amount due after more than one year	9	(73)	(73)
Net assets		3,260	2,757
Capital and reserves			
Called up share capital	10	2	2
Profit and loss reserve		3,258	2,755
Equity shareholders' funds		3,260	2,757

The accompanying notes form an integral part of these Financial Statements.

For the period ended 31 December 2022 the company was entitled to exemption from audit under section 479a of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the board of directors and authorised for issue on 12th September 2023. They were signed on its behalf by:



.....
J Lister
Director

LIBERTY LIVING INVESTMENTS GP1 LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Share capital	Profit and loss account	Total
	£000	£000	£000
At 1 January 2021	2	2,304	2,306
Profit for the period	-	451	451
Total comprehensive income	-	451	451
Dividends paid	-	-	-
At 31 December 2021	2	2,755	2,757
Profit for the year	-	503	503
Total comprehensive income	-	503	503
At 31 December 2022	2	3,258	3,260

LIBERTY LIVING INVESTMENTS GP1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

These financial statements are prepared in accordance with accounting standards applicable in the United Kingdom and are denominated in pounds sterling (£). They have all been applied consistently throughout the period and to the preceding year. The particular accounting policies adopted are described below. The financial statements have been prepared on a going concern basis.

General information and basis of accounting

Liberty Living Investments GP1 Limited ('the Company') is a private company limited by shares under the Companies Act 2006 and registered in England and Wales. The address of the registered office is South Quay, Temple Back, Bristol, BS1 6FL. The nature of the Company's operation and its principal activities are set out in the Directors' report.

The financial statements have been prepared under the going concern basis, historical cost convention, and in accordance with Financial Reporting Standard 102 ('FRS 102') issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company is included in the consolidated financial statements of The Unite Group Plc which may be obtained at South Quay, Temple Back, Bristol, United Kingdom, BS1 6FL. The Company meets the definition of a qualifying entity under FRS 102 and therefore has taken advantage of the disclosure exemptions in relation to financial instruments, the presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements therefore present information about the undertaking as an individual undertaking and not about the Group.

Administrative expenses

Administrative expenses are recognised on an accruals basis.

Investment in subsidiaries

Investments in subsidiaries are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value, with reference to the net asset value which is considered to approximate fair value, at each reporting date.

See Note 3 to these financial statements for further details.

Taxation

As a REIT, the Group's UK property rental profits and gains on disposal of UK investment properties are exempt from UK tax with the exception of certain non-core income streams. The Company pays UK corporation tax on any profits arising from non-core income streams.

The tax charge for the period is recognised in the profit and loss account and the statement of comprehensive income, according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax. Current tax, being UK corporation tax on any non-core income streams, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

LIBERTY LIVING INVESTMENTS GP1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries, except where the group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments

The Company's financial instruments comprise cash at bank and in hand and bank overdrafts, other debtors and creditors and intercompany balances. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at fair value and subsequently measured at amortised cost. Financial assets are generally derecognised when the contractual rights to the cash flows from the financial asset expire or are settled. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. A non-financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

LIBERTY LIVING INVESTMENTS GP1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

ACCOUNTING POLICIES (CONTINUED)

Going Concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £180,000, which the directors believe to be appropriate for the following reasons.

The Company is dependent for its working capital on funds provided to it by The Unite Group plc ('Unite'). Unite has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company, and in particular, will not seek repayment of the amounts currently made available. As with any entity placing reliance on other group entities for financial support, the Company acknowledges that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this understanding the directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence; thus they continue to adopt the going concern basis in preparing the financial statements.

Further details can be found in the Directors' Report on page 2.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies in note 1, the carrying amounts of certain assets and liabilities are arrived at using judgements, estimates and assumptions that are not readily apparent from other sources. These are summarised below:

Estimate

There are no key estimates within these financial statements.

Judgement

Valuation of subsidiaries

The valuation of subsidiary undertakings involves significant judgement as the valuation requires an assessment of the fair value of all the underlying assets and liabilities of the subsidiary. An changes to the assumptions made could have a significant impact on the carrying value of these assets.

LIBERTY LIVING INVESTMENTS GP1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

3. CHANGES IN ACCOUNTING POLICY

The valuation of investments in subsidiaries was changed during the year to align with The Unite Group plc accounting policies.

In prior periods investments in subsidiaries were valued at cost less provisions for impairments. The investment was assessed each year for impairments. The change in policy results in subsidiaries being valued at fair value, with changes in fair value being processed through the profit and loss account.

The accounting policy change is voluntary, and has been applied retrospectively across these accounts.

4. TURNOVER AND OPERATING PROFIT

	Year ended 31 December 2022	Year ended 31 December 2021
	£000	£000
Revaluation gain on investment in subsidiaries	<u>(503)</u>	<u>(451)</u>

The company's financial statements were exempt from audit in both the current or prior period, thus no fees were payable.

5. STAFF COSTS

The company has no employees in the current period or prior year.

Directors' remuneration was borne by another group company in both periods. Directors have not performed any qualifying services for this entity during the period.

LIBERTY LIVING INVESTMENTS GP1 LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2022**6. TAX ON PROFIT**

The current tax charge for the period is £nil (2021: £nil)

The taxation charge that would arise at the standard rate of UK corporation tax is reconciled to the actual tax charge below. The reconciliation below has been calculated at the main rate of corporation tax of 19% (2021: 19%).

	Year ended 31 December 2022	Year ended 31 December 2021
	£000	£000
Profit before tax	503	451
Tax at the UK corporation tax rate of 19.00% (2021: 19.00%)	96	86
Factors affecting the tax credit:		
Investment gains not subject to tax	(96)	(86)
Total tax credit for the period	-	-

7. DIVIDENDS PAID

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
<i>Dividends paid</i>	-	-
	-	-

8. AMOUNTS DUE FROM GROUP UNDERTAKINGS

	31 December 2022	31 December 2021
	£000	£000
Amounts due from group undertakings	309	309
	309	309

Amounts due from group undertakings are repayable on demand but are intended for use on a continuing basis.

LIBERTY LIVING INVESTMENTS GP1 LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2022**9. CREDITORS**

	31 December 2022	31 December 2021
	£000	£000
Amounts owed to Group related parties	180	180
Creditors: amounts due within one year	180	180
Other creditors	73	73
Creditors: amounts due after one year	73	73

The amounts owed to group related undertakings are repayable on demand, interest free and unsecured.

Other creditors includes non-redeemable preference shares (see note 9 for details).

10. SHARE CAPITAL

Allotted, called up and fully paid

	£	Number of shares
Class A Ordinary shares £1 at 31 December 2021 & 31 December 2022	1,992	1,992
	£	Number of shares
Class B Ordinary shares £1 at 31 December 2021 & 31 December 2022	10	10
	£	Number of shares
Class C non-redeemable preference shares £1 at 31 December 2021 & 31 December 2022	18	18

Class A ordinary shares do not have any voting rights over the appointment of Directors, while Class B ordinary shares have all the voting rights over the appointment of Directors, although their ownership rights are limited to their nominal value. Class C shares are non-redeemable and rank pari passu in all respects with the ordinary B shares save that the ordinary C shares carry a right to receive £10 pounds (£18) in aggregate on a winding up or return of capital and no entitlement to appoint directors.

11. RESERVESCalled up share capital

Called up share capital reserves contains the nominal value of the shares issued.

Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss reserves

Profit and loss reserves represents cumulative profits and losses, net of distributions and other adjustments.

LIBERTY LIVING INVESTMENTS GP1 LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2022****12. CONTROLLING PARTIES**

The Company's immediate parent company is Liberty Living (HE) Holdings Limited, a company incorporated and registered in England and Wales.

The company's ultimate parent undertaking is The Unite Group plc. The largest and smallest group in which the results of the company are consolidated is that headed by The Unite Group plc. The consolidated accounts of the this company are available to the public and can be obtained from the registered office, South Quay, Temple Back, Bristol, BS1 6FL.

13. INVESTMENTS IN SUBSIDIARIES

Investment in subsidiary	31 December 2022	31 December 2021
	£000	£000
Investment in subsidiary as at 31 December 2021	2,701	2,250
Revaluation	503	451
As at 31 December 2022	3,204	2,701

The Company's fully owned direct subsidiaries through interests in ordinary shares, all incorporated in the United Kingdom (unless otherwise stated), are as follows:

Company name	Principal activity	Registered office
Liberty Living Investments Nominee 1 Limited	Nominee company	South Quay, Temple Back, Bristol, BS1 6FL
Liberty Plaza (Newcastle) Limited*	Operate student accommodation	Trident Chambers, Wickhams Cay P.O. Box 146, Road Town, Tortola, British Virgin Islands

* Company registered in the British Virgin Islands

The Company is also the General Partner of Liberty Living Investments 1 Limited Partnership.

14. OTHER FINANCIAL COMMITMENTS

On 28 November 2017, Liberty Living Finance plc had issued two £300m bond tranches with maturities of seven and twelve years respectively. The Company, along with other Group related undertakings, has irrevocably and unconditionally, jointly and severally, guaranteed to meet the obligations of Liberty Living Finance plc with respect to the amounts borrowed in the event Liberty Living Finance plc fails to meet its obligations when they fall due.

The Company became guarantor of the £450m Unite Group plc Facilities Agreement in September 2022 and remains a guarantor of the Unite Bonds, and certain Unite subsidiaries remain as guarantors of the Liberty Living (HE) Holdings Group bonds. On 27 May 2022 the Company became a guarantor of a note purchase agreement issued by The Unite Group plc for £150m, maturing on 27 May 2031. This new borrowing helped refinance the repayment of bank facilities that Unite Group plc repaid in September 2022, facilities that had also been guaranteed by the Company.