

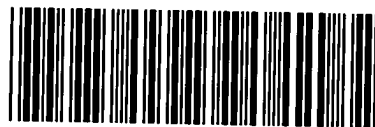
Company registration number: 10044321
Regulator registration number: 4848

Seymour Street Homes Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2023

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Seymour Street Homes Limited

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Seymour Street Homes Limited

Strategic Report for the Year Ended 31 March 2023

The directors present their Strategic Report for the year ended 31 March 2023.

Business review and principal activities

Seymour Street Homes Limited ("the company") is a wholly owned subsidiary of The British Land Company PLC and operates as a constituent of The British Land Company PLC group of companies ("the group").

The company's principal activity is to be a for-profit private registered provider of social housing.

As shown in the company's Profit and Loss Account on page 10, the company's turnover of £136,787 has increased by £5,387 compared with turnover of £131,400 in the prior year, due to a 4% increase in both Intermediate and Affordable tenant rents. The rents will increase for the next year by 7% for all units. The surplus on social housing activities before taxation is £14,518 compared to a surplus on social housing activities before taxation of £541,556 in the prior year. This decrease in the surplus is due to a small downward revaluation in the year compared to a larger upward revaluation in the prior year.

The revaluation of investment properties in the year was a deficit of £292 (2022: £490,000).

The value of investment properties held as at 31 March 2023 has remained consistent with 2022 as shown in note 9 to the company's Balance Sheet. Details of how investment properties are valued can be found in note 9 to the company's balance sheet. The movement is determined by the prevailing market conditions at the balance sheet date.

The Balance Sheet on page 12 shows that the company's financial position at the year end has, in net assets terms, increased compared with the prior year.

The company's strategy is to be a best practice provider of for-profit private social housing. The Board measures performance against its strategy through Key Performance Indicators ("KPIs") as outlined below.

Qualitative KPIs:

- time taken to carry out repairs. Average days to complete repairs over the year was 10 days (2022: 10 days), compared to a target of 14 days (2022: 14 days).
- compliance with safety standards. This includes gas safety certification, energy performance certificates, fire and workplace risk assessments, and maintenance of all safety systems in communal areas.
- resident satisfaction with management service, value for money and quality of units. Online resident surveys were circulated three times during the year, with residents predominantly responding with highly satisfied or satisfied.

Financial KPIs:

- monitoring cost of repairs and services
- monitoring tenant arrears.
- monitoring managing agent costs

Future developments

The expected future developments of the company are determined by the Board, having regard to the strategy of the wider group. The company continues to pursue opportunities to expand its operating activities through the acquisition of affordable rented homes.

Value for money

The Company aims to provide excellent homes and services to residents which offer value for money and are sensitive and responsive to both the needs of residents and the community in which we operate. For more information please see www.britishland.com/sustainability

The Board of the group uses total return, to monitor the performance of the group. This is a measure of growth in total equity per share, adding back any current year dividend.

Seymour Street Homes Limited

Strategic Report for the Year Ended 31 March 2023 (continued)

Operations

So far for 2023 89% of repairs have been resolved on a first-time fix basis, helping to reduce the cost to repair and increasing satisfaction for our tenants. There have been no emergency or urgent items where responses fell outside of the expected response times.

The Tenant Satisfaction Measures Surveys are reviewed and issued annually, all tenant comments are carefully reviewed and considered. The survey findings are shared with the Board and necessary actions implemented.

We understand our responsibility to deliver social value and we are delighted that the 11 Social Housing homes at the Clarges Development has already made a significant contribution to adding lasting social value to the surrounding area. As our portfolio grows we will operate using a Place Based approach understanding the most important issues and opportunities in the communities around each of our places and focussing our efforts collaboratively, to make the biggest impact at each place.

New Business

Based on the success of the last 12 months we continue to look for new opportunities to grow our portfolio of affordable housing providing more flexibility to our existing tenants.

	2022-23	2021-22
[1] Reinvestment %	0%	0%
[2a] New supply - Social housing units	0%	0%
[2b] New supply – Non-social housing units %	0%	0%
[3] Gearing %	0%	0%
[4] EBITDA MRI %	N/A	N/A
[5] Headline social housing cost per unit £	11,095	7,259
[6a] Operating margin – social housing lettings %	10.8%	39.2%
[6b] Operating margin – overall %	10.8%	39.2%
[7] Return on capital employed %	0.5%	1.8%

Governance

For the year ended 31st March 2023 the Company complies with the European Confederation of Directors and Associations Corporate Governance Guidance and Principles ("the ECoDa Code").

The company also complies with the Regulator of Social Housing Governance and Financial Viability Standard.

The Board comprises the Chairman, two independent Non-Executive Directors and three Executive Directors. The Non-Executive Directors are able to offer an external perspective on the business, and to constructively challenge the Executive Directors. The strong mix of skills and experience of all the directors provides for constructive debate and careful decision making.

The Board met 4 times during the year (attendance: Emma Cariaga (4/4), Andrew Cowan (3/4), Jeremy Titchen (3/4), Virginia Warr (3/4), Gail Wright (3/4), Michael Youkee - Resigned 31/03/2023 (3/4)) and key areas considered by the Board were regulatory compliance, the risk register, the asset and liability register, tenant feedback, financial viability and strategic direction of the company.

Any expected future developments of the company are determined by the strategy of the group.

For more information also see The British Land Company PLC group annual report.

The performance of the group, which includes the company, is discussed in the group's annual report which does not form part of this report.

Seymour Street Homes Limited**Strategic Report for the Year Ended 31 March 2023 (continued)****Principal risks and uncertainties**

The Board determines the extent and nature of the risks it is prepared to take in order to achieve the company's strategy and has put in place appropriate risk management and controls. In addition, the company maintains a risk register which is reviewed regularly at Board meetings. The key risks identified are listed below with mitigating actions in each case:

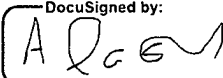
- political risk that the government changes its policy in relation to affordable housing which adversely affects the company. The Board includes directors with significant experience of the affordable housing sector, and the company has appointed specialist legal advisers who are able to advise on the impact of any such policy changes;
- the economic risk that there is a lack of available funds to enter into future transactions and settle amounts owed to suppliers. The wider group, of which the company is a part, has committed to providing funding for each of the company's ongoing projects and provide liquidity for day-to-day operations if required;
- the risk that there is a RSH regulatory breach. Prompt fulfilment of all RSH regulatory requirements is a key management priority. Regulatory deadlines are reviewed by the Board at Board meetings, and the company engages professional services firms to assist with regulatory compliance; and
- the risk that Health and Safety standards are not met. Periodic inspections are made of all units, and regular communication with residents takes place in order to identify and address any Health and Safety deficiencies. The company works with its managing agent to ensure that all relevant legislative requirements are satisfied, included but not limited to gas safety certification, energy performance certificates, fire and workplace risk assessments, and the implementation and maintenance of an appropriate regime to inspect and service all safety systems present in communal areas.

The financial and political risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group financial statements.

The general risk environment in which the Company operates has been volatile in terms of the economic and political landscape. Although more recently the outlook for the UK economy is improving, sentiment remains fragile.

28.09.2023

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

DocuSigned by:

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Alan Townshend

Director

Seymour Street Homes Limited

Directors' Report for the Year Ended 31 March 2023

The directors present their report and the audited financial statements for the year ended 31 March 2023.

Directors of the company

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

E J Cariaga (Executive Director)

A J Cowan (Independent Non-executive Director)

J D T Titchen (Independent Non-executive Director)

M G Youkee (Chairman - Independent Non-executive Director) (resigned 31 March 2023)

G Wright (Executive Director)

V Warr (Executive Director)

A Townshend (Chairman - Independent Non-Executive Director) (appointed 31 March 2023)

Directors' responsibilities statement

The directors acknowledge their responsibilities for preparing the Annual Report, Strategic Report, Directors' 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'), the Statement of Recommended Practice for Registered Social Providers ("Housing SORP 2018"), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from January 2022 ("Accounting Direction"). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101, the Housing SORP 2018, and the Accounting Direction has 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.

Environmental matters

Across the group, The British Land Company PLC recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies. The group's full sustainability report is available online at:

www.britishland.com/sustainability/reporting/latest-reporting

In preparing the financial statements, the impact of climate change has been considered. Whilst noting the Company's commitment to sustainability, there has not been a material impact on the financial reporting judgements and estimates arising from our considerations, which include physical climate and transitional risk assessments conducted by the Company.

Seymour Street Homes Limited

Directors' Report for the Year Ended 31 March 2023 (continued)

Going Concern

The Directors consider that the Company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this the Directors feel that the Company is well placed to manage its financing and other business risks satisfactorily despite the uncertain economic climate, and have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for at least 12 months from the signing date of these financial statements. Accordingly, they believe the going concern basis is an appropriate one.

Subsequent Events

Details of significant events since the Balance Sheet date, if any, are contained in note 18.

Disclosure of information to the auditors

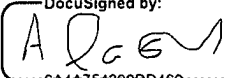
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Independent auditors

The auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

28.09.2023

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

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Alan Townshend

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEYMOUR STREET HOMES LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Seymour Street Homes Limited ("the Company") for the year ended 31 March 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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

Independence

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.

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 at least twelve 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEYMOUR STREET HOMES 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 rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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 Strategic report or 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.

Responsibilities of Directors

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEYMOUR STREET HOMES 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.

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006 and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEYMOUR STREET HOMES LIMITED (CONTINUED)

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, revenue recognition and inputs to investment property valuation.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Inspecting signed lease agreements to recalculate the annual turnover, and agreeing cash receipts to bank statements to check customers exist and that the management information did agree for a sample of tenants; and
- Assessing significant estimates made by management for bias in the valuation methods, assumptions used and the inputs and judgements adopted therein in valuing the investment property.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations through out the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 the Housing and Regeneration Act 2008 and 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:

Chris Young

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Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

29 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Seymour Street Homes Limited**Profit and Loss Account for the Year Ended 31 March 2023**

	Note	2023 £	2022 £
Turnover	4	136,787	131,400
Cost of sales		<u>(106,413)</u>	<u>(68,140)</u>
Gross profit		30,374	63,260
Administrative expenses		<u>(15,631)</u>	<u>(11,704)</u>
Operating surplus		14,743	51,556
Revaluation of investment properties	9	<u>(292)</u>	<u>490,000</u>
Surplus on social housing activities before interest and taxation		14,451	541,556
Interest receivable and similar income	5	<u>67</u>	<u>-</u>
Surplus on social housing activities before taxation		14,518	541,556
Taxation	8	<u>-</u>	<u>-</u>
Surplus for the year		<u>14,518</u>	<u>541,556</u>

Turnover and results were derived from continuing operations within the United Kingdom. All of the Profit and Loss account transactions are in relation to General needs housing only.

The notes on pages 14 to 22 form an integral part of these financial statements.

Seymour Street Homes Limited**Statement of Comprehensive Income for the Year Ended 31 March 2023**

	2023 £	2022 £
Surplus for the year	<u>14,518</u>	<u>541,556</u>
Total comprehensive income for the year	<u><u>14,518</u></u>	<u><u>541,556</u></u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Seymour Street Homes Limited

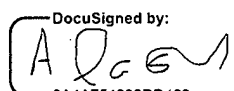
(Registration number: 10044321)

Balance Sheet as at 31 March 2023

	Note	31 March 2023 £	31 March 2022 £
Fixed assets			
Investment properties	9	<u>2,560,000</u>	<u>2,560,000</u>
		<u>2,560,000</u>	<u>2,560,000</u>
Current assets			
Debtors	10	16,660	37,046
Cash and cash equivalents	12	<u>244,099</u>	<u>203,795</u>
		260,759	240,841
Creditors due within one year	11	<u>(5,400)</u>	<u>-</u>
Net current assets		255,359	240,841
Provisions for liabilities	14	<u>(7,592)</u>	<u>(7,592)</u>
Net assets		<u>2,807,767</u>	<u>2,793,249</u>
Capital and reserves			
Share capital	13	2,320,000	2,320,000
Profit and loss account		<u>487,767</u>	<u>473,249</u>
Total shareholders' funds		<u>2,807,767</u>	<u>2,793,249</u>

28.09.2023

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

DocuSigned by:

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Alan Townshend
 Director

The notes on pages 14 to 22 form an integral part of these financial statements.

Seymour Street Homes Limited**Statement of Changes in Equity for the Year Ended 31 March 2023**

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2021	2,320,000	(68,307)	2,251,693
Surplus for the year	-	541,556	541,556
Total comprehensive income for the year	-	541,556	541,556
Balance at 31 March 2022	2,320,000	473,249	2,793,249
Balance at 1 April 2022	2,320,000	473,249	2,793,249
Surplus for the year	-	14,518	14,518
Total comprehensive income for the year	-	14,518	14,518
Balance at 31 March 2023	2,320,000	487,767	2,807,767

The notes on pages 14 to 22 form an integral part of these financial statements.

Seymour Street Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

The company is a for-profit private registered provider of social housing. The company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

York House
45 Seymour Street
London
W1H 7LX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with, and are compliant with, Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), the Statement of Recommended Practice for Registered Social Housing Providers ("Housing SORP 2018") and the Housing and Regeneration Act 2008, and comply with the Accounting Direction for Private Registered Providers of Social Housing from January 2022 ("Accounting Direction").

The financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, the Housing SORP 2018 and the Accounting Direction. Instances in which advantage of the FRS 101 disclosure exemptions have been taken are set out below.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments properties. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of The British Land Company PLC.

Summary of disclosure exemptions

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

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to disclose information on the management of capital;
- (d) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (e) The requirements of IFRS 7 to disclose financial instruments; and
- (f) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)**

2 Accounting policies (continued)

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group financial statements of The British Land Company PLC. The group financial statements of The British Land Company PLC are available to the public and can be obtained as set out in note 21.

Adoption status of relevant new financial reporting standards and interpretations

In the current year the Company has adopted a number of minor amendments to standards effective in the year issued by the IASB, none of which have had a material impact on the Company. These include amendments to IAS 16, IAS 37, IFRS 3 and annual improvements to IFRS Standards 2018-2020. Several amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. These include amendments to IAS 12, IAS 1 and IFRS Practice Statement 2. These have not yet been adopted by the Company. The amendments listed above did not have any material impact on amounts recognised in prior years, and are not expected to significantly affect current and future years.

Going Concern

The Directors consider that the Company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this the Directors feel that the Company is well placed to manage its financing and other business risks satisfactorily despite the uncertain economic climate, and have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for at least 12 months from the signing date of these financial statements. Accordingly, they believe the going concern basis is an appropriate one.

Turnover

Rental income from investment property

Turnover comprises rental income receivable in the year generated from affordable and intermediate units. Rental income is recognised on an accruals basis.

Taxation

Current tax is based on taxable surplus for the year and is calculated using tax rates that have been enacted or substantively enacted. Taxable surplus differs from net surplus as reported in the Profit and Loss Account because it excludes items of income or expense that are not taxable (or tax deductible).

Deferred tax is provided on items that may become taxable at a later date, on the difference between the balance sheet value and tax base value, on an undiscounted basis.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequently to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Any surplus or deficit arising on revaluing investment properties is recognised in the Profit and Loss Account as a fair value movement.

Where properties held for investment are appropriated to trading stock, they are transferred at market value. If properties held for trading are appropriated to investment, they are transferred at book value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Seymour Street Homes Limited**Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)****2 Accounting policies (continued)****Debtors**

Trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate. The Company calculates the expected credit loss for debtors based on lifetime expected credit losses under the IFRS 9 simplified approach.

Creditors

Trade and other creditors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Directors are required to make critical accounting judgements and assess key sources of estimation uncertainty that affect the financial statements.

Key sources of estimation uncertainty

The key source of estimation uncertainty relates to the valuation of the property portfolio where an external valuation is obtained. In accounting for net rental income, the group is required to judge the recoverability of any income accrued and provides against the credit risk on these amounts. The potential for management to make judgements or estimates relating to those items which would have a significant impact on the financial statements is considered, by the nature of the group's business, to be limited.

Critical accounting judgements

The Company has chosen to classify the social housing property as an investment property under IAS 40, which is consistent with the accounting treatment for property held for the long-term by the wider British Land Group. This is a critical accounting judgement which is reviewed by management and the company's directors at each reporting period.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2023	2022
	£	£
Rental income from social housing investment property	<u>136,787</u>	<u>131,400</u>
	<u>136,787</u>	<u>131,400</u>

Service charge receivable in the year was £nil (2022: £nil). Void losses in the year were £nil (2022: £nil). Rents paid in advance as at 31 March 2023 were £nil (31 March 2022: £nil).

Seymour Street Homes Limited**Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)****5 Interest receivable and similar income**

	2023 £	2022 £
Other finance income	67	-
	<u>67</u>	<u>-</u>

6 Auditors' remuneration

Audit fees of £2,655 (2022: £2,125) were paid to BDO LLP in the current year, and in the prior year, in respect of the audit of the financial statements for the years ended 31 March 2023 and 31 March 2022.

No non-audit fees (2022: £nil) were paid to BDO LLP in the current year, and in the prior year.

7 Staff costs

The director's aggregate remuneration in respect of qualifying services was:

	2023 £	2022 £
Remuneration	<u>10,000</u>	<u>10,000</u>

The remuneration of Michael Youkee, Andrew Cowan and Jeremy Titchen totalled £10,000 (2022: £10,000). This was the total remuneration of all key management personnel. The remuneration paid to the highest paid director totalled £5,000 (2022: £5,000).

Average number of employees, excluding directors, of the company during the year was nil (2022: nil)

8 Taxation

	2023 £	2022 £
Current taxation		
UK corporation tax	-	-
Tax charge in the profit and loss account	<u>-</u>	<u>-</u>

Seymour Street Homes Limited**Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)****8 Taxation (continued)**

	2023 £	2022 £
Tax reconciliation		
Surplus on social housing activities	14,518	541,556
Tax on surplus on ordinary activities at UK corporation tax rate of 19% (2022: 19%)	2,758	102,896
Effects of:		
REIT exempt income and gains	(2,801)	(9,796)
Decrease/(increase) in fair value of property	56	(93,100)
Group relief	(13)	-
Total tax charge	-	-

On 24 May 2021 legislation was substantially enacted to increase the corporation tax rate to 25% from 1 April 2023. Where relevant this has been reflected in the deferred tax calculation.

9 Investment properties

	£
Fair value	
1 April 2022	2,560,000
Additions	292
Revaluation	(292)
31 March 2023	2,560,000
Fair value	
1 April 2021	2,070,000
Revaluation	490,000
31 March 2022	2,560,000
Analysis of cost and valuation	
31 March 2023	
Cost	2,107,876
Valuation	452,124
Net book value	2,560,000
31 March 2022	
Cost	2,107,584
Valuation	452,416

Seymour Street Homes Limited**Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)****9 Investment properties (continued)**

	£
Net book value	<u>2,560,000</u>

At 31 March 2023 the book value of leasehold investment properties owned by the company was £2,560,000 (2022: £2,560,000).

Investment properties are valued by adopting the "investment method" of valuation. This approach involves applying capitalisation yields to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable property and leasing transactions in the market, using the valuers' professional judgement and market observation, and taking into account the continued use of the property for social housing. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Properties were valued to fair value at 31 March 2023 by Jones Lang LaSalle, independent valuers not connected with the company, in accordance with the RICS Valuation - Global Standards 2022, published by The Royal Institution of Chartered Surveyors.

The valuers of the Group's property portfolio have a working knowledge of the various ways that sustainability and Environmental, Social and Governance factors can impact value and have considered these, and how market participants are reflecting these in their pricing, in arriving at their Opinion of Value and resulting valuations as at the balance sheet date. These may be:

- physical risks;
- transition risk related to policy or legislation to achieve sustainability and Environmental, Social and Governance targets; and
- risks reflecting the views and needs of market participants.

The Group has shared recently conducted physical climate and transitional risk assessments with the valuers which they have reviewed and taken into consideration to the extent that current market participants would.

Valuers observe, assess and monitor evidence from market activities, including market (investor) sentiment on issues such as longer-term obsolescence and, where known, future Environmental, Social and Governance related risks and issues which may include, for example, the market's approach to capital expenditure required to maintain the utility of the asset. In the absence of reliable benchmarking data and indices for estimating costs, specialist advice on cost management may be required which is usually agreed with the valuer in the terms of engagement and without which reasonable estimates/assumptions may be needed to properly reflect market expectations in arriving at the Opinion of Value.

The company leases out all of its investment properties under assured shorthold tenancy agreements.

Units owned and managed

	2023 Units	2022 Units
Affordable rent	6	6
Intermediate rent	<u>5</u>	<u>5</u>
General needs	<u>11</u>	<u>11</u>

Seymour Street Homes Limited**Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)****10 Debtors**

	31 March 2023 £	31 March 2022 £
Trade debtors	228	6,280
Amounts due from related parties	14,416	28,528
Prepayments	2,016	2,238
	16,660	37,046

Debtors from related parties relate to amounts due from group companies which are repayable on demand. There is no interest charged on these balances (2022: £nil). The expected credit loss provision for bad and doubtful debts was £nil (2022: £nil).

11 Creditors due within one year

	31 March 2023 £	31 March 2022 £
Accrued expenses	5,400	-
	5,400	-

12 Cash at bank and in hand

	31 March 2023 £	31 March 2022 £
Cash at bank	244,099	203,795
	244,099	203,795

13 Share capital**Allotted, called up and fully paid shares**

	No.	31 March 2023 £	No.	31 March 2022 £
Ordinary shares of £1 each	2,320,000	2,320,000	2,320,000	2,320,000

Seymour Street Homes Limited**Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)****14 Other provisions**

	Onerous contracts £	Total £
At 1 April 2022	<u>7,592</u>	<u>7,592</u>
At 31 March 2023	<u>7,592</u>	<u>7,592</u>
Current liabilities	<u>7,592</u>	<u>7,592</u>

The provision relates to scaffolding works that obstructed the property and was due to any tenants who made complaints about the obstruction.

15 Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2022: £nil).

16 Contingent liabilities

The company had no contingent liabilities as at 31 March 2023 (2022: £nil).

17 Related party transactions

At the year end the company was due an amount from The British Land Company Plc of £14,416 (2022: £28,528). There is no interest charged on amounts due from group companies which are repayable on demand.

The British Land Company PLC is not a for-profit registered provider of social housing.

There were no significant apportionment, recharge or allocation of turnover, costs, assets and liabilities between the Company and any other Group companies in both the current and prior years.

18 Subsequent events

There have been no significant events since the year end.

19 Recycled Capital Grant Fund (RCGF)

From incorporation to the balance sheet date the Company has received no capital grants. Therefore there are no balances to disclose in respect of capital grant funds in accordance with the Accounting Direction for Private Registered Providers of Social Housing, issued by Homes England.

20 Disposal Proceeds Fund (DPF)

From incorporation to the balance sheet date the Company has made no disposals of property. Therefore there are no balances to disclose in respect of disposal proceeds in accordance with the Accounting Direction for Private Registered Providers of Social Housing, issued by the Homes England.

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)**

21 Parent and ultimate parent undertaking

The immediate parent company is BL Intermediate Holding Company Limited.

The British Land Company PLC is the smallest and largest group for which group accounts are available and which include the company. No other entities within the group are for-profit private registered providers of social housing. The ultimate holding company and controlling party is The British Land Company PLC. Group accounts for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.