

Registration No. OC382019

STUDENT ACCOMMODATION PROVISION THREE LLP

Report and Financial Statements

31 July 2021



STUDENT ACCOMMODATION PROVISION THREE LLP

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STUDENT ACCOMMODATION PROVISION THREE LLP
INFORMATION

Designated Members

University of York
York University Property Company Ltd

Registered Office

University of York
Heslington
York
England
YO10 5DD

Bankers

NatWest Bank
6 Park Row
Leeds
LS1 5HD

Auditor

KPMG LLP
Chartered Accountants and Statutory Auditor
Leeds

STUDENT ACCOMMODATION PROVISION THREE LLP

MEMBERS' REPORT

The members present their annual report and the audited financial statements of Student Accommodation Provision Three LLP for the period ended 31 July 2021. This members' report has been prepared in accordance with the provisions applicable to partnerships entitled to the small companies exemption.

Principal activities

The principal object of the partnership is the provision of student accommodation through property investment and development. There have been no changes in the objects since the last annual report.

Going concern

The financial statements have been prepared on a going concern basis which the Members consider to be appropriate for the following reason.

The Members have prepared a medium term financial plan for the period until July 2026, that is, more than four years months from the date of approval of these financial statements, which indicate that taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds, to meet its liabilities as they fall due for a minimum of twelve months from the date of approval of these financial statements. The Members therefore continue to adopt the going concern basis in preparing the annual financial statements.

Review of the business

The partners are content with the results for the year to 31 July 2021 which are in line with expectations. Due to contracts in place the Covid-19 pandemic has had little impact on these results.

Results

The results for the year are set out in detail on page 10.

Members' capital and interests

Each member's subscription to the capital of the partnership is determined by their share of the profit and is repayable following retirement from the partnership. Details of changes in members' capital in the period ended 31 July 2021 are set out in the financial statements.

Members are remunerated from the profits of the partnership and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between the members after finalisation of the financial statements. Profits are distributed to members after the end of the financial year, subject to the cash requirements of the business.

Auditor

Each of the members at the date of approval of this report confirms that:

- so far as the member is aware, there is no relevant audit information of which the partnership's auditor is unaware; and
- the member has taken all the steps that he/she ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the partnership's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

STUDENT ACCOMMODATION PROVISION THREE LLP

Approved by the members on

DocuSigned by:

Jeremy Lindley

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J C Lindley for and on behalf of
University of York
Designated member
11.02.2022

DocuSigned by:

Joss Ivory

887248288C584F6...

J C Ivory for and on behalf of
York University Property Company Limited
Designated member
11.02.2022

STUDENT ACCOMMODATION PROVISION THREE LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE MEMBERS' REPORT AND THE FINANCIAL STATEMENTS

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the members to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the partnership ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

STUDENT ACCOMMODATION PROVISION THREE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT ACCOMMODATION PROVISION THREE LLP

Opinion

We have audited the financial statements of Student Accommodation Provision Three LLP ("the LLP") for the year ended 31 July 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the LLP will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

STUDENT ACCOMMODATION PROVISION THREE LLP

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of members as to the LLP's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we considered there to be a risk of fraud relating to income being recorded in the incorrect period.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the members and other management (as required by auditing standards), and discussed with the members and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the LLP is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies/LLP legislation), and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, anti-bribery and certain aspects of company legislation recognising the nature of the LLP's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the members and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

STUDENT ACCOMMODATION PROVISION THREE LLP

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Members' report

The members are responsible for the members' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the members' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the members' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 5, the members are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate,

STUDENT ACCOMMODATION PROVISION THREE LLP

they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP'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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Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square,
Leeds,
LS1 4DA
15.02.2022

STUDENT ACCOMMODATION PROVISION THREE LLP**INCOME STATEMENT****For the year ended 31 July 2021**

	Note	2021 £	2020 £
Turnover		4,426,203	4,299,914
Cost of sales		(982,164)	(1,079,567)
		<hr/>	<hr/>
Gross profit		3,444,039	3,220,347
Administrative expenses		(251,803)	(177,305)
Fair value movement of investment property		2,710,000	(800,000)
		<hr/>	<hr/>
Operating profit		5,902,236	2,243,042
Interest payable and expenses		(1,948,619)	(1,975,550)
		<hr/>	<hr/>
Profit for the year before members' remuneration and profit shares		3,953,617	267,492
Members' remuneration charged as an expense		(3,953,617)	(267,492)
		<hr/>	<hr/>
Profit for the financial period available for discretionary division among members		-	-
		<hr/>	<hr/>

The notes on pages 13 to 17 form an integral part of this income statement.

All of the activities undertaken by the partnership during the period are continuing activities.

No other comprehensive income was recognised by the partnership during the period. As such no statement of other comprehensive income is presented.

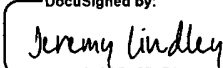
STUDENT ACCOMMODATION PROVISION THREE LLP**STATEMENT OF FINANCIAL POSITION****As at 31 July 2021****Registration No. OC382019**


	Note	2021 £	2020 £
FIXED ASSETS			
Investment property	4	45,710,000	43,000,000
CURRENT ASSETS			
Cash at bank		6,361,014	6,015,813
		6,361,014	6,015,813
CREDITORS: Amounts falling due within one year	5	(499,907)	(923,523)
NET CURRENT ASSETS		5,861,107	5,092,290
TOTAL ASSETS LESS CURRENT LIABILITIES		51,571,107	48,092,290
CREDITORS: Amounts falling due after more than one	6	(27,413,963)	(27,888,763)
		24,157,144	20,203,527
REPRESENTED BY:			
Loans and other debts due to members within one year			
Other amounts	7	11,210,979	7,257,362
Members' other interests			
Members' capital classified as equity	7	1,920,864	1,920,864
Members' other interests	7	11,025,301	11,025,301
		12,946,165	12,946,165
		24,157,144	20,203,527

The notes on pages 13 to 17 form an integral part of this statement of financial position.

The financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime within Part 15 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

These financial statements were approved and authorised for issue by the members and were signed on their behalf

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 J C Lindley for and on behalf of
 University of York
 Designated Member
 11.02.2022

DocuSigned by:

 8B7248288C584F6...
 J C Ivory for and on behalf of
 York University Property Company Limited
 Designated Member
 11.02.2022

STUDENT ACCOMMODATION PROVISION THREE LLP**STATEMENT OF CHANGES IN EQUITY**

	Loans & other debts due to members £	Members' capital (classified as equity) £	Members' other interests £	Total £
Balance at 1 April 2019	6,989,870	1,920,864	11,025,301	19,936,035
Comprehensive income for the period				
Members' remuneration charged as an expense	1,067,492	-	-	1,067,492
Transfer to sinking fund	-	-	-	-
Utilisation of sinking fund	-	-	-	-
Deficit on revaluation of investment property	(800,000)	-	-	(800,000)
Drawings	-	-	-	-
Total comprehensive income for the year	267,492	-	-	267,492
Balance at 31 July 2020	7,257,362	1,920,864	11,025,301	20,203,527
Balance at 1 August 2020	7,257,362	1,920,864	11,025,301	20,203,527
Comprehensive income for the period				
Members' remuneration charged as an expense	1,243,617	-	-	1,243,617
Transfer to sinking fund	-	-	-	-
Utilisation of sinking fund	-	-	-	-
Surplus on revaluation of investment property	2,710,000	-	-	2,710,000
Drawings	-	-	-	-
Total comprehensive income for the year	3,953,617	-	-	3,953,617
Balance at 31 July 2021	11,210,979	1,920,864	11,025,301	24,157,144

STUDENT ACCOMMODATION PROVISION THREE LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

1. Accounting policies

Student Accommodation Provision Three LLP (the 'partnership') is a limited liability partnership, domiciled in England and Wales, registration number OC382019. The registered office is Heslington Hall, Heslington, York, YO10 5DD.

The financial statements are prepared on the historical cost convention. The presentation currency is pounds sterling.

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A small entities, on the grounds of the partnership qualifying as a small partnership under the provisions of the Companies Act 2006. There were no material departures from that standard, and the partnership has applied relevant disclosure exemptions, including exemption from the requirement to prepare a cash flow statement.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the Members consider to be appropriate for the following reason.

The Members have prepared a medium term financial plan for the period until July 2026, that is, more than four years months from the date of approval of these financial statements, which indicate that taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds, to meet its liabilities as they fall due for that period. The Members therefore continue to adopt the going concern basis in preparing the annual financial statements.

Key estimates and uncertainties

Preparation of the financial statements requires the members to make significant judgments and estimates. The item in the financial statements where these judgements and estimates have been made is the revaluation of land and buildings as at 31 July 2021. The revaluation was carried out by qualified experts Jones Lang LaSalle. The members do not consider there to have been any further judgements or estimates that contain sufficient uncertainty to have a significant impact upon the figures presented in the financial statements.

Turnover

All turnover has been derived in the United Kingdom from the partnership's principal business activity. Turnover consists of the gross rental income receivable from tenants, exclusive of Value Added Tax, as adjusted for rents in advance and arrears.

Turnover is recognised in the period in which it relates. It is derived from a single class of business within the United Kingdom.

Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

STUDENT ACCOMMODATION PROVISION THREE LLP

No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Investment properties are not depreciated in accordance with the generally accepted accounting principle set out in Section 16 of FRS 102. The members consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view that it is necessary to adopt Section 16 of FRS 102 in order to give a true and fair view.

2. Auditor's remuneration

	2021 £	2020 £
Fees payable for the audit of the partnership's annual financial statements:	8,276	7,800
	<u>8,276</u>	<u>7,800</u>

3. Staff numbers and costs

The partnership has no employees other than its members in either the current or prior years.

4. Investment Property

	Freehold Investment Property £
Valuation	
At 1 August 2020	43,000,000
Surplus on revaluation	2,710,000
	<u>45,710,000</u>
At 31 July 2021	<u>45,710,000</u>

The 2021 and 2020 valuations were made by Jones Lang LaSalle, Chartered Surveyor and International Property Consultants. The valuations were prepared on the basis of fair value and were made in accordance with the RICS Appraisal and Valuation Manual.

If the Investment properties had been accounted for under the historical cost accounting rules, the properties would have been measured as follows:

	2021 £	2020 £
Historical cost	32,786,204	32,786,204
	<u>32,786,204</u>	<u>32,786,204</u>

STUDENT ACCOMMODATION PROVISION THREE LLP**5. Creditors: amounts falling due within one year**

	2021 £	2020 £
Accruals and deferred income	220,292	543,425
Amounts owed to related party	279,615	380,098
	<u>499,907</u>	<u>923,523</u>

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

	2021 £	2020 £
Bank loan	27,413,963	27,888,763
	<u>27,413,963</u>	<u>27,888,763</u>

Creditors include amounts not wholly repayable within 5 years as follows:

Repayable by instalments	27,413,963	27,888,763
	<u>27,413,963</u>	<u>27,888,763</u>

Secured Loans

The bank loans are secured over the assets of the LLP and are repayable in more than five years.

The loan bears interest at 5.79% per annum and is to be repaid in quarterly instalments between September 2014 and September 2049.

STUDENT ACCOMMODATION PROVISION THREE LLP**7. Reconciliation of members' interests**

	Members' capital (classified as equity) £	Other reserves – sinking fund £	Amounts due to members £	Total £
Balance at 1 April 2019	1,920,864	1,311,514	16,703,657	19,936,035
Members' remuneration charged as an expense	-	-	1,067,492	1,067,492
Transfer to sinking fund	-	-	-	-
Utilisation of sinking fund	-	-	-	-
(Deficit) on revaluation of investment property	-	-	(800,000)	(800,000)
Drawings	-	-	-	-
Total	-	-	267,492	267,492
Balance at 31 July 2020	1,920,864	1,311,514	16,971,149	20,203,527
Balance at 1 August 2020	1,920,864	1,311,514	16,971,149	20,203,527
Members' remuneration charged as an expense	-	-	1,243,617	1,243,617
Transfer to sinking fund	-	-	-	-
Utilisation of sinking fund	-	-	-	-
Surplus on revaluation of investment property	-	-	2,710,000	2,710,000
Drawings	-	-	-	-
Total	-	-	3,953,617	3,953,617
Balance at 31 July 2021	1,920,864	1,311,514	20,924,766	24,157,144

The sinking fund provides for future property repairs and maintenance. Amounts included in the sinking fund are not available for members' to draw on, in line with the LLP agreement, without approval of the lender.

STUDENT ACCOMMODATION PROVISION THREE LLP

8. Ultimate parent undertaking

In the opinion of the members, the University of York is regarded as the ultimate parent entity and controlling party. The largest and smallest group in which the results of the partnership are consolidated is that headed by the University of York. Copies of the parent's consolidated financial statements may be obtained from The Registrar and Secretary, University of York, Heslington, York, North Yorkshire, YO10 5DD.

9. Related parties

There are no related party transactions to report. Transactions with the University of York and its wholly owned subsidiaries (which therefore eliminate on consolidation) are not required to be disclosed.