Registered number OC420226

HSU JV LLP

Report and Financial Statements

31 December 2022

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General information

Designated Members

The members during the period were as follows:

- BY Development Limited, registered office Becket House, 1 Lambeth Palace Road, London, SE1 7EU
- HSRE BC Holdco Limited, registered office Waterloo House, Don St, St Helier, Jersey.

Registered office

Becket House, 1 Lambeth Palace Road, London, SE1 7EU, United Kingdom.

Members' report

HSU JV LLP (the "LLP") was incorporated in England and Wales on 6 December 2017. The members present their report and financial statements for the year ended 31 December 2022.

Business Review

The LLP, as a holding company, oversaw the development and management of student accommodation through its subsidiaries, New Bath Court Limited and New Bath Court (Opco) Limited. During the year, the LLP disposed of its subsidiary companies.

The profit for the year was £3,709k *(2021: £1,539k)*. The financial position as at 31 December 2022 is shown in the statement of financial position on page 6.

Detail of members' drawings and subscriptions and any repayments of amounts subscribed.

Members' capital contributions paid during the year were £nil *(2021: £nil)*. Repayments of capital contributions to members during the year were £11,084k *(2021: £nil)*.

The capital requirements of the LLP are determined by the members and are reviewed regularly.

Going concern

The LLP's business activities, together with the factors likely to affect its future development and its financial position are set out in this Members' Report.

The LLP's financial statements have been prepared on a going concern basis.

The LLP has net assets of £1,829k *(2021: £15,721k)* and cash at bank of £3,000k *(2021: £nil)*. In preparing a cash flow forecast to support the going concern assessment, the Members have assessed whether the LLP will be able to meet its liabilities as and when they fall due for the period to 31 March 2025. The Members have concluded that adopting the going concern basis of accounting in preparing the financial statements is appropriate.

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 LLP's financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2008 ('the LLP Regulations') requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK adopted international accounting standards. Under the LLP Regulations, 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 LLP and of the profit or loss of the LLP for that period.

In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the LLP's financial position and financial performance

Members' report *(continued)*

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under the LLP Regulations the members are responsible for keeping proper accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the LLP Regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

On behalf of the members

O Campbell
Authorised signatory of BY Development Limited

Registered Office:
Becket House
1 Lambeth Palace Road
London
SE1 7EU

13 March 2024

Statement of comprehensive income

for the year ended 31 December 2022

	Note	2022	2021
		£000	£000
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other operating income	5	**2,116**	-
Administrative expenses		**(33)**	-
Operating profit		**2,083**	-
Interest receivable and similar income	4	**1,626**	1,539
Profit before tax		**3,709**	1,539
Income tax		-	-
Profit before members remuneration		**3,709**	1,539
Members remuneration charged as an expense		-	-
Profit attributable to members		**3,709**	1,539
Other comprehensive income		-	-
Total comprehensive income		**3,709**	1,539

The notes on pages 9 to 18 form an integral part of these financial statements.

Statement of financial position

at 31 December 2022

	Note	2022	2021
		£000	£000
Non-current assets			
Investments	5	-	15,721
		-	15,721
Current assets			
Cash and cash equivalents	6	**3,000**	-
		3,000	-
Current liabilities			
Creditors: amounts falling due within one year	7	**(1,171)**	-
		(1,171)	-
Net current assets		**1,829**	-
Total assets less current liabilities		**1,829**	15,721
Net assets attributable to members		**1,829**	15,721
Represented by:			
Members' other interests			
Members capital classified as equity	9	**1,829**	12,913
Members other interests - reserves	9	-	2,808
		1,829	15,721

For the financial year in question the LLP was entitled to exemption under section 477 of the Companies Act 2006 relating to small LLPs. No members have required the LLP to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

These financial statements were approved and authorised by the members on 13 March 2024 and were signed on their behalf by:

O Campbell
Authorised signatory of BY Development Limited
LLP registration no: OC420226

The notes on pages 9 to 18 form an integral part of these Financial Statements.

Statement of changes in net assets attributable to members

for the year ended 31 December 2022

	Note	*Members' capital classified as equity* *£000*	*Members' other interests* *£000*	*Total Equity* *£000*
At 1 January 2021		12,913	1,269	14,182
Profit for the year		-	1,539	1,539
Total comprehensive income for the year		-	1,539	1,539
At 31 December 2021		12,913	2,808	15,721
Profit for the year	*9*	-	3,709	3,709
Total comprehensive income for the year		-	3,709	3,709
Distributions to members		(11,084)	(6,517)	(17,601)
At 31 December 2022		**1,829**	-	**1,829**

The notes on pages 9 to 18 form part of these Financial Statements.

Statement of cash flows

for the year ended 31 December 2022

	Note	2022	2021
		£000	£000
Reconciliation of profit before tax to net cashflow from operating activities			
Profit before tax		**3,709**	1,539
Gain on investments before disposal costs	5	**(3,254)**	-
Increase in trade and other payables		**1,171**	-
Interest receivable and similar income		**(1,626)**	(1,539)
Net cash inflow from operating activities		**-**	-
Cash flows from investing activities			
Loan investments repaid	5	**696**	-
Cash received on disposal of investments	5	**19,905**	-
Net cash inflow from investing activities		**20,601**	-
Cash flows from financing activities			
Members' capital repaid	9	**(11,084)**	-
Reserves paid to members	9	**(6,517)**	-
Net cash outflow from financing activities		**(17,601)**	-
Net increase in cash and cash equivalents		**3,000**	-
Cash and cash equivalents at 1 January 2022		**-**	-
Cash and cash equivalents at 31 December 2022	6	**3,000**	-

The notes on pages 9 to 18 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2022

(forming part of the financial statements)

1. Authorisation of financial statements and statement of compliance

The financial statements of HSU JV LLP (the "LLP") for the year ended 31 December 2022 were authorised for issue by the members on the date shown on the statement of financial position. HSU JV LLP is a limited liability partnership and is registered, incorporated and domiciled in England and Wales. The registered address of the LLP is Becket House, 1 Lambeth Palace Road, London SE1 7EU.

These financial statements were prepared in compliance with UK adopted international accounting standards , The LLP's financial statements are presented in Sterling, which is a functional and presentation currency of the LLP, on the historical cost basis and all values are rounded to the nearest thousand (£) except when otherwise indicated.

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

The preparation of financial statements in conformity with UK adopted international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods. In the opinion of the directors there are no significant judgements or accounting estimates applied in these financial statements.

The principal accounting policies adopted by the LLP are set out in note 2.

2. Accounting Policies

2.1 Going concern

The LLP's financial statements have been prepared on a going concern basis.

The LLP has net assets of £1,829k *(2021: £15,721k)* and cash at bank of £3,000k *(2021: £nil)*. In preparing a cash flow forecast to support the going concern assessment, the Members have assessed whether the LLP will be able to meet its liabilities as and when they fall due for the period to 31 March 2025. The Members have concluded that adopting the going concern basis of accounting in preparing the financial statements is appropriate.

2.2 Basis of preparation

These financial statements present the results of the LLP for the year ended 31 December 2022.

The accounting policies which follow set out those policies which were applied in preparing the financial statements for the year ended 31 December 2022.

Notes to the financial statements for the year ended 31 December 2022 (continued)

Accounting policies *(continued)*

(a) *New standards, interpretations and amendments adopted in the current financial year ended 31 December 2022*

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the LLP's financial statements.

	UK effective date – periods beginning on or after
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment): Onerous Contracts – Costs of Fulfilling a Contract.	1 January 2022
IFRS 3 Business Combinations (Amendment): Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRSs (2018-2020 cycle)	1 January 2022

(b) Standards, amendments, and interpretations in issue but not yet effective

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

	UK effective date – periods beginning on or after
IAS 1 Presentation of Financial Statements (Amendment): Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – deferral of Effective Date	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment): Definition of Accounting Estimates	1 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (Amendment): Disclosure of Accounting Policies.	1 January 2023

New Accounting standard and interpretations

The LLP applied the same standards, interpretations and accounting policies in 2022 as applied in its financial statements for the year ended 31 December 2021, except for changes required to meet new IFRS requirements applicable from 1 January 2022.

2.3 Classification of financial instruments issued by the LLP

In accordance with IFRS 9, financial instruments issued by the LLP are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the LLP to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the LLP; and

(b) where the instrument will or may be settled in the LLP's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the LLP's own equity instruments or is a derivative that will be settled by the LLP's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Notes to the financial statements for the year ended 31 December 2022 (continued)

Accounting policies *(continued)*

2.4 Members' participating interest

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity in accordance with IFRS. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the statement of comprehensive income in the relevant period as members' remuneration charged as an expense. To the extent that they remain unpaid at the period end, they are shown as liabilities in the statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the statement of comprehensive income and are equity appropriations in the statement of financial position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

2.5 Current versus non-current classification

The LLP presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months of the reporting period,
  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months of the reporting period
  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The LLP classifies all other liabilities as non-current.

Notes to the financial statements for the year ended 31 December 2022 (continued)

Accounting policies *(continued)*

2.6 Judgements and key sources of estimation uncertainty

Preparing financial statements in conformity with IFRS requires the use of estimates and assumptions which may have affected the amounts reported for assets and liabilities at the end of the reporting period, and the amounts of income and expenses reported for the financial period. Those estimates and assumptions are applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply.

2.7 Assets

a) *Non-current assets*

Financial assets

Financial assets are classified upon initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss. The classification at initial recognition depends on the financial assets cash flow characteristics and the LLP's business model for managing them.

Investments in long-term investment securities
Investments in long-term investment securities are recognised at fair value in the statement of financial position, with the exception of equity holdings in group undertakings, joint ventures and associates which are recognised at cost less accumulated impairment losses.

Changes in fair value are recognised either in profit and loss for the period or through OCI based on an irrevocable election made on a case by case basis upon initial recognition. Where an election is made to recognise changes in fair value through OCI and the asset is subsequently derecognised any changes in fair value previously recognised in OCI are not recycled to profit and loss.

Long-term loans receivable and other non-current assets
Loans and other non-current assets are carried at amortised cost. An impairment loss is recognised in profit and loss upon initial recognition, reflecting the expected default risk in the next 12 months.

Derecognition

A financial asset is primarily derecognised (i.e. removed from the LLP's statement of financial position) when:

- The rights to receive cashflows from the asset have expired

or

- The LLP has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either the LLP has transferred substantially all the risks and rewards of the asset, or has transferred control of the asset

When the LLP has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the LLP continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the LLP also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the LLP has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the LLP could be required to repay.

Notes to the financial statements for the year ended 31 December 2022 (continued)

Accounting policies *(continued)*

b) Current assets

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with maturities of three months or less. All cash balances are held in the United Kingdom.

Because of the short-term nature of these items, the carrying amounts shown in the financial statements are a reasonable estimate of market value.

2.8 Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit and loss or as measured at amortised value.

a) Current liabilities

Trade and other payables

Because of the short-term nature of these liabilities, the carrying amounts shown in the financial statements are a reasonable estimate of market value.

2.9 Impairment of financial assets

The LLP assesses on a forward looking basis the expected credit losses (ECLs) for all debt instruments not held at fair value through profit and loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the LLP expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other debtors, the LLP applies an approach similar to the simplified approach in calculating ECLs. Therefore, the LLP does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

2.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and sales related taxes.

Revenue is recognised to the extent that it is probable that economic benefits will flow to the LLP and the revenue can be measured reliably.

2.11 Interest receivable and similar income

Interest receivable and similar income includes interest receivable on funds invested. Interest income is recognised in profit and loss as it accrues.

Notes to the financial statements for the year ended 31 December 2022 *(continued)*

2. Accounting policies *(continued)*

2.12 Taxation

Taxation payable on partnership profits is solely the liability of the individual members. Consequently, neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

2.13 Foreign currency translation

The LLP's financial statements are presented in sterling, which is also the LLP's functional currency.

2.14 Employees

There are no employees directly employed by the LLP.

3. Financial instruments – risk management

The principal financial instruments used by the LLP, from which financial instrument risk arises are as follows:

- Cash and cash equivalents
- Trade and other payables

General risk management objectives and policies

The Members retain overall responsibility for determining the LLP's risk management objectives and policies. Post disposal of the LLP's holdings in its subsidiary companies, the focus has shifted towards managing post-sale financial obligations and liabilities. The Members, supported by the finance function, remain vigilant in monitoring these risks and ensuring the LLP's financial stability.

As the LLP's operations and financial position evolve, the risk management policies and practices will be adapted to reflect any new risks that may emerge.

The LLP is exposed to certain financial risks, primarily related to the disposal of its holdings in its subsidiary companies and its post-sale financial position:

- Price risk
- Liquidity risk

Price risk

The LLP is exposed to price risk related to potential adjustments to the sale price of its subsidiaries. This risk is monitored closely, and any adjustments could impact the LLP's financial results. The final sale price remains subject to confirmation, and any downward adjustment could result in a financial outflow for the LLP.

Liquidity risk

The LLP currently holds cash and cash equivalents as its primary financial asset. Liquidity risk arises from the need to meet ongoing expenditures and any potential liabilities arising from adjustments to the sale price of its subsidiaries. The LLP's policy is to maintain sufficient liquidity to meet these obligations. Cash flow forecasts are regularly reviewed to ensure adequate liquidity is maintained.

Notes to the financial statements for the year ended 31 December 2022 *(continued)*

3. Financial instruments – risk management *(continued)*

Capital management

Post-sale, the LLP's capital management strategy focuses on preserving liquidity and ensuring the LLP's ability to meet its financial obligations. The LLP continues to monitor its capital structure and may make adjustments in response to changes in its financial status and the economic environment.

4. Interest receivable and similar income

	2022	2021
	£000	£000
Interest receivable on loans	**1,626**	1,539

5. Investments

	Shares in group undertakings	**Other loans**	**Total**
	£000	**£000**	**£000**
At 1 January	**213**	**15,508**	**15,721**
Interest capitalised	**-**	**1,626**	**1,626**
Loans repaid during the year		**(696)**	**(696)**
Disposal of investments	**(213)**	**(16,438)**	**(16,651)**
At 31 December	**-**	**-**	**-**

Notes to the financial statements for the year ended 31 December 2022 *(continued)*

5. Investments *(continued)*

The LLP had no investments at the end of the year. During the year the LLP disposed of its investments in the following wholly owned and 100% controlled subsidiary undertakings:

	Country of operation	Registered address
New Bath Court Limited	United Kingdom	Becket House, 1 Lambeth Palace Road, London SE1 7EU
New Bath Court (Opco) Limited	United Kingdom	Becket House, 1 Lambeth Palace Road, London SE1 7EU

The subsidiary undertakings were disposed of on 14 December 2022 with a gain arising on disposal of £2,116k made up as follows:

	£000
Consideration received	**19,905**
Book value of investments	**(16,651)**
Disposal costs	**(1,138)**

The LLP was the registered holder of £12,700k of unsecured loan notes issued by New Bath Court Limited. The first loan note had been issued on 30 September 2019. The interest rate was set at 10.50% with a scheduled repayment date of the 31 October 2023. Interest was due quarterly and capitalised when not paid on the due date. £696k of loan notes were repaid during the year with the remaining balance being cleared at disposal of the subsidiary undertakings. At 31 December 2022 £nil *(2021: £2,808k)* of interest was capitalised.

6. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank	**3,000**	-

Cash and cash equivalents included in the financial statements are located in the United Kingdom.

Notes to the financial statements for the year ended 31 December 2022 *(continued)*

7. Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Accruals	(1,171)	-
	(1,171)	-

8. Members

	2022	2021
The average number of members during the period was:	2	2

9. Members' interests

	Members' capital (classified as equity)	Members' capital (classified as equity)
	2022	2021
	£000	£000
At 1 January	15,721	14,182
Capital repaid to members	(11,084)	-
Members' other interests - reserves	3,709	1,539
Reserves distributed to members	(6,517)	-
At 31 December	1,829	15,721

Notes to the financial statements for the year ended 31 December 2022 *(continued)*

10. Ultimate controlling party

The LLP does not have a parent undertaking. The ultimate controlling party of the LLP is considered to be the members in aggregate. HSRE BC Holdco Limited holds 80% of the shares and BY Development Limited holds the remaining 20%. However, the members agreement sets out equal rights of control between the two parties.

11. Events after the reporting period

At the reporting date, the LLP had disposed of its investments in subsidiaries. However, the final disposal consideration value may be subject to potential adjustments which could impact future financial results.

The Members are not aware of any other significant events that could materially affect the future performance of the LLP.