Annual Financial Report

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GCP Student Living PLC
17 September 2020

GCP STUDENT LIVING PLC

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ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

GCP Student Living plc, (the "Company" or together with its subsidiaries, the "Group"), which was the first student accommodation REIT in the UK, today announces its results for the financial year ended 30 June 2020.

The full annual report and financial statements can be accessed via the Company's website at www.gcpstudent.com or by contacting the Company Secretary by telephone on 01392 477500.

AT A GLANCE

	2018	2019	**2020**
Value of property portfolio	£784.4m	£921.6m	**£1,000.8m[3]**
EPRA NAV[2] per ordinary share	149.12p	165.52p	**171.78p**
Dividends per ordinary share	5.95p	6.15p	**6.15p**
Net operating margin[2]	78%	79%	**80%**
Share price per ordinary share	147.00p	162.20p	**124.00p**
Student rental growth[2]	4.1%	3.5%	**4.4%**

HIGHLIGHTS[1]

- Total shareholder return[2] of -20.6% for the period. Annualised total shareholder return since IPO[2] of 7.4%, compared to the Company's target return of 8-10%.
- NAV total return[2] of 12.9% since IPO and 7.6% for the year.
- Dividends of 6.15 pence per share paid in respect of the year.
- EPRA NAV[2] per share (cum-income) of 171.78 pence and EPRA NAV per share (ex-income) of 170.36 pence at 30 June 2020.
- Total rental income for the year of £47.8 million (30 June 2019: £44.4 million).
- Gross proceeds of approximately £77 million raised through a substantially oversubscribed placing of new ordinary shares.
- Inclusion in the FTSE 250 Index from 18 September 2019.
- High-quality portfolio of eleven assets with 4,116 beds located primarily in and around London, with a valuation of £1.0 billion[3] at 30 June 2020.
- Prior to Covid-19, the portfolio was fully occupied and achieved rental growth of 4.4% for the 2019/20 academic year.
- Blended NIY[2] of operational portfolio of 4.44% (30 June 2019:4.45%).
- At the date of the report, 68% of rooms across the Group's portfolio of student accommodation have been booked for the 2020/21 academic year.

1. The Company's financial statements are prepared in accordance with IFRS. The financial highlights above include performance measures based on EPRA best practice recommendations which are designed to enhance transparency and comparability across the European real estate sector. See glossary below for definitions.
2. Alternative Performance Measure - see below for definitions and calculation methodology.
3. The valuation, as determined by the Company's independent valuer, is subject to 'material valuation uncertainty' caused by the Covid-19 pandemic and in accordance with recent guidance issued by the Royal Institution of Chartered Surveyors.

Robert Peto, Chairman, commented:

"The Covid-19 pandemic has dragged the global economy into a recession as billions of people across the world have entered a period of economic and social lockdown. It is against this backdrop that I report on a challenging year for the Company. The Group's portfolio continues to benefit from resilient valuations supported by the focus on assets in attractive locations for student accommodation, including in the Company's core London market.

The longer-term impact of the Covid-19 pandemic remains unknown and difficult to quantify. Further, there remains ongoing uncertainty as to the impact of the UK's departure from the EU on the Company. Notwithstanding this, the Board and the Investment Manager remain confident of the Company's long-term return prospects.

It is my intention to retire from the Board following the annual general meeting to be held in late 2020, having served as Chairman since IPO. The Board intends to appoint David Hunter as Chairman of the Company at that time. It has been a great joy serving shareholders and working alongside my fellow Board members and the Company's advisers during my tenure."

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ABOUT THE COMPANY

GCP Student Living plc, a FTSE 250 company, was the first real estate investment trust in the UK to focus on student residential assets.

The Company seeks to provide shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with inflation-linked income characteristics.

It invests in properties located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation and a growing number of international students.

The Company has a premium listing on the Official List of the FCA and trades on the Premium Segment of the Main Market of the London Stock Exchange. The Company had a market capitalisation of £564.2 million at 30 June 2020.

INVESTMENT OBJECTIVES AND KPIs

The Company's purpose as a REIT is to invest in UK student accommodation to meet the following key objectives:

TOTAL RETURN	PORTFOLIO QUALITY	DIVERSIFICATION
To provide shareholders with attractive total returns in the longer term.	To focus on high-quality, modern private student residential accommodation and teaching facilities primarily in and around London.	To invest and manage assets with the objective of spreading risk.

KEY PERFORMANCE INDICATORS		
The Company has generated an annualised total shareholder return since IPO[1] of 7.4%.	The Company's investment portfolio has achieved average annualised student rental growth since IPO[1] of 3.9%.	The Company's property portfolio comprises ten modern standing student accommodation buildings and one development asset.
6.15p Dividends in respect of the year 30 June 2019: 6.15p	**FULL[2]** Occupancy for 2019/20 academic year AY 2018/19: FULL	**4,116** Number of beds at 30 June 2020 30 June 2019: 4,116
-20.6% Total shareholder return[1] for the year 30 June 2019: 14.8%	**4.4%** Student rental growth[1] for the year 30 June 2019: 3.5%	**11** Number of assets at 30 June 2020 30 June 2019: 11

Further information on Company performance can be found below.

1. Alternative performance measure - see below for definitions and calculation methodology.
2. The Company's portfolio was fully occupied at the start of the 2019/20 academic year.

PORTFOLIO OVERVIEW

At 30 June 2020, the Company's portfolio comprised eleven assets with c.4,100 beds, providing high-quality, modern student accommodation.

CHAIRMAN'S STATEMENT

The Board has confidence in the strategy and long-term prospects of the Group, notwithstanding a year of unprecedented challenges.

Introduction

At the half year in December 2019, I was pleased to be reporting a period of full occupancy for the 2019/20 academic year and strong rental growth across the Group's portfolio, with a total shareholder return for the six-month period of 24.3%. At that time the Board noted uncertainties around the potential impact on the Company of the UK's departure from the EU, relations between the US, the UK and China (which may impact the global mobility of Chinese students) and the emergence of Covid-19.

The Covid-19 pandemic has dragged the global economy into a recession as billions of people across the world have entered a period of economic and social lockdown. In the period from 2 January 2020 to 23 March 2020 the FTSE All Share Index fell by some 35%, the fastest decline in its history.

It is against this backdrop that I report on a challenging year for the Company. The Group's portfolio continues to benefit from resilient valuations supported by the focus on assets in attractive locations for student accommodation, including the Company's core London market and reflected in the modest rise to its NAV during the year. At 30 June 2020, the Group's portfolio valuation exceeded £1 billion for the first time since IPO.

The share prices of many UK REITs, including the Company's, have been impacted by the uncertainty caused by the Covid-19 pandemic. During the year under review the Company delivered a total shareholder return of -20.6%. The annualised total shareholder return since IPO was 7.4%, more than double the returns of both the FTSE All Share and FTSE EPRA NAREIT Indices over that period albeit below the 8-10% target set at IPO.

The Company's performance has been adversely impacted by students vacating their rooms in response to the pandemic, the closure of academic institutions and forgoing rents. The wellbeing of the residents and staff in the Group's buildings is of paramount importance to the Board, the Investment Manager and the Property Managers. Further information on the safeguarding provisions that have been put in place can be found below.

It is encouraging to note the Company successfully collected approximately 92% of budgeted income for the financial year. This has enabled it to maintain its annual dividend of 6.15 pence per share.

Investment activity

The Company benefits from a conditional forward purchase agreement to acquire a high specification, purpose-built, private student accommodation residence in the same location as its Scape Guildford asset. The property is expected to be completed in the 2020/21 academic year, providing 403 beds. If acquired, this property will form part of an enlarged Scape Guildford asset, providing 544 beds in the same locality as the University of Surrey and offering the potential for the Group to benefit from operational economies of scale.

As announced by the Company on 7 April 2020, in light of the disruption and market uncertainty caused by the Covid-19 pandemic, the forward purchase agreement in respect of Scape Mile End Canalside has terminated and the vendor of this asset is no longer contractually required to sell it to the Company. It is noted that the pipeline agreement entered into at IPO between the Company and Scape has lapsed.

The Company's forward-funded development at Scape Brighton is currently expected to be fully operational during the course of September and October 2020, having been impacted by minor construction delays as a result of reduced levels of construction activity due to the Covid-19 pandemic. The impact of these delays is not expected to be material.

Financial results

The Company's investment portfolio delivered rental income of £47.8 million (30 June 2019: £44.4 million) over the period, representing 92% of all budgeted revenues for the financial year. It receives rental income primarily from direct lets of rooms to students, and a combination of nominations agreements with higher education institutions and long-term leases.

Rental payments for direct let agreements with students are paid in three tranches for each academic year, with c.40% received in September, c.40% in January and the remaining c.20% in April.

On 27 March 2020, the Company advised it would look favourably upon requests to forgo rents by students seeking to return home for the remainder of the 2019/20 academic year. As the Company's academic year runs for a period of 51 weeks from mid-September each year, the Directors expect the Company's income for the first quarter of the financial year ended 30 June 2021 will be materially reduced.

The Company generated profit before tax (including valuation gains) of £48.6 million (£14.7 million excluding valuation gains). Its EPRA NAV[1] per share (cum-income) has increased by 3.8% during the year from 165.52 pence to 171.78 pence at 30 June 2020.

Dividends

The Company has paid dividends in respect of the year ended 30 June 2020 of 6.15 pence per share. The dividends were paid as 5.35 pence per share as PID and 0.8 pence per share as an ordinary dividend. The total dividend for the year was 86% covered by adjusted EPS of 5.26 pence.

The adverse impact of the Covid-19 pandemic means that the Group's operational portfolio has not been fully occupied for the entire year, impacting dividend cover. The Company targets a fully covered dividend over the longer term.

Financing

In December 2019, the Company raised gross proceeds of approximately £77 million by way of a substantially oversubscribed non-pre-emptive placing of new ordinary shares. The placing was NAV-accretive for shareholders; further details are set out below.

At 30 June 2020, the Group's available debt facilities totalled £335 million, of which £281.7 million was drawn. At that date, the Group's current blended cost of borrowing on its drawn debt was 2.95% with an average weighted maturity of approximately six years. The loan-to-value of the Group at the year end was 22%. It is the Directors' current intention to target gearing of approximately 30% in the long term.

Further details of the Group's debt facilities are set out in note 17 to the financial statements.

Environmental, social, governance ("ESG")
The Company considers best practice application of ESG principles as paramount in its activities, the assets within its investment portfolio and the operations of its advisers. It has an 'A' MSCI ESG rating, an EPRA sBPR silver award and is in the process of obtaining a GRESB rating. The Investment Manager is a signatory to the UN Principles for Responsible Investment. Further details can be found below.

Investment management and property management arrangements
Post year end, and as announced on 27 August 2020, the Company entered into revised investment management arrangements with the Investment Manager, further details of which are set out below. The Company has separately entered into new property management arrangements with the Property Manager, Scape.

The new arrangements will reduce the investment management fees payable by the Company on the Group's existing asset base and introduce different tiers of investment management fees depending on the size of the Company, as measured by the NAV.

The Company will be responsible for the payment of property management fees under the new arrangements.

The revised management arrangements will provide the Company with a competitive investment management fee basis and more closely align property management fees to relevant operational metrics in a manner which is more often akin to the market standard seen with PBSA operations in the UK.

The amendments to these arrangements will result in an immediate reduction to the Group's cost base. By way of illustration, were these arrangements to have been entered into on 1 July 2019, the Company would have benefited from approximately £0.6 million of cost savings for the twelve-month period ended 31 June 2020. The amended fee arrangements came into effect on 1 July 2020.

Outlook
The year under review has been dominated by the Covid-19 pandemic. Events leading from this have resulted in a reversal during the year of the Company's hitherto strong operational performance. The longer-term impact of the Covid-19 pandemic remains unknown and difficult to quantify. Further, there remains ongoing uncertainty as to the impact of the UK's departure from the EU on the Company.

Notwithstanding this, the Board and the Investment Manager remain confident of the Company's long-term return prospects.

The Company provides shareholders with access to a portfolio of private student accommodation assets in prime locations which have historically benefited from strong supply and demand imbalances, resulting in full occupancy, rental growth and yield compression.

The approach adopted by the Board and the Investment Manager to asset selection and the locations in which the Company operates has delivered a portfolio in markets which are well positioned to attract both domestic and international students, including its core market in and around London. The attraction of the UK, and London in particular, for domestic and global students alike remains evident. The UK has some of the highest-ranking universities in the world, with three of the top ten institutions in 2020[1].

The substantial majority of HEIs to which the Company is exposed are providing on-campus learning for the upcoming 2020/21 academic year, with the expectation that students will attend in person. Student applications for full-time higher education in the UK for the 2020/21 academic year have increased by 2.3% on the previous year[2].

In the event the disruption caused by the Covid-19 pandemic continues into the 2020/21 academic year, the Company benefits from being defensively positioned, with strong capital resources and conservative borrowing levels. For further information, refer to the viability statement and the going concern assessment below.

The Board and the Investment Manager continue to monitor global events as they relate to student numbers, including the impact of the Covid-19 pandemic on the ability of students to attend their universities (and therefore occupy rooms), Brexit and relations between the US, the UK and China, which may impact the global mobility of Chinese students as well as their choice of destination.

The Board
It is my intention to retire from the Board following the annual general meeting to be held in late 2020, having served as Chairman since IPO. The Board intends to appoint David Hunter as Chairman of the Company at that time. It has been a great joy serving shareholders and working alongside my fellow Board members and the Company's advisers during my tenure.

Robert Peto
Chairman
16 September 2020

1. The Times Higher Education World University rankings 2020.
2. UCAS.

STRATEGIC REPORT

STRATEGIC OVERVIEW

The Company's investment objective is to provide shareholders with attractive total returns in the longer term.

7.4%
Annualised total shareholder return since IPO[1]

6.15p
Dividends paid in respect of the year

Investment strategy
The Company's investment strategy is set out in its investment objective and policy below. It should be considered in conjunction with the Chairman's statement and the strategic report which provide an in-depth review of the Company's performance and future strategy.

Further information on the business model is set out below.

Investment objective
The Company's investment objective is to provide shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with inflation-linked characteristics.

Investment policy
The Company intends to meet its investment objective through owning, leasing and licensing student residential accommodation and teaching facilities to a diversified portfolio of direct let tenants and HEIs. The Company will mostly invest in modern, purpose-built, private student residential accommodation and teaching facilities located primarily in and around London, where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation. The Company may also invest in development and forward-funded projects which are consistent with the objective of providing shareholders with regular, sustainable dividends and have received planning permission for student accommodation, subject to the Board being satisfied as to the reputation, track record and financial strength of the relevant developer and building contractor.

Rental income will predominantly derive from a mix of contractual arrangements including direct leases and/or licences to students ('direct let agreements'), leases and/or licences to students guaranteed by HEIs and/or leases and/or licences directly to HEIs. The Company may enter into soft nominations agreements (pari passu marketing arrangements with HEIs to place their students in private accommodation) or hard nominations agreements (longer-term marketing arrangements with HEIs of between two and 30 years in duration). Where the Company invests in properties which contain commercial or retail space, it may derive further income through leases of such space. Where the Company invests in development and forward-funded projects, development costs will typically be paid in stages through construction, with a bullet payment at completion.

The Company intends to focus primarily on accommodation and teaching facilities for students studying at Russell Group universities and other leading academic institutions, regional universities with satellite teaching facilities in and around London and specialist colleges.

The Company may invest directly or through holdings in special purpose vehicles and its assets may be held through limited partnerships, trusts or other vehicles with third party co-investors.

Borrowing and gearing policy
The Company may seek to use gearing to enhance returns over the long term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Company may seek to use hedging or otherwise seek to mitigate the risk of interest rate increases. Gearing, represented by borrowings as a percentage of gross assets, will not exceed 55% at the time of investment. It is the Directors' current intention to target gearing of approximately 30% of gross assets in the long term and to comply with the REIT condition relating to the ratio between the Group's 'property profits' and 'property finance costs'.

Use of derivatives
The Company may invest through derivatives for efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's efficient portfolio management.

Investment restrictions
The Company invests and manages its assets with the objective of spreading risk through the following restrictions:

- the Company will derive its rental income from a portfolio of not less than 500 studios;
- the value of any newly acquired single property will be limited to 25% of gross assets, calculated as at the time of investment;
- the Company mostly invests in modern, purpose-built, private student residential accommodation and teaching facilities located primarily in and around London. Accordingly, no less than 75% of the Group's property portfolio will comprise assets which are located in and around London, calculated as at the time of investment;
- at least 90% by value of the properties directly or indirectly owned by the Company shall be in the form of freehold or long leasehold (over 60 years remaining at the time of acquisition) properties or the equivalent;
- the Company will not:

    i. invest more than 20% of its gross assets in undeveloped land;
    ii. commit more than 15% of its gross assets to forward-funded projects in respect of such undeveloped land, such commitment to be determined on the basis of the net construction funding requirements (and associated advisory costs) of such projects at the time of commitment up to their completion in both cases as measured at the time of investment;

- the Company will not invest in completed assets which are not income generative at, or shortly following, the time of acquisition; and
- the Company will not invest in closed-ended investment companies.

The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as the principal company of a REIT group for the purposes of Part 12 of the CTA (and the regulations made thereunder).

In the event of a breach of the investment guidelines and restrictions set out above, the Investment Manager shall inform the Directors upon becoming aware of the same and, if the Directors consider the breach to be material, notification will be made to a regulatory information service.

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.

Business and status of the Company
The Company is registered as a public limited company and is an investment company within the terms of section 833 of the Companies Act 2006. The Company is a REIT for the purposes of Part 12 of the CTA. The Company will be treated as a REIT so long as it continues to meet the REIT conditions in relation to any accounting period.

The Company was incorporated on 26 February 2013. Its shares trade on the Premium Segment of the Main Market of the London Stock Exchange.

1. Alternative performance measure - see below for definitions and calculation methodology.

BUSINESS MODEL

The Company's primary objective is to provide shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends.

INVESTMENT OBJECTIVES	THE THREE FUNDAMENTALS	IMPLEMENTATION OF STRATEGY		KPI MEASUREMENT	SUSTAINABILITY
TOTAL RETURN To provide shareholders with attractive total returns in the longer term.	**WHAT THE COMPANY BUYS** • Intelligent design to optimise long-term returns • Large-scale assets benefiting from operating efficiencies • Modern purpose-built accommodation	**INDEPENDENT BOARD**	**STRONG GOVERNANCE**	The Company has generated an annualised total shareholder return since IPO[1] of 7.4%. **6.15p** Dividends paid in respect of the year	**ENVIRONMENTAL AND SOCIAL** Read how the Company's activities benefit the environment and contribute to society in the sustainability section below.
PORTFOLIO QUALITY To focus on high-quality, modern private student residential accommodation and teaching facilities primarily in and around London.	**WHERE THE ASSETS ARE LOCATED** • Primary focus in and around London • Proximity to HEIs and/or major transport hubs • High supply-side barriers	**PROPERTY INVESTMENT** The Company invests in modern, purpose-built, private student residential accommodation and teaching facilities located primarily in and around London, where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation.	**FINANCIAL MANAGEMENT** The Company uses gearing to enhance returns over the long term. The level of gearing is governed by careful consideration of the cost of borrowing. The Company may also use hedging or otherwise seek to mitigate the risk of interest rate increases.	The Company's investment portfolio has achieved average annualised rental growth since IPO[1] of 3.9%. **FULL[2]** Occupancy for 2019/20 academic year	**GOVERNANCE** Read how the Company is governed and the activities of the Board during the year in the governance section in the full annual report.
DIVERSIFICATION To invest and manage assets with the objective of spreading risk.	**HOW THE COMPANY OPERATES** • High-specification facilities • Hotel-level service • Competitive pricing	**ASSET MANAGEMENT** The Company has put the quality, design, experience and performance of its assets at the heart of its operational strategy. This is achieved through the Company's choice of Property Managers and the Group's employees.	**REINVESTMENT/ LIFECYCLING** The Company has a dedicated lifecycle reserve held for future capital expenditure to ensure the properties are maintained at the level needed to sustain the current rents and any assumed future rental growth.	The Company's property portfolio comprises ten modern standing student accommodation buildings and one development asset. **4,116** Number of beds at 30 June 2020	**FINANCIAL** Read about the Company's financial performance, dividend cover in the financial review and its long-term viability below.

1. Alternative performance measure - see glossary for definitions and calculation methodology.
2. The Company's portfolio was fully occupied at the start of the 2019/20 academic year.

INVESTMENT MANAGER'S REPORT

The UK continues to attract substantial numbers of EU and non-EU international students, with the number of applications from international students increasing by 5.1% year-on-year.

The UK student accommodation market

The UK remains a global leader in the provision of higher education, with some of the highest-ranking universities in the world, including three in the top ten in 2020[1], making it attractive to both domestic and international students, for whom the UK is the second most popular destination for further education after the USA[2].

Student numbers supportive of occupancy and growth

UCAS data for the 2019/20 academic year showed a record level of almost 550,000 students accepted onto full-time courses in the UK, with year-on-year growth from domestic (1.1%) and non-EU international students (6.9%) and a reduction in EU students (-0.3%). Non-EU student acceptances were at record levels, with acceptances from EU students remaining above those seen prior to the EU referendum.

On 9 July 2020, UCAS provided an update on the number of applications made by 30 June 2020 to full-time education in the UK for the 2020/21 academic year. By that date, the overall number of applicants stood at 652,790, a year-on-year increase of 2.3% and the highest number of applicants at this point in the applications cycle in four years. The increase in the number of applications has been driven by demand from UK domestic and non-EU students.

The number of applications from domestic students has increased by 1.6% on last year. This follows a period of modest decreases which were attributed to the decline in the population of 18 year-olds in the UK, which has been forecast to reverse after 2020[3]. Applications by domestic students should also be considered in the wider context of entry rates for higher education which represent the proportion of the population who are placed in higher education. At 30 June 2020, a record 41% of all UK 18 year-olds applied to attend full-time higher education for the 2020/21 academic year, the first time more than four out of ten have applied by that point in the enrolment cycle.

The UK continues to attract substantial numbers of EU and non-EU international students, with the number of applications from international students increasing by 5.1% year-on-year. The total number of applications from international students is at the highest level ever seen.

The number of applications by non-EU students at 30 June 2020 increased by almost 10% year-on-year to 89,130, also the highest level ever seen. EU student applications remain above the levels seen prior to the EU referendum in 2016, having decreased by 2% from the previous academic year.

The UCAS applications data for the 2020/21 academic year above supports the Investment Manager's view that students will continue to invest in their education and enrol in courses to further their future employment prospects, more so in times of recession where alternative employment opportunities may be scarce. Further, the continued rise in the number of applications from international students suggests that students remain willing to travel to study abroad in order to obtain qualifications delivered in the English language and are making applications on the basis that they will do so.

1. The Times Higher Education World University Rankings 2020.
2. OECD.
3. Office for National Statistics.

The number of students applying to higher education continues to substantially exceed the number of places available. For the 2019/20 academic year, nearly one in four of all applications were unable to secure a place in higher education, equating to c.165,000 applicants[1].

The Covid-19 pandemic has resulted in students being unable to sit A-level examinations, the results of which form the basis of acceptances by HEIs in the UK. Prior to the UK Government's eventual decision to allow A-level grades to be determined by way of teacher assessments, 27.6% of A-were graded at 'A' or above, compared with 25.2% in 2019[2]. The Investment Manager expects that the increase in top grades being awarded as a result of the intervention will occur. This, coupled with the UK Government's decision to suspend a proposed cap on the number of students HEIs can accept for the 2020/21 academic year, will benefit higher-ranked HEIs and accelerate the ongoing trend suggesting a wider flight to quality in the UK.

Approximately 80% of the Company's portfolio is located in and around London, a global centre of academic excellence attracting domestic and international students alike.

London has one of the largest student populations of any city in the world, and demand for higher education courses in London remains strong relative to much of the rest of the UK. It is home to 23 universities, with four universities ranked in the top 40 by The Times Higher Education World University Rankings, more than any other city in the world. Approximately one-third of the 2.4 million students in the UK study in London and the south-east of England[3]. A quarter of all international students in the UK choose to study in London[3]. Notwithstanding this, the number of domestic students alone substantially exceeds the supply of purpose-built student accommodation in London.

The attraction of London to students underpins the Company's ability to deliver strong occupancy and long-term rental growth. These demand dynamics are also in play in the Brighton market, which is home to both the University of Sussex (a UK top 20 university) and the University of Brighton, with in aggregate c.34,000 students, including c.8,500 international students. The city is also home to two of the largest English language foundation course providers in the UK. Approximately 15% of the Company's portfolio by capital value at 30 June 2020 is located in Brighton.

Strong supply-side barriers

The investment returns from student accommodation vary considerably between cities in the UK with an undersupply of student housing and those with less restrictive planning regulations where the risk of oversupply is increased. The Investment Manager targets markets and micro locations which it believes demonstrate a structural undersupply of private student accommodation, typically resulting from limited land availability and/or restrictive planning regulations.

1. UCAS.
2. Ofqual.
3. HESA.

Severe undersupply in London, driven by high land values and a challenging planning environment, means that it is undersupplied relative to the UK average in terms of the number of students per bed. Brighton, like London, also remains severely undersupplied as a consequence of restrictive planning regulations.

Modern purpose-built student accommodation is in short supply, of which an estimated two-thirds[1] is almost 20 years old and ill-suited to providing the high specification facilities sought by many students of today.

The supply of development of new schemes in London remains low, with just 5,300 beds[2] currently under construction driven by low land availability, high alternative use value and the restrictive planning conditions.

The beneficial impact of these supply-side barriers on the Company's portfolio is reflected by the valuation increases and rental growth achieved since its IPO in 2013, and should support occupancy and growth going forward.

Transactional activity

Investment volumes of student accommodation assets exceeded £5.2 billion in 2019, the highest level of transactional activity in the UK since 2015. This included the acquisition by Unite plc of Liberty Living Group plc, which constituted a portfolio of purpose-built student accommodation comprising c.24,000 beds located across the UK for a total consideration of c.£1.4 billion.

The Investment Manager estimates that a further £5.1 billion has been traded or was put under offer in the first half of 2020, notably including the acquisition of the iQ Student portfolio of 28,000 beds (including c.6,800 beds in London) by Blackstone Group for £4.7 billion, at an estimated yield of 4.2%. This transaction was the largest-ever property transaction in the UK and was completed in May 2020, during the Covid-19 pandemic.

Such investment activity, combined with the expectations of above-average rental growth over the long term, continues to support valuation yields across the London market.

Portfolio performance update

The key drivers of the Company's returns are based on the three fundamentals shown in the business model section above, which form the basis of how the Investment Manager seeks to add value over the long term.

The operational portfolio generated rental income of £47.8 million for the year to 30 June 2020, representing 92% of all budgeted revenues for the financial year, comprising income from direct lets of rooms to students, nominations agreements with HEIs and long-term commercial leases.

1. JLL London Student Housing.
2. Knight Frank Research.

On 3 September 2019, the Company announced that its operational properties were fully occupied with respect to the 2019/20 academic year. This remained the case until

restrictions on global mobility and closure of academic institutions caused by the Covid-19 pandemic resulted in the majority of students vacating their rooms.

The Board, the Investment Manager and the Property Managers have all prioritised the safety and well-being of students and the Group's employees from the outset. This included offering to forego rents for those students wishing to return home for the final term of the 2019/20 academic year. For further information on the safeguarding provisions that have been put in place, see below.

The Company's academic year runs for a period of 51 weeks from mid-September. It receives direct let income in three tranches for each academic year; c.40% in each of September and January and the remaining c.20% in April. As such, the final payment tranche was adversely affected by the Covid-19 pandemic. Given the overlap between the final quarter of the Company's academic year with the following financial year, this is expected to materially reduce the direct let income received for the first quarter of the financial year ended 30 June 2021.

During the financial year the construction of the student building at Circus Street, Brighton was completed on time and in line with the Investment Manager's expectations. The student accommodation is contracted on a 21-year lease, with annual uplifts, to a subsidiary of Kaplan Inc, a global education provider. Rental income in respect of the lease agreement with Kaplan has been received in line with expectations.

The Company has received reduced payments in connection with a nominations agreement with a subsidiary of INTO University Partnerships, a provider of foundation courses, for 210 beds at Scape Mile End. At 30 June 2020, the Company had received approximately 83% of rents due to it from INTO for the financial year.

Revenue from the Company's long-term lease with a subsidiary of WeWork at Scape Shoreditch has been lower than expected. At 30 June 2020, the Company had received approximately 90% of the rents due to it from WeWork for the financial year. The Investment Manager is in discussion with both WeWork and INTO in connection with the outstanding payments.

Post year end, at the date of the report, approximately 68% of rooms across the Group's portfolio of student accommodation, including in respect of Scape Brighton, have been booked. The average level of bookings at the same date over the past five academic years was 94%. The Investment Manager believes students have delayed booking accommodation for the 2020/21 academic year in light of the Covid-19 pandemic, and expects higher booking levels later in the enrolment cycle than would ordinarily be the case.

The Company benefits from strong supply and demand imbalances and the location of its assets, all of which are within a ten-minute walk of an HEI or major transport links.

In the year under review, the Company has achieved modest NAV growth driven by a like-for-like portfolio valuation uplift of 3.2%. The market valuation of the portfolio was £1 billion[1] at 30 June 2020. The valuation uplift for the year has been driven by valuation uplifts on Scape Mile End of £9.7 million, Scape Wembley of £8.2 million and Scape Bloomsbury of £4.8 million.

The blended net initial yield of the Company's operational portfolio at 30 June 2020 was 4.44% (30 June 2019: 4.54%).

The Directors and the Investment Manager are keeping wider events and market conditions under review and continue to assess whether these investment opportunities may be pursued during this period of uncertainty.

The Covid-19 pandemic has resulted in reduced levels of activity across the property construction sector. It is therefore pleasing to note that the Company's forward-funded development at Scape Brighton has not been materially impacted by such delays, and is expected to open to students for the 2020/21 academic year in two stages across September and October 2020.

The construction costs at Scape Brighton are in part being funded through a £55 million development loan facility, of which c.£32 million was drawn at 30 June 2020.

1. The valuation, as determined by the Company's independent valuer, is subject to 'material valuation uncertainty' caused by the Covid-19 pandemic and in accordance with recent guidance issued by the Royal Institution of Chartered Surveyors.

Outlook

The Covid-19 pandemic has presented unprecedented challenges for the higher education sector, including the Company. Media coverage has, in places, incorrectly interpreted the suspension of mass lectures by certain HEIs, notably the University of Cambridge, as a closure of campuses to students. Cambridge University, and many others, has stated that it will welcome as many students as possible for the start of the 2020/21 academic year. Mass lectures are only one part of the education provision of most UK HEIs. Noting the challenges posed by the Covid-19 pandemic, universities have stated that they will continue to provide small group teaching as much as possible - a method of educational delivery that is at the heart of higher education provision in the UK.

For the 2019/20 academic year, the Group's assets were occupied by students from 82 HEIs, with a majority attending five HEIs in and around London. The Investment Manager and Property Manager, Scape, have been monitoring public statements by these HEIs in relation to their plans for the 2020/21 academic year. A substantial majority of the HEIs to which the Company is exposed have opened to students for on-campus learning for the 2020/21 academic year.

Social distancing will necessitate a hybrid teaching approach until such time that an enduring solution to the Covid-19 pandemic is found by governments globally. This will combine smaller lecture and/or group sizes with online learning. In such a scenario, it is the Investment Manager's expectation that students will attend some classes in person whilst making use of online offerings from their accommodation. In doing so, students will seek to attend campuses where possible given the role university plays as a rite-of-passage in the lives of undergraduate students in particular.

The Company provides shareholders with a property portfolio which the Investment Manager believes will benefit from supply and demand imbalances for student residential accommodation in its core markets as HEIs reopen and students return to their studies. The attraction of these core markets for owners of private student residential accommodation remains evident, as demonstrated by the occupancy levels, rental growth and yield compression seen across the Company's portfolio since IPO.

The Investment Manager believes investment demand is increasingly selective, with the weight of institutional capital focusing on the supply of 'core' locations with attractive supply and demand characteristics. This is illustrated by the substantial yield differential between private student residential accommodation assets in and around London and in super prime regional locations such as Brighton as compared to those located in secondary or tertiary regional locations. It is the Investment Manager's belief that this trend is likely to continue.

The combination of strong demand for higher education in the locations in which the Group's assets are located and ongoing supply constraints should continue to support occupancy, rental prospects and property valuations across the Company's portfolio going forward.

Gravis Capital Management Limited
16 September 2020

REVIEW OF THE FINANCIAL YEAR

The Company generated rental income of £47.8 million, paid dividends of 6.15 pence per share and delivered a total shareholder return[1] of -20.6%.

Rental income

The Company generated rental income for the year ended 30 June 2020 of £47.8 million from the Company's property portfolio. This represents 92% of budgeted income for the financial year. The portfolio was fully occupied up until restrictions on global mobility and closure of academic institutions resulting from the Covid-19 pandemic led to the majority of students vacating their rooms. The Company's commercial and nominations income has also been impacted, with the Company receiving reduced rents due for the financial year.

Property operating costs

Property expenditure of £9.7 million was incurred during the year, which is in line with expectations. The Company's net operating margin has remained broadly stable at c.80% with the ongoing efficient management of costs by the Company's Property Managers.

Administration expenses

Total administration expenses of £9.9 million comprise fund running costs, including the Investment Manager's fee, Property Managers' fees and other service provider costs in the period. Administration costs are carefully monitored and controlled by the Investment Manager and the Board to ensure that the Company receives good value for services received.

Aborted transaction costs

Costs of £3.8 million relate to the Company's decision not to proceed with the acquisition of Scape Mile End Canalside in the light of the Covid-19 uncertainty and volatility in the financial markets.

These costs relate to a deposit paid upon entering into the forward purchase agreement in 2017, legal fees, due diligence fees and lender due diligence fees.

Net financing costs

Net finance costs of £9.8 million in the year principally comprise loan interest associated with the Company's financing arrangements. These costs have increased year-on-year due to the Company drawing on redrawable credit and development facilities, in line with expectations (refer to note 17).

Profitability
Profit before tax and fair value gains on investment properties of £14.7 million was generated in the period.

Total fair value gains on investment properties through revaluation of the Company's investment portfolio were £33.9 million for the year, positively impacting operating profit and generating EPS of 11.17 pence. The adjusted EPS[1] for the period was 5.26 pence[2] excluding fair value gains on investment properties and adjusting for licence fees receivable on forward-funded developments and aborted transaction costs.

Financial performance
Condensed profit and loss

	Notes	**For the year ended 30 June 2020 £'000**	For the year ended 30 June 2019 £'000
Rental income	4	**47,762**	44,410
Property operating expenses	5	**(9,658)**	(9,364)
Gross profit (net operating income)		**38,104**	35,046
Net operating margin		**80%**	79%
Administration expenses	5	**(9,861)**	(8,808)
Aborted transaction costs		**(3,765)**	-
Net finance costs	15, 16	**(9,804)**	(7,317)
Profit before tax and fair value gains on investment properties (realised profits)		**14,674**	18,921
Fair value gains on investment properties	10	**33,904**	73,865
Profit before tax for the year		**48,578**	92,786

1. Alternative performance measure - see below for definitions and calculation methodology.
2. Refer to note 3 for detailed calculation.

Ongoing charges
The Company's ongoing charges ratio[1] was 1.28% for the year ended 30 June 2020, calculated in line with the AIC methodology, excluding direct property costs. This ratio is expected to decrease going forward, as a result of the Company entering into a new investment management agreement with the Investment Manager.

Dividends
In order to maintain its REIT status, the Company is required to meet a minimum distribution test for each accounting period for which it is a REIT. This test requires the Company to distribute at least 90% of the property rental profits from its property rental business for each accounting period, as adjusted for tax purposes.

In respect of the financial year ended 30 June 2020, the Company paid dividends of 6.15 pence per ordinary share, which is in line with the previous year. The dividends were paid as 5.35 pence per ordinary share as a PID in respect of the Group's tax exempt property rental business and 0.8 pence per ordinary share as an ordinary UK dividend. The Company has fulfilled all of its obligations under the UK REIT regime and was in full compliance with the REIT requirements at 30 June 2020 and at the date of this report.

Dividend cover
The total dividend of 6.15 pence for the year was 86% covered by adjusted EPS[1] of 5.26 pence[2]. The Company's dividend cover during the period benefited from the opening of Circus Street, Brighton in September 2019. Conversely, the material reduction to its revenues during the period as a consequence of the Covid-19 pandemic has meant that the Company's operational portfolio did not support a fully covered dividend.

The Company targets a fully covered dividend over the longer term. This may not be achieved where the revenue generated by the portfolio is reduced, such as during the Covid-19 pandemic and during periods of investment where there is a continuing programme of acquisitions where assets may not be revenue generative during the period of construction.

Capital raise
The Company completed an equity capital raise in December 2019, raising gross proceeds of c.£77 million. The issue price was 186.00 pence as shares were issued at a 6.3% discount to the closing price per ordinary share on 18 December 2019 of 198.40 pence and a 10.4% premium to the then prevailing EPRA NAV[1] per share (ex-income). Further details are set out in note 18.

Cash flow generation
The Company held cash and cash equivalents of £60.4 million at the end of the financial year. A total of £17.0 million of operating cash flows were generated in relation to the Company's student accommodation portfolio. Total equity capital raised in the year amounted to c.£77 million, which was used in part to fund the construction of Circus Street, Brighton and Scape Brighton. The remaining cash outflows during the year relate to the cost of servicing the Company's debt facility in addition to payment of dividends, resulting in a net increase in cash and cash equivalents at the year end.

Debt financing
The Company's loan facilities total £335 million, of which £281.7 million was drawn at 30 June 2020. These facilities include fully drawn fixed interest rate term facilities with PGIM for an aggregate amount of £235 million, which are secured against certain of the Group's operational assets, and have an average weighted maturity of approximately six years. In addition, the Group has £100 million of floating rate borrowing facilities with Wells Fargo (of which £46.7 million was drawn as at 30 June 2020) comprising a development facility of £55 million and a £45 million redrawable credit facility. The loan-to-value of the Group at the year-end date was approximately 22%.

1. Alternative performance measure - see below for definitions and calculation methodology.
2. Refer to note 3.

Asset performance
The Company experienced 4.4% student rental growth[1] for the 2019/20 academic year and benefited from yield compression. The valuation uplift for the year has been predominantly driven by uplifts on Scape Mile End of £9.7 million, Scape Wembley of £8.2 million and Scape Bloomsbury of £4.8 million.

Further information on property valuations is given in note 13 to the financial statements.

Lifecycle reserve
The Company's lifecycle cash reserves were £2.0 million at the year end and are held within cash and cash equivalents. The reserves are held for future lifecycle expenditure to ensure the properties are maintained at the level needed to sustain the current rents and any assumed future rental growth.

Net assets
Net assets attributable to equity holders at 30 June 2020 on an IFRS basis were £781.4 million, up from £684.7 million at 30 June 2019. The increase in net assets since the prior year end was primarily driven by the capital raise of £77 million and the increase in the valuation of the property portfolio. At 30 June 2020, there were 455,019,030 shares in issue, giving an EPRA NAV[1] per share (cum-income) of 171.78 pence.

NAV and share price return
The Company's ordinary shares have traded at an average premium to EPRA NAV[1] per share (ex-income) of 3.6% since IPO, with an average premium over the financial year of 0.3%.

EPRA NAV[1] per share (cum-income) has increased from 165.52 pence at 30 June 2019 to 171.78 pence per share at 30 June 2020, a 3.8% increase year-on-year. Dividends of 6.15 pence per ordinary share were paid to shareholders. The annualised total shareholder return since IPO[1] was 7.4%, compared to the annualised target return of 8 to 10%. The total shareholder return[1] for the year was -20.6%.

Financial performance
Condensed balance sheet

	Notes	**As at 30 June 2020 £'000**	As at 30 June 2019 £'000
Assets			
Investment property	10	**1,009,838[2]**	919,203

Trade and other receivables, retentions and deposits		**17,979**	17,550
Cash and cash equivalents	23	**60,358**	15,509
Total assets		**1,088,175**	952,262
Liabilities			
Trade and other payables, retentions and deposits		**(9,374)**	(6,195)
Deferred income		**(6,085)**	(12,293)
Lease liability		**(11,608)**	-
Financial derivatives		**(233)**	-
Interest-bearing loans and borrowings	17	**(279,456)**	(249,111)
Total liabilities		**(306,756)**	(267,599)
Net assets		**781,419**	684,663
Number of shares		**455,019,030**	413,653,630
EPRA NAV[1] per share (cum-income)	3	**171.78p**	165.52p
EPRA NAV[1] per share (ex-income)		**170.36p**	163.96p

1. Alternative performance measure - see below for definitions and calculation methodology.
2. The valuation, as determined by the Company's independent valuer, is subject to 'material valuation uncertainty' caused by the Covid-19 pandemic and in accordance with recent guidance issued by the Royal Institution of Chartered Surveyors.

PROPERTY PORTFOLIO

The Company's property portfolio consists of high-quality, modern student accommodation, located primarily in and around London.

11
Number of assets at 30 June 2020

4,116
Number of beds at 30 June 2020

80%
Percentage of portfolio in and around London

At 30 June 2020, the Company's portfolio comprised eleven high-quality, modern student accommodation buildings, of which 80% of the total capital value was located in and around London.

Property	Number of beds	Date of acquisition	Book cost	Valuation at 30 June 2020	NIY
Current					
Scape Mile End	588	May 2013	£94.4m	£164.4m	4.42%
Scape Wembley	578	Jun 2016	£78.0m	£105.4m	4.65%
Scape Brighton	555	Jul 2018	£68.2m	£72.7m	N/A
Scape Shoreditch	541	Sep 2015	£166.8m	£210.6m	4.29%
Circus Street[1]	450	Aug 2017	£61.9m	£77.8m	3.56%
Scape Bloomsbury	432	Apr 2017	£167.3m	£194.5m	4.00%
Scape Greenwich	280	May 2014	£40.5m	£59.9m	4.62%
The Pad	220	Dec 2013	£28.6m	£33.7m	5.80%
Podium	178	Dec 2017	£29.6m	£31.2m	5.65%
Water Lane Apartments	153	Feb 2016	£18.8m	£22.3m	5.25%
Scape Guildford	141	Sep 2015	£19.1m	£28.3m	5.15%

Top five HEIs attended
1. UCL
2. QMUL
3. RHUL
4. Kaplan
5. INTO

Top five nationalities represented
1. Chinese
2. British
3. Indian
4. Thai
5. Malaysian

4.44%
Blended net initial yield

80%
Studio rooms in the Company's buildings[2]

1. The student accommodation element of the development is operational. The office element remains under construction at 30 June 2020.
2. Excluding Circus Street, Brighton which is let under a 20-year FRI lease to Kaplan.

THE LONDON ADVANTAGE

London is a global centre of academic excellence attracting domestic and international students alike.

London has one of the largest student populations of any city in the world, and demand for higher education courses in London remains strong relative to much of the rest of the UK. It is home to 23 universities, with four universities ranked in the top 40 by The Times Higher Education World University Rankings, more than any other city in the world. Approximately one-third of the 2.4 million students in the UK study in London and the south-east of England[1]. A quarter of all international students in the UK choose to study in London[1]. Notwithstanding this, the number of domestic students alone substantially exceeds the supply of purpose-built student accommodation in London.

The investment returns from student accommodation vary considerably between cities in the UK with an undersupply of student housing and those with less restrictive planning regulations where risks of supply gluts are increased. Severe undersupply in London, driven by high land values and a challenging planning environment, means that it is undersupplied relative to the UK average in terms of the number of beds per student. The beneficial impact of these supply-side barriers on the Company's portfolio is reflected by the valuation increases and rental growth achieved since its IPO in 2013, and should support occupancy and growth going forward.

KEY FACTS - PORTFOLIO

80% of portfolio in and around London
All within 10 minutes of HEIs or major transport links
Benefiting from a students per bed ratio of 3.6 in London

FEATURED ASSETS

SCAPE SHOREDITCH
541
Number of beds

Scape Shoreditch is situated in a prime London location in Shoreditch, N1. The property was acquired by the Company in September 2015.

Built over eleven floors, the building comprises 541 studio bedrooms and c.10,000 sq ft of communal areas. Studio rooms by their nature, enable better social distancing. The rooms are fully equipped for city living, with integrated storage and work space, fitted kitchenette and dining area and an en suite shower room. Located in the building are a

gym, study lounge, games room, cinema and large communal kitchen. On the upper levels are landscaped rooftop gardens with four pavilions, including a barbecue terrace, offering spectacular views over London and down through the central glass roof into the commercial space.

The property generates c.£10 million of gross revenue per annum when fully occupied, through a combination of direct let tenancies and commercial income. The commercial lease at the property generates c.25% of total gross annual revenues. The property has generated a valuation uplift of £1.7 million for the year to 30 June 2020.

ASSET LOCATION
Scape Shoreditch offers students a complete London living solution in one of London's most fashionable districts, Tech City, London's technology and media district. The property is located two minutes from Old Street station, within a 15-minute walk of CASS Business School, University of Arts and University of Law, with City, University of London (and LSE, UCL and QMUL all located within a short journey of the property.

SCAPE BLOOMSBURY
432
Number of beds

Scape Bloomsbury is situated in a prime central London position in Bloomsbury, WC1. The property was acquired by the Company in April 2017.

The property is a 110,000 sq ft ten-storey building situated on half an acre of freehold land which was previously used as a Government office before being converted into student accommodation in 2008. Following acquisition in April 2017, the Group reconfigured and refurbished the property to the high specification typical of the Group's existing standing assets and the Scape brand.

The property provides 432 beds and generates c.£10 million in gross revenue per annum when fully occupied, through a combination of long-term contracts and short-term lets. The property has generated a valuation uplift of £4.8 million for the year to 30 June 2020.

ASSET LOCATION
Scape Bloomsbury is one of the most prime private student accommodation schemes in London, located in Bloomsbury within a few hundred metres of some of the world's leading universities. The property is within a short walking distance of UCL, SOAS and two teaching hospitals, UCH and GOSH. LSE, King's College, City, University of London and University of the Arts are also within walking distance, bringing the total number of students in close proximity to Scape Bloomsbury to c.100,000.

STAKEHOLDERS

Stakeholders are integral to the long-term sustainable success of the Group. They include students, employees, shareholders, local communities and suppliers.

STAKEHOLDER ENGAGEMENT

Overview
The Board of Directors recognises that, both individually and collectively, its overarching duty is to act in good faith and in a way that is most likely to promote the success of the Company and the Group. As set out in section 172 of the Companies Act 2006, the Directors act for the benefit of shareholders and in the interests of stakeholders as a whole, having regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly between shareholders of the Company.

The Directors seek to understand the needs and priorities of the Company's stakeholders in accordance with section 172 of the Companies Act 2006. All Board discussions include consideration of the longer-term consequences of any key decisions and their implications for the relevant stakeholders.

The Group's key stakeholders comprise students, employees, shareholders, the local communities in which it operates and its suppliers.

The section below sets out why and how the Group engages with these stakeholders and the actions taken by it to ensure that their interests are taken into account in the Board's decision making.

Shareholders
Why engage
The Company invests in student residential assets in order to provide shareholders with attractive total returns in the longer term in the form of dividends and capital appreciation. The Board and the Investment Manager recognise the importance of engaging with shareholders on a regular basis in order to maintain a high level of transparency and accountability and to inform the Company's decision making and future strategy.

How the Company engages
The Board primarily engages with investors through the Investment Manager and its Broker, who maintain an ongoing dialogue with shareholders through daily market interactions, shareholder presentations, investor seminars, analyst presentations, site visits and marketing presentations. Further dialogue with shareholders is achieved through the annual and half-yearly reports, news releases via a regulatory information service and the Company's website.

In addition, the Board engages with the Company's shareholders at general meetings of the Company. The Directors make themselves available to discuss matters with shareholders outside of these formal meetings, as appropriate.

Shareholders wishing to communicate directly with the Board should contact the Company Secretary using the contact details set out in the corporate information section of this report.

The annual general meeting of the Company will be held on 4 November 2020. A separate notice convening the annual general meeting will be posted to shareholders and will be separate to the annual report. The notice will include an explanation of the items of business to be considered at the meeting and will be uploaded to the Company's website in due course.

Employees
Why engage
The Group employs over 100 people who provide day-to-day property management services at the Scape-branded assets and, in doing so, ensure that high levels of customer service are consistently provided to students residing within these properties. The Group's people are key to future success and the Directors recognise the responsibility to ensure continued engagement and wellbeing and to provide opportunities for personal and professional development.

How the Company engages
Scape has overall responsibility for the supervision and provision of property management services at the Group's Scape-branded assets through the oversight and management of the employees of GCP Operations Limited, a subsidiary of the Company. Employee research is conducted through staff forums and surveys and the results are fed back to the board of GCP Operations Limited on a regular basis. Scape operates an internal recruitment scheme to provide opportunities for employees to develop within the business. Vacant roles are advertised internally with a focus on recruiting from within, in order to develop staff and retain the best talent, whilst continuing to attract a diverse workforce.

In addition to annual appraisals, regular training programmes and employee benefit schemes, the Company's employees have access to a comprehensive employee assistance programme providing a support network that offers expert advice and guidance. The programme covers a wide range of issues, providing access to services such as counselling for emotional and mental health issues, bereavement support and legal, financial and medical advice.

Suppliers
Why engage
The Company recognises the importance of maintaining high standards of business conduct and seeks to ensure that these are applied in all of its business dealings and in its engagement with suppliers. As an externally managed REIT, the Group relies on the performance of third party service providers to perform its main functions.

How the Company engages
The Group's supply chain comprises primarily UK-based suppliers or specialist contractors providing goods or services in the UK. In relation to the investment portfolio, these are mostly property management related services, such as maintenance, lifecycle works, as well as other technical services. There are also real estate services such as development, construction and refurbishment. The Property Managers have overall responsibility for the procurement of property management services and provide feedback to the Board of the Company on a regular basis as appropriate.

The Company has engaged a number of professional services firms, including the Investment Manager, Administrator, Solicitor, Broker and Company Secretary, to provide a range

of operational and advisory services to the Group.

The performance of the Group's service providers is closely monitored by the Board, through the management engagement committee, principally by way of individual review meetings which are conducted by the Directors with each of the Group's main service providers on an annual basis. A formal scoring system has been adopted by the Directors in respect of the performance of each service provider.

The Board is satisfied that, to the best of its knowledge, the Group's principal advisers comply with the provisions of the Modern Slavery Act 2015. A full statement on modern slavery is available to view on the Company's website.

Society
Why engage
The Group's eleven assets are situated in local communities in London, Brighton and Bristol and the students residing within these properties play an important part in contributing to these communities. The Company is committed to acting in a socially responsible manner and the Directors consider community involvement to be an important part of that responsibility.

How the Company engages
By investing in areas that are undergoing regeneration, such as in Wembley and in Brighton, the Company is helping to improve the local area and reduce pressure on housing stock in areas where there are supply and demand imbalances. The Company takes a highly selective approach to the locations in which it seeks to invest, with the key focus being on delivering long-term, sustainable rental growth and value. It considers understanding a building's relationship with the community and its contribution to the wellbeing of society an important factor.

The Group is involved with a number of social and local community initiatives through the Property Managers, including initiatives to give back to the local area through sponsorship and local events.

Scape has partnered with local job centres in the vicinity of the Company's buildings to provide mentoring services to candidates, including providing advice on interview preparation and technique and guidance on how to prepare a CV. This partnership has been beneficial to both parties, with the Group being able to provide employment to a number of candidates.

The students that reside in the Company's buildings also bring inward investment to local communities by supporting local businesses.

Further information on the impact of the Company's operations on the community and the environment is set out below.

Students
Why engage
Approximately 4,000 students reside in the Group's properties. The Company aims to provide inspirational places for these students to live and work and its buildings are designed to help students get the very best out of their university experience. Students are the Company's core customers and regular engagement with them is at the heart of the Company's purpose, enabling it to meet its investment objective.

How the Company engages
The Board engages with students through its Property Managers and through its employees, who engage with students on a daily basis, through on-site interaction, regular social events and student surveys. All Scape buildings have employees available on a 24-hour basis to keep students safe and secure. In the year, the Scape app was successfully launched, providing a further means through which students can engage actively with employees, as well as accessing a wide range of health and wellbeing initiatives.

The Company also partners with institutions that have pushed the boundaries in education and which can open doors for life after university. The Company works with leading education institutions such as INTO, QMUL, Ravensbourne, ACM and WeWork, a global provider of shared workspaces.

The Board receives regular feedback from the Property Managers and the Investment Manager on matters relating to student engagement and welfare.

STAKEHOLDER ENGAGEMENT DURING THE COVID-19 PANDEMIC
In early March 2020, immediately prior to the introduction of the UK Government's stay at home guidance, the Directors agreed to hold regular update calls, initially on a twice-weekly basis, to consider the implications of Covid-19 for the Group and its stakeholders.

A formal agenda was adopted for these meetings, which includes consideration of the following matters:

Student and employee welfare
A dashboard is provided at each meeting which sets out whether there are any reported cases of Covid-19 within the Group's properties and the number of students and employees self-isolating. Regular welfare updates are provided to the Board by the Property Managers.

The Property Managers have been closely monitoring the welfare of individuals who are self-isolating and the Group's employees have been providing welfare and sustenance support. In addition to the information set out below, a number of digital mental health and wellbeing initiatives have been launched by Scape, which have received positive feedback from students.

In July 2020, the Board approved the installation of bluetooth door locks across c.3,000 beds in the Company's portfolio on the basis that this technology will strengthen existing student safeguarding measures going forward by allowing Scape to monitor live occupancy in the building. The new locks will be installed in the Scape assets ahead of the commencement of the 2020/21 academic year.

Shareholder feedback
The Company's Broker regularly updates the Directors on investor sentiment, trading volumes in the Company's shares and provides a summary of any feedback received from the Company's major shareholders.

The Company actively consults with its shareholders and, as announced to the market on 27 August 2020, most recently did so regarding amendments to the Company's management arrangements.

Shareholder feedback has also been considered as part of the Board's decision making with respect to its dividend strategy for the third and fourth interim dividends paid in respect of the quarters ended 31 March 2020 and 30 June 2020, and will be going forward, for the year ending 30 June 2021.

COVID-SECURE

The safety and wellbeing of students and staff is of paramount importance to the Board, the Investment Manager, and the Property Managers.

The Property Managers have implemented comprehensive safety procedures to ensure the Company's buildings are a safe place to live and work and have received assurance on the protocols from the British Safety Council.

Flexible starts
Students have been offered flexible start dates, enabling them to move their check-in dates in line with universities reopening. Students also can check in up to four weeks early, rent-free, before term begins. This provides them with accommodation before their contract start date and enables students to self-isolate if required. Revised check-in procedures have been implemented with arrival days staggered to minimise the number of students arriving to the building at any one time.

Supporting students
Dedicated health practitioners are on hand to provide advice on symptoms and help with self-isolation. At the Scape buildings, the Scape app provides students with support from staff as well as enabling them to book socially distanced activities. The Property Managers have been offering self-isolation support packages which include everything from hygiene kits to food box subscriptions. Scape are also offering access to online fitness classes and online mental health and wellbeing resources.

Protecting staff
The Property Managers are fully committed to making the buildings a safe place to work. Risk assessments and training have both been carried out on a regular basis in line with UK Government guidance. Signage is in place to advise employees on the social distancing rules and raise awareness on symptoms, self-isolation and correct hygiene. Temperature screening is undertaken prior to each shift and working hours have been staggered in order to minimise social contact. Face masks have been provided to all staff members.

Keeping clean
Thermal cameras have been installed in reception areas for temperature screening. Cleaning at every location has been increased with regular deep cleaning throughout the buildings. Sanitation points have been set up with signage to encourage good hand hygiene. Clear distancing guides have been introduced in spaces so that they can be used in a safe way. Students can book study areas for use individually, allowing them to observe social distancing.

Doing the right thing

In March 2020, in agreement with the Company, Scape accepted requests to forgo rent on a case-by-case basis related to the final direct let instalment due in April 2020 for residents seeking to return home for the remainder of the current academic year. Consideration was given to the ability of students to occupy their rooms, whether as a result of closure of academic institutions or other unavoidable factors.

SUSTAINABILITY

The Company aims to operate a fully sustainable business model with a low carbon footprint for all its stakeholders.

Responsible investment
The Investment Manager is a signatory to the UN Principles for Responsible Investment ("UNPRI"). The UNPRI, established in 2006, is a global collaborative network of investors working together to put the six Principles for Responsible Investment into practice. The principles are a voluntary and aspirational set of investment principles for incorporating ESG issues into investment practice. More information can be found on the UNPRI website: www.unpri.org.

The Investment Manager has established a dedicated sustainability committee to assess ESG issues and integrate sustainability across its business, including the embedding of responsible investing policies in its investment management processes.

Environmental impact
The Group is committed to being both socially and environmentally responsible and recognises the impact it has on the environment. The Company has an 'A' MSCI ESG rating, an EPRA sBPR silver award and is in the process of obtaining a GRESB rating. It has delegated the day-to-day asset and facilities management to the Property Managers, who are responsible for the provision of energy supplies, including the procurement of renewable energy, managing the Group's waste schemes and raising general awareness of environmental impact and waste reduction amongst the Group's employees and residents. This year has seen further improvements made around sustainability, energy efficiency and links to charity.

The Student Energy Project
Scape this year worked with The Student Energy Project ("TSEP") on an exclusive energy saving campaign called 'React, Reduce, Reforest'. The aim of the campaign was to encourage energy saving behaviours amongst students whilst regularly logging their energy usage habits in a dedicated app. TSEP monitored usage against set targets and provided rewards such as vouchers or charity donations for hitting sustainability targets. For the building with the highest saving this year, a tree was planted for each resident; in total, c.400 trees were planted.

Due to the unprecedented effect of Covid-19 upon student behaviour and energy usage, TSEP capped the project year at the end of March 2020. The campaign is something Scape will be seeking to roll out again during the next academic year, hopefully on a larger scale and over a longer duration.

Sustainable buildings
The Group's environmental sustainability measures include the use of highly efficient combined heat and power ("CHP") systems, ground source heat pumps and intelligent interior heating and lighting to minimise GHG emissions. CHP is a highly efficient process that captures and utilises the heat that is a by-product of the electricity generation process. By generating heat and power simultaneously, CHP can reduce carbon emissions by up to 30% compared to the separate means of conventional generation via a boiler and power station.

The Company's property portfolio incorporates green roof space, solar panels, rainwater harvesting and sustainable waste management, including diverting waste from landfill to generate renewable electricity via the waste management process. In the year to 30 June 2020, a total of 820 tonnes of property waste has been diverted from landfill, with Scape procuring the conversion of 86% of all property waste into renewable energy and 14% into national recycling schemes. The property waste has been recycled into various consumer products such as cups and bottles and renewable energy, with approximately 385,000 kWh of electricity being generated during the year.

Energy efficiency
The Company's buildings are either constructed, or acquired, as newly operational properties and therefore conform to the Company's requirements for the highest standards of energy efficiency. The properties are designed with this in mind, with 100% of the portfolio with an EPC rated B or above.

At Scape Mile End an LED lighting conversion has been carried out, replacing all existing fluorescent lighting with LED equivalents to improve energy efficiency across the building. Energy consumption for a fluorescent lamp is up to ten times the usage of LED equivalents and therefore significant financial savings can be achieved by upgrading building light fittings.

An energy performance certificate ("EPC") is required by law whenever a building is bought, sold or rented. An EPC is a key measure of an asset's energy efficiency, and grades the property from A (most efficient) to G (least efficient).

The Company portfolio (by gross internal area) at 30 June 2020 is rated as follows:

A: 11%
B: 89%
C-G: 0%

ENVIRONMENTAL DATA

Greenhouse gas emissions
Carbon emissions data

	Year ended 30 June 2020	Year ended 30 June 2019
Absolute energy use:		
Residential gas (kWh)	**9,743,744**	8,781,918
Residential electricity (kWh)	**5,830,977**	5,851,542
Absolute CO_2e emissions (tonnes CO_2e)	**3,151**	3,110
Residential gas emissions (tonnes CO_2e) (Scope 1)	**1,792**	1,615
Residential electricity emissions (tonnes CO_2e) (Scope 2)	**1,359**	1,496
Total residential emissions (tonnes CO_2e) (Scopes 1+2)	**3,151**	3,110
CO_2e emissions per sq ft (tonnes CO_2e/sq ft)	**0.0036**	0.0036
Residential gas and oil emissions (tonnes CO_2e/sq ft) (Scope 1)	**0.0020**	0.0019
Residential electricity emissions (tonnes CO_2e/sq ft) (Scope 2)	**0.0016**	0.0017
Total residential emissions (tonnes CO_2/sq ft) (Scopes 1+2)	**0.0036**	0.0036
CO_2e emissions per bed (tonnes CO_2e/number of beds)	**0.8**	0.8

Impact area	**EPRA Code**	Units of measure	Indicator	**30 June 2020**	30 June 2019
Total electricity consumption	**Elec-Abs/Elec-LfL**	Annual kWh	All properties	**5,830,977**	5,851,542
Total district heating and cooling consumption	**DH&C-Abs/DH&C-LfL**	Annual kWh	All properties	**1,083,810**	1,077,590
Total fuel consumption	**Fuels-Abs/Fuels-LfL**	Annual kWh	All properties	**15,574,720**	14,633,460
Building energy intensity	**Energy-Int**	kWh/appropriate denominator	All properties	**3,784**	3,555

Methodology/notes:
Methodology
The principal methodology used to calculate the emissions reflects the UK Government's Environmental Reporting Guidelines 2019 version. The Company has reported on all the emission sources required under the Regulations. An operational control approach was used to define the Company's organisational boundary and responsibility for GHG emissions. The Company owns 100% of the property assets it operates and has therefore reported on that basis. All material emission sources within this boundary have been reported upon, in line with the requirements of the Regulations.

Intensity ratio:
In order to express the GHG emissions in relation to a quantifiable factor associated with the Company's activities, the intensity ratio per square foot has been chosen. It is considered that this intensity ratio will provide a uniform basis of comparing data between the Company's different properties and take into account the commercial areas within the properties. This will also allow comparison of the Company's performance over time, as well as with other companies in the Company's peer group. Consumption per bed has also been presented for comparison purposes.

Total consumption on an absolute basis has remained broadly in line with the prior year.

Like-for-like data
The operational control approach has been used and therefore Circus Street, which became operational during the year, has been excluded. The property has been leased under a 20-year FRI lease. Therefore absolute and like-for-like data is identical.

District heating
Scape Greenwich is the only property with district heating and cooling systems and therefore consumption and like-for-like data is identical.

Appropriate denominator
Consumption per bed has been chosen as the denominator.

Landlord obtained utility consumption:
All data has been obtained from metered buildings, no estimation has been used.

Disclosure on own offices:
The Company does not occupy any premises and outsources all of its services on a fee basis.

Impact area	EPRA code	Units of measure	Indicator	**Year ended 30 June 2020**	Year ended 30 June 2019
Total direct GHG emissions	**GHG-Dir-Abs**	Annual metric tonnes CO_2	All properties	**3,151**	3,110
Greenhouse gas (GHG) emissions intensity from building consumption	**GHG-Int**	Tonnes CO_2/appropriate denominator	All properties	**0.8**	0.8

Water consumption

Impact area	EPRA Code	Units of measure	Indicator	**Year ended 30 June 2020**	Year ended 30 June 2019
Total water consumption	**Water-Abs**	Annual cubic metres	All properties	**172,725**	197,016
Building water intensity	**Water-Int**	m^2/appropriate denominator	All properties	**42.0**	47.9

Waste and recycling

Impact area	EPRA code	Units of measure	Indicator	**Year ended 30 June 2020**		Year ended 30 June 2019	
Total weight of waste by disposal route	**Waste-Abs/Waste-LfL**	Annual metric tonnes and proportion by disposal route	Tonnes of waste	**820**	**100%**	705	100%
			Waste to energy	**705**	**86%**	604	86%
			Waste to recycling	**112**	**14%**	98	14%
			Waste to Landfill	**4**	**0%**	3	0%

Methodology/notes:
Like-for-like data:
The operational control approach has been used and therefore Circus Street, which became operational during the year, has been excluded. The property has been leased under a 20-year FRI lease. Therefore absolute and like-for-like data is identical.

Water source:
All of the water consumed at the Company's buildings is purchased through water utility companies.

Appropriate denominator:
Consumption per bed has been chosen as the denominator.

Landlord obtained utility consumption:
All data has been obtained from metered buildings, estimation has been used for two months'water consumption at Water Lane Apartments (where no data was available) based on average consumption during the year.

Employee data

Impact area	EPRA code	Units of measure	Indicator	**Year ended 30 June 2020**		Year ended 30 June 2019	
				Female	**Male**	Female	Male
Employee gender diversity	**Diversity-Emp**	Number of employees	Board of Directors	**2**	**3**	2	3
			Senior management	**3**	**2**	2	3
			Employees	**66**	**48**	64	57
			Total	**71**	**53**	68	63
Gender pay ratio	**Diversity-Pay**	Percentage difference by gender	**All employees**	**-1.5%**	**+1.5%**	**-15.1%**	**+15.1%**

Impact area	EPRA code	Units of measure	Indicator	**Year ended 30 June 2020**	Year ended 30 June 2019
Employee training and development	**Emp-Training**	Average hours per annum	All employees	**10.5**	8.3
Employee performance appraisals	**Emp-Dev**	Percentage of employees	All employees	**100%**	100%
Employee turnover	**Emp-Turnover**	Percentage of employees	All employees	**69%**	71%
New hires	**Emp-Turnover**	New hires	All employees	**80**	121

Impact area	EPRA Code	Units of measure	Indicator	**Year ended 30 June 2020**	Year ended 30 June 2019
Employee health and safety	H&S-Emp	Injury rate, lost day rate, accident severity rate and absentee rate	Injury rate	**13.9%**	10.5%
			Lost day rate	**0.0%**	0.0%
			Accident severity rate	**0.0%**	0.0%
			Absentee rate	**0.0%**	0.7%

Asset health and safety assessments	H&S-Assets	Percentage of assets	All properties	**100%**	100%
Asset health and safety compliance	H&S-Comp	Percentage of assets	All properties	**100%**	100%
Community engagement, impact assessments and development programmes	Comty-Eng	Percentage of assets	All properties	The Company is indirectly involved in a number of social and local community initiatives via the Property Manager,Scape, who manages c.85% of the operational portfolio at 30 June 2020, such as initiatives to give back to the local area through sponsorship and local events. Read more above.	

Methodology/notes:
New hires and turnover:
Scape has overall responsibility for the supervision and provision of asset management services through oversight and management of the employees of GCP Operations Limited, a subsidiary of the Company. GCP Operations Limited experiences a high employee turnover rate due to the nature of the roles in the business which include temporary staff and are predominantly service based.

Gender pay ratio:
The reduction in the ratio this year is due to an increase in female senior appointments (by way of internal promotions) and female appointments in head office roles. The ratio excludes the Board of Directors who are all non-executive.

RISK MANAGEMENT

Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective.

Role of the Board
The Directors have overall responsibility for risk management and internal controls within the Group. They recognise that risk is inherent in the operation of the Group and that effective risk management is an important element in the success of the organisation. The Directors have delegated responsibility for the assurance of the risk management process and the review of mitigating controls to the audit and risk committee.

The Directors, when setting the risk management strategy, also determine the nature and extent of the significant risks and the Company's risk appetite in implementing this strategy. A formal risk identification and assessment process has been in place since IPO, resulting in a risk framework document which summarises the key risks and their mitigants.

The Directors undertake a formal risk review with the assistance of the audit and risk committee at least twice a year in order to assess the effectiveness of the Group's risk management and internal control systems. During the year under review, the Directors have not identified, nor been advised of, any failings or weaknesses which they have determined to be of a material nature. The principal risks and uncertainties which the Group faces are set out below.

Internal control review
The Board is responsible for the internal controls relating to the Group including the reliability of the financial reporting processes and for reviewing their effectiveness.

The Directors have reviewed and considered the guidance supplied by the Financial Reporting Council on risk management, internal control and related finance and business reporting. An ongoing process has been established for identifying, evaluating and managing the principal and emerging risks faced by the Group and is kept under regular review by the Board, through the audit and risk committee. This process, together with key procedures established with a view to providing effective financial control, was in place during the year under review and at the date of this report.

The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made, and which is issued for publication, is reliable and that the assets of the Group are safeguarded.

The following are the main features of the Group's internal control and risk management systems:

- a defined schedule of matters reserved for decision by the Board, which is reviewed by the Board at least annually;
- the audit and risk committee regularly reviews the Company's internal controls, risk management systems and risk matrix;
- the Company has defined investment criteria, as set out in the investment policy. Compliance with these criteria is regularly reviewed by the Investment Manager, particularly when considering possible new investments;
- the Board has a procedure to ensure that the Company can continue to be approved as an investment company by complying with sections 1158/1159 of the Corporation Tax Act 2010;
- the Investment Manager and Administrator prepare forecasts and management accounts which allow the Board to assess the Company's activities and to review its performance;
- contractual agreements with the Investment Manager and other third party service providers, and adherence to them, are regularly reviewed;
- the services and controls at the Investment Manager and at other service providers are reviewed annually and assurance letters are provided by service providers to the Company on an annual basis;
- the audit and risk committee receives and reviews assurance reports on the controls of all third party service providers, including the Depository, Investment Manager and Administrator, undertaken by professional service providers; and
- the Investment Manager's Risk Officer continually reviews the Investment Manager's controls in its capacity as AIFM to the Company. Risk Officer reports are submitted to the committee on a six-monthly basis.

The risk management process and Group systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Directors have carried out a review of the effectiveness of the systems of internal control as they have operated over the period and up to the date of approval of the report and financial statements.

There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

Internal control assessment process
Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective. The Board, through the audit and risk committee, has categorised risk management controls under the following key headings:

- operational risk;
- market risk;
- financial risk;
- reputational risk; and
- emerging risks.

In arriving at its judgement of what risks the Group faces, the Board has considered the Group's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Group to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Group's ability to reduce the incidence and impact of risk on its performance;
- the cost to the Group and benefits related to the review of risk and associated controls of the Group; and
- the extent to which the third parties operate the relevant controls.

A risk matrix is in place against which the risks identified and the controls to mitigate those risks can be monitored. The risks are assessed on the basis of:

- the likelihood of them happening;
- the impact on the business if they were to occur; and
- the effectiveness of the controls in place to mitigate them.

This risk register is reviewed at least every six months by the audit and risk committee and at other times as necessary.

The Board, during the course of these reviews, has concluded that geopolitical risk should be included as a principal risk this year due to the ongoing uncertainty in regards to the UK's exit from the EU, relations between the UK, US and China and the Covid-19 pandemic. Additionally, emerging risks have been disclosed for the first time this year.

The majority of the day-to-day management functions of the Group are sub-contracted, and the Directors therefore obtain regular assurances and information from key third

party suppliers regarding the internal systems and controls operating in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, where available, which is reviewed by the audit and risk committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have identified the following principal risks and uncertainties and the actions taken to manage each of these. If one or more of these risks materialised, it could have the potential to significantly impact the Group's ability to meet its investment objective.

RISK 1: OPERATIONAL RISK

Risk	Impact	How the risk is managed	Change in residual risk over the year
Reliance on the Investment Manager and third party service providers			
The Group relies upon the performance of third party service providers to perform its main functions. In particular, the Group depends on the Investment Manager to provide investment advice and management services. Such services, which include monitoring the performance of the investment portfolio and conducting due diligence in respect of any new investments, are integral to the Group's performance.	Failure by a third party service provider to carry out its obligations in accordance with the terms of its appointment, or to exercise due care and skill, could have a material adverse effect on the Group's performance. The misconduct or misrepresentations by employees of the Group, the Investment Manager, the Property Managers or other third party service providers could cause significant losses to the Group.	The performance of the Group's service providers is closely monitored by the management engagement committee of the Board, which conducts review meetings with each of the Group's principal third party service providers on an annual basis. The audit and risk committee also reviews the internal controls reports and other compliance and regulatory reports of its service providers on an annual basis. The performance of the employees within the Group is monitored by the Board of GCP Operations and Scape and considered regularly by the Board.	**Stable** The Investment Manager continues to provide adequate resource and act with due skill, care and diligence in its responsibilities as Investment Manager and AIFM to the Company. The Company's third party service providers continue to act in accordance with their obligations. The Investment Manager and third party service providers enacted Business Continuity Plans in response to the Covid-19 outbreak and these are operating effectively
Due diligence			
Prior to entering into an agreement to acquire any property, the Investment Manager will perform due diligence on behalf of the Group, on the proposed investment. The due diligence process may not reveal all the facts that may be relevant in connection with any proposed investment.	To the extent that the Investment Manager underestimates or fails to identify risks and liabilities associated with the investment in question, the Group may be subject to defects in title, to environmental, structural or operational defects requiring remediation, or may be unable to obtain necessary permits which may materially and adversely impact the EPRA NAV[1] per share and the earnings of the Company.	In addition to the due diligence carried out by the Investment Manager, third party technical, insurance and legal experts are engaged to advise on specific risks to an acquisition, whether it be structured via a property-owning vehicle or a direct property acquisition.	**Stable** Although the Company's property portfolio has been impacted by the Covid-19 pandemic, it has not impacted the process of due diligence. The portfolio generated rental income for the year of £47.8 million, which represents 92% of the budgeted income for the year.
Concentration risk			
The Company's property portfolio comprised eleven assets at 30 June 2020. The Group's assets are primarily located in and around London.	As a result of portfolio concentration, the Group may be adversely affected by events, including Brexit and the Covid-19 pandemic, which may damage or diminish London's attractiveness to students (especially overseas students) or London property values.	The Group is focused on the London market because this is where the largest supply/demand imbalance exists in the UK student accommodation market. The Investment Manager and the Property Managers have significant experience in the sector and continuously monitor the market and provide quarterly updates to the Board, to act as an early warning signal of any adverse market conditions ahead.	**Decrease** The Company has completed the construction of its first asset in Brighton under a forward-funding agreement and has continued the construction of a second asset in Brighton. The Directors believe that Brighton demonstrates the strong supply and demand imbalances for student residential accommodation similar to the characteristics that make London attractive.
Net income and property values			
Occupancy, rental income and property values may be adversely affected by a number of factors, including a fall in the number of students, competing sites, any harm to the reputation of the Group or the Scape brand amongst universities, students or other potential customers, or as a result of other local or national factors, including Brexit and the Covid-19 pandemic.	A decrease in rental income, occupancy and/or property values may materially and adversely impact the NAV and earnings of the Company as well as the ability to service interest on its debt facility in the longer term. The failure to collect rents, periodic renovation costs and increased operating costs may also adversely affect the Group.	The Investment Manager will only propose to the Board those assets which it believes are in the most advantageous locations and benefit from large supply and demand imbalances that can withstand the entry of new competitors into the market. In addition, the quality of assets that the Group acquires will be amongst the best in class to minimise occupancy risk. The Investment Manager monitors the performance of the Property Managers and provides the Board with performance reports on a quarterly basis, including any operational or performance-related issues which could potentially have an impact on brand confidence or integrity.	**Increase** At the start of the academic year, the Company's portfolio achieved full occupancy for the sixth consecutive year. This remained the case until the restrictions on global mobility and closure of academic institutions caused by the Covid-19 pandemic resulted in the majority of students vacating their rooms. The operational portfolio generated rental income of £47.8 million for the year to 30 June 2020, representing 92% of all budgeted revenues for the financial year.
Property valuation			
The valuation of the Group's property portfolio is inherently subjective, in part because property valuations are made on the basis of assumptions which may not prove to be accurate, and because of the individual nature of each property and limited transactional activity.	Valuations of the Group's investments may not reflect actual sale prices, even where any such sales occur shortly after the relevant valuation date. Property investments are typically illiquid and may be difficult for the Company to sell and the price achieved on any such realisation	The Company has entered into a valuation agreement with Knight Frank LLP to provide quarterly valuations of all of the Group's assets. Knight Frank LLP is one of the largest valuers of student accommodation in the UK and therefore has access to a	**Increase** The valuation at 30 June 2020, as determined by the Company's independent valuer, was subject to 'material valuation uncertainty' caused by the Covid-19 pandemic and in accordance with recent guidance issued by the Royal Institution of Chartered

	may be at a discount to the prevailing valuation of the relevant investments.	large number of data points to support its valuations. In addition to this, the Board of Directors has significant experience of property valuation and its constituent elements.	Surveyors. Post year end, the Company has been notified that, with effect from 7 July 2020, its valuations will no longer be subject to this qualification
Compliance with laws and regulations			
Any change in the laws, regulations and/or government policy affecting the Group, including any change in the Company's tax status or in taxation legislation in the UK (including a change in interpretation of such legislation).	A material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective or provide favourable returns to shareholders. An increase in the rates of stamp duty land tax could have a material impact on the value of assets acquired. In addition, if the Group fails to remain a REIT for UK tax purposes, its profits and property valuation gains will be subject to UK corporation tax.	The Company has appointed Gowling WLG (UK) LLP as legal counsel, Link Company Matters Limited as Company Secretary and Deloitte LLP as tax adviser to ensure compliance with all relevant laws and regulations. The Board has ultimate responsibility for ensuring adherence to all laws and regulations, including the UK REIT regime, and monitors the compliance reports provided by the Investment Manager and other third party service providers.	**Stable** The Company's internal compliance procedures continue to operate effectively. The Investment Manager and third party service providers enacted Business Continuity Plans in response to the Covid-19 outbreak and these are also operating effectively.

RISK 2: MARKET RISK

UK property market conditions			
The Group's profitability depends on property values in the UK to a significant extent.	An overall downturn in the UK property market as a result of Brexit, Covid-19 and/or other factors and the availability of credit to the UK property sector may have a materially adverse effect upon the value of the property owned by the Group and ultimately upon the NAV and the ability of the Company to generate revenues.	The Investment Manager continuously monitors market conditions and provides the Board with quarterly updates on the student accommodation market and senior debt market to act as an early warning signal of any adverse market conditions ahead.	**Increase** The Covid-19 pandemic is causing significant uncertainty in the UK property market. The immediate impact on the property market of a widespread shutdown has been reduced levels of income and a significant reduction in transaction activity resulting in a material uncertainty clause caveating valuations across the wide range of UK property sectors. This caveat was lifted for purpose-built student accommodation on 7 July 2020.
Government policy and Brexit			
Changes in government policy which adversely impact the number of students in the UK. Further, the Group may be subject to a period of significant uncertainty when the UK leaves the EU. Covid-19 is also impacting government policy and may be subject to further changes.	Material reductions to the number of students, including international students, attending HEIs in the UK and/or material adverse impact on the value of student accommodation assets in the UK may have a material adverse impact on the Company's ability to meet its stated objectives.	The Board, together with its relevant advisers, closely monitors changes in government policy in respect of UK, EU and international students.	**Increase** Covid-19 has increased government involvement in the higher education sector. The U-turn regarding awarding of A-levels in the midst of the Covid-19 outbreak led to an increase in the number of top grades awarded and increased the uncertainty for lower-ranked institutions in regard to student numbers. The Company's assets are in locations that stand to benefit from students attending more highly ranked institutions. As a result of Brexit, the UK Government has confirmed that EU students will pay full international student rates from the 2021/22 academic year.
Geopolitical			
Negative changes to the relationship between the UK and other nations from which residents of the Company's assets originate may have an adverse impact on demand.	Material reductions to the number of students, including international students, attending HEIs in the UK and/or material adverse impact on the value of student accommodation assets in the UK may have a material adverse impact on the Company's ability to meet its stated objectives	The Board has significant experience and, together with its advisers, monitors global macro-economic and political developments which may impact UK, EU and international student numbers. The Company seeks to acquire assets in locations with a supply shortfall and strong demand to attract a diversified range of domestic and international students.	**New**

RISK 3: FINANCIAL RISK

Risk	**Impact**	**How the risk is managed**	**Change in residual risk over the year**
Breach of loan covenants and gearing limits			
The availability of the Company's debt facilities depends on the Company complying with a number of key financial covenants in respect of loan-to-value and interest service cover.	An adverse change to capital values as a result of a downturn in the UK property market, or a reduction to net income due to factors such as a fall in the number of students or other national factors, may lead to a situation whereby the Company breaches its banking covenants.	The Company's borrowing policy provides for the Company to have no more than 55% gearing in the short term and approximately 30% in the long term. In addition to this, the Investment Manager provides the Board with a quarterly update on the state of the UK property market and the senior debt market.	**Stable** The Company's gearing and loan-to-value ratios remain within long-term targets and the Company is in full compliance with all financial covenants at the year end.

EMERGING RISKS

As part of the Company's risk management processes, emerging risks are considered at the formal reviews of the Company's risk matrix. Emerging risks include trends which are characterised by a high degree of uncertainty in terms of their occurrence, probability and their potential impact.

EMERGING RISKS

Risk	Impact	How the risk is managed	Change in residual risk over the year
Covid-19			
A prolonged global pandemic limiting the movement of people and adversely impacting the number of students in the UK.	The restriction of movement of people leading to a material reduction to the number of students attending HEIs in the UK may have a material adverse impact on the Company's income and ability to meet its stated objectives.	The Board, together with its relevant advisers, is closely monitoring the crisis, which has been evolving rapidly. The Company requires that its service providers adopt best management practices to mitigate the risks of Covid-19 to users of the Company's assets. The Company has also put all acquisitions on hold and is maintaining a surplus cash balance.	**New**
-Climate change			
Short-term increase in environmental changes could have a significant detrimental effect on the Company's buildings or the universities served (e.g. through flooding).	The Company's buildings may become inaccessible or incapable of occupation. Universities may be affected, leading to a reduction in the number of students, which would have a negative impact on occupancy, earnings and property valuations.	The Company seeks to adhere to existing and emerging ESG policies. It has participated in GRESB for the 2019/20 reporting cycle. A sustainability committee was established in 2019 by the Investment Manager and the Property Manager, Scape, to monitor and implement ESG initiatives. The Investment Manager also carries out environmental impact assessments in due diligence processes.	**New**
University funding			
The primary sources of funding for universities are tuition fees, followed by research grants. There are growing pressures on universities' funding sources, with policy reviews suggesting tuition fees may be lowered. Brexit may also lead to a reduction in EU funding and Covid-19 may impact receipt of tuition fees.	A material reduction to the number of HEIs in the UK, due to lack of funding, consolidation or otherwise, may have a material adverse impact on the number of students. This may lead to a reduction in the Company's income and ability to meet its stated objectives.	The Board has significant experience and, together with its advisers, monitors the funding positions of UK higher education institutions. The Company's focus on London means it has exposure to the market in the UK with the greatest diversity of highly ranked higher education institutions.	**New**

1. Alternative performance measure - see below for definitions and calculation methodology.

GOING CONCERN ASSESSMENT AND VIABILITY STATEMENT

Going concern
In assessing the Group's ability to continue as a going concern, the Directors have considered the Company's investment objective, risk management policies, capital management (see note 21 to the financial statements), the quarterly NAV and the nature of its portfolio and expenditure projections. The Directors believe that the Group has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of this report. In addition, the Board has had regard to the Group's investment performance, the price at which the Company's shares trade relative to the NAV and ongoing investor interest in the continuation of the Company (including feedback from meetings and conversations with shareholders by the Group's advisers).

Based on their assessment and considerations, the Directors have concluded that the financial statements of the Company and the Group should continue to be prepared on a going concern basis and the financial statements have been prepared accordingly. The Directors have also made an assessment of the viability of the Company.

Viability statement
The Directors have assessed the viability of the Company over a five-year period to 30 June 2025, taking into account the financial position of the Group and the potential impact of the Company's principal risks and uncertainties detailed above, in particular the risk that reduced occupancy due to the Covid-19 pandemic could have on future years, which could materially affect the valuation and cash flows of the Company's investments and, therefore, the viability of the Company. They have also considered the Company's policy for monitoring, managing and mitigating its exposure to these risks.

The Directors have assessed the prospects of the Group over a period longer than the twelve months required by the going concern provision. The Board has determined that a five-year period constitutes an appropriate period to provide its viability statement. The Company does not have a fixed life, it assumes long-term hold periods for the assets in its portfolio and analyses its financial model over a five-year horizon. The weighted average maturity of the Company's debt facilities is approximately six years.

This assessment involved an evaluation of the potential impact on the Group of these risks occurring. Where appropriate, the Group's financial model was subject to a sensitivity analysis involving flexing a number of key assumptions in the underlying financial forecasts in order to analyse the effect on the Group's net cash flows and other key financial ratios including loan covenants. Additionally, the Company considers the impact of structural changes in light of wider macro-economic conditions, with regard to refinancing and asset sales.

The impact of Covid-19 on market conditions within which the Company operates has been significant. As a result, additional testing has been carried out to reflect the Company's ability to operate in unfavourable conditions.

The impact of these assumptions has been measured against the Company's key metrics:

- profitability;
- loan covenants;
- the level of financial headroom; and
- compliance with the REIT rules.

Alongside the five-year forecast stress testing the Board has undertaken reverse stress testing conducted with respect to the 2020 financial year regarding the effect of income and valuation sensitivities on viability and key loan covenants.

Based on the results of the analysis and current booking levels, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

This strategic report has been approved by the Board and signed on its behalf by:

Robert Peto
Chairman
16 September 2020

GOVERNANCE

DIRECTORS
Robert Peto -Chairman

Malcolm Naish - Senior Independent Director and Chair of the management engagement committee

Marlene Wood - Chair of the audit and risk committee

Gillian Day - Chair of the remuneration committee

David Hunter - Chair of the nomination committee

EXTRACTS FROM THE DIRECTORS' REPORT

Share capital
At the annual general meeting held on 6 November 2019, the Company was granted authority to allot ordinary shares of the Company up to 10% of the Company's total issued share capital at that date, amounting to 41,365,400 ordinary shares.

On 27 December 2019, the Company issued 41,365,400 ordinary shares at a price of 186.00 pence per share, with an aggregate nominal value of £413,654, raising gross proceeds of approximately £77 million. The shares were issued under the existing shareholder authorities granted at the Company's annual general meeting held on 6 November 2019, as set out above.

The placing price represented a premium of 10.4% to the Company's prevailing EPRA NAV[1] (ex-income) of 168.55 pence per ordinary share and a discount of 6.3% to the closing market price per share on 18 December 2019 of 198.40 pence. The shares were issued to institutional investors and professionally advised private investors and admitted to trading on the Premium Segment of the London Stock Exchange's Main Market on 27 December 2019.

As a consequence of the above and as at the date of this report, the Company's ability to allot shares under its existing authority has been exhausted.

At the annual general meeting held on 6 November 2019, the Company was granted authority to purchase up to 14.99% of the Company's ordinary share capital in issue at that date on which the notice of annual general meeting was published, amounting to 62,006,679 ordinary shares. No ordinary shares have been bought back under this authority. This authority will expire at the conclusion of, and renewal will be sought at, the annual general meeting to be held on 4 November 2020.

Shares bought back by the Company may be held in treasury, from where they could be re-issued at or above the prevailing NAV quickly and cost effectively. This provides the Company with additional flexibility in the management of its capital base. No shares were bought back or held in treasury during the year or at the year end.

At the year end, and at the date of this report, the issued share capital of the Company comprised 455,019,030 ordinary shares. At general meetings of the Company, ordinary shareholders are entitled to one vote on a show of hands and, on a poll, to one vote for every ordinary share held.

At 30 June 2020, the total voting rights of the Company were 455,019,030, and at the date of this report are 455,019,030.

Dividends
Dividends totalling 6.15 pence per ordinary share have been paid in respect of the year ended 30 June 2020 as follows:

	Year ended 30 June 2020 pence	Year ended 30 June 2019 pence
First interim dividend	**1.57**	1.53
Second interim dividend	**1.58**	1.53
Third interim dividend	**1.58**	1.53
Fourth interim dividend	**1.42**	1.56
Total	**6.15**	**6.15**

FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES
In respect of the annual report and financial statements

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable UK law and IFRS as adopted by the EU.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Group for that year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare financial statements on a 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 Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations, and for ensuring that the annual report includes information required by the Listing Rules and Disclosure Guidance and Transparency Rules of the FCA.

The financial statements are published on the Company's website, www.gcpstudent.com, which is maintained on behalf of the Company by the Investment Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website.

Under the investment management agreement, the Investment Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Visitors to the website need to be aware that legislation in the UK covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the Group; and
- this annual report includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that it faces.

The Directors consider that the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Robert Peto
Chairman
16 September 2020

NON-STATUTORY ACCOUNTS

The financial information set out below does not constitute the Company's statutory accounts for the year ended 30 June 2020 or the year ended 30 June 2019 but is derived

from those accounts. Statutory accounts for the year ended 30 June 2019 have been delivered to the Registrar of Companies and those for 2020 will be delivered in due course. The Auditor has reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The text of the Auditor's report can be found in the Company's full annual report and financial statements at www.gcpstudent.com.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Notes	**30 June 2020**	30 June 2019
Continuing operations		**£'000**	£'000
Rental income	4	**47,762**	44,410
Property operating expenses	5	**(9,658)**	(9,364)
Gross profit		**38,104**	35,046
Administration expenses	5	**(9,861)**	(8,808)
Aborted transaction costs	5	**(3,765)**	-
Operating profit before gains on investment properties and financial instruments		**24,478**	26,238
Fair value gains on investment properties	10	**33,904**	73,865
Operating profit		**58,382**	100,103
Finance income	15	**93**	1,088
Finance expenses	16	**(9,897)**	(8,405)
Profit before tax		**48,578**	92,786
Tax charge on residual income	7	**-**	-
Total comprehensive income for the year		**48,578**	92,786
EPS (basic and diluted) (pence per share)	3	**11.17**	22.92

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Notes	**30 June 2020**	30 June 2019
		£'000	£'000
Assets			
Non-current assets			
Investment property	10	**1,009,838**	919,203
Retention account		**-**	308
Total non-current assets		**1,009,838**	919,511
Current assets			
Cash and cash equivalents	23	**60,358**	15,509
Deposit for investment property		**-**	2,648
Retention account		**308**	-
Trade and other receivables	24	**17,671**	14,594
Total current assets		**78,337**	32,751
Total assets		**1,088,175**	952,262
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	17	**(279,456)**	(249,111)
Retention account		**-**	(308)
Lease liability		**(11,266)**	-
Financial derivatives		**(233)**	-
Total non-current liabilities		**(290,955)**	(249,419)
Current liabilities			
Trade and other payables	25	**(9,066)**	(5,887)
Deferred income		**(6,085)**	(12,293)
Lease liability		**(342)**	-
Retention account		**(308)**	-
Total current liabilities		**(15,801)**	(18,180)
Total liabilities		**(306,756)**	(267,599)
Net assets		**781,419**	684,663
Equity			
Share capital	18	**4,550**	4,137
Share premium	19	**525,748**	450,658
Special reserve	20	**26,340**	38,759
Retained earnings	20	**224,781**	191,109
Total equity		**781,419**	684,663
Number of shares in issue		**455,019,030**	413,653,630
EPRA NAV[1] per share (pence per share)	3	**171.78**	165.52
IFRS NAV per share (pence per share)		**171.73**	165.52

These financial statements were approved by the Board of Directors of GCP Student Living plc on 16 September 2020 and signed on its behalf by:

Robert Peto
Chairman
Company number: 08420243

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

1. Alternative performance measure - see below for definitions and calculation methodology.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

	Notes	**Share Capital £'000**	**Share premium**	**Special reserve £'000**	**Retained earnings £'000**	**Total £'000**
Balance at 1 July 2019		**4,137**	**£'000**	**38,759**	**191,109**	**684,663**
Total comprehensive income		**-**	**-**	**-**	**48,578**	**48,578**
Ordinary shares issued		**413**	**76,526**	**-**	**-**	**76,939**
Share issue costs		**-**	**(1,436)**	**-**	**-**	**(1,436)**
Dividends paid in respect of the previous year	8	**-**	**-**	**(2,344)**	**(4,109)**	**(6,453)**
Dividends paid in respect of the current year	8	**-**	**-**	**(10,075)**	**(10,797)**	**(20,872)**
Balance at 30 June 2020		**4,550**	**525,748**	**26,340**	**224,781**	**781,419**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

	Notes	Share Capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2018		3,851	408,617	44,497	117,245	574,210
Total comprehensive income		-	-	-	92,786	92,786
Ordinary shares issued		286	42,854	-	-	43,140
Share issue costs		-	(813)	-	-	(813)
Dividends paid in respect of the previous year	8	-	-	(2,508)	(3,306)	(5,814)
Dividends paid in respect of the current year	8	-	-	(3,230)	(15,616)	(18,846)
Balance at 30 June 2019		4,137	450,658	38,759	191,109	684,663

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	Notes	**30 June 2020 £'000**	30 June 2019 £'000
Cash flows from operating activities			
Operating profit		**58,382**	100,103
Adjustments to reconcile profit for the year to net operating cash flows:			
Gains from change in fair value of investment properties	10	**(33,904)**	(73,865)
Increase in other receivables and prepayments		**(1,583)**	(3,159)
(Decrease)/increase in other payables and accrued expenses		**(5,941)**	2,535
Net cash flow generated from operating activities		**16,954**	25,614
Cash flows from investing activities			
Land and development expenditure on properties under construction		**(41,075)**	(58,327)
Capital expenditure on investment properties		**(295)**	(7,872)
Net cash used in investing activities		**(41,370)**	(66,199)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**76,939**	43,140
Share issue costs		**(1,436)**	(813)
Proceeds from interest-bearing loans and borrowings		**57,016**	34,620
Repayment of interest-bearing loans and borrowings		**(28,220)**	(17,470)
Repayment of leasing liability		**(174)**	-
Loan arrangement fees		**(49)**	(1,429)
Finance income		**85**	1,020
Finance expenses		**(7,828)**	(7,614)
Dividends paid in the year	8	**(27,068)**	(24,573)
Net cash flow generated from financing activities		**69,265**	26,881
Net increase/(decrease) in cash and cash equivalents		**44,849**	(13,704)
Cash and cash equivalents at start of the year		**15,509**	29,213
Cash and cash equivalents at end of the year	23	**60,358**	15,509

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2020

Part 1. Basis of preparation
This section includes the Company's accounting policies applied to the financial statements in accordance with IFRS. Accounting policies specific to a particular note have been included with the note to the financial statements.

1. General information
GCP Student Living plc is a REIT incorporated in England and Wales on 26 February 2013. The registered office of the Company is located at 51 New North Road, Exeter EX4 4EP. The Company has a premium listing on the Official List of the FCA and trades on the Premium Segment of the Main Market of the London Stock Exchange. The Company had a market capitalisation of £564.2 million at 30 June 2020.

2. Basis of preparation
These financial statements are prepared in accordance with IFRS issued by the IASB as adopted by the European Union. The financial statements have been prepared under the historical cost convention, except for investment property and financial instruments, which have been measured at fair value. The audited financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

These financial statements are for the year ended 30 June 2020. Comparative figures are for the previous accounting period, the year ended 30 June 2019.

The Group has chosen to adopt the EPRA best practice guidelines for calculating key metrics such as net asset value and earnings, which are presented alongside the IFRS measures where applicable.

2.1 Changes to accounting standards and interpretations
New standards, amendments to standards and interpretations which came into effect for accounting periods starting on or after 1 January 2019 have had an impact on the financial statements as follows:

IFRS 16 Leases was introduced for accounting periods beginning on or after 1 January 2019. The Group incurs ground rent in relation to one of its investment properties that has previously been treated as an operating lease and now falls within the scope of IFRS 16. As a result, the Group has recognised a right-of-use asset of £11,610,000 and a lease liability of £11,610,000 as at 1 July 2019. The Company has taken a modified retrospective approach. There were no adjustments to opening reserves at 1 July 2019 as a right-of-use asset and a lease liability were recognised at the same amount. The lease liability is calculated at the net present value of the future lease payments, discounted using the Group's incremental borrowing rate of 3.01%. The right-of-use asset is included within investment property in the consolidated statement of financial position at fair value.

The following new standards and amendments to existing standards have been published and, once approved by the EU, will be mandatory for the Group's accounting periods beginning after 1 July 2020 or later periods. The Group has decided not to adopt them early.

- IFRS 3 Business Combinations - Definition of a Business, to be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020. Whilst this will not affect historic transactions of the Company, as and when an acquisition takes place the accounting treatment will be reviewed in line with the new standard.

The Group does not expect the adoption of new accounting standards issued but not yet effective to have a significant impact on its financial statements.

2.2 Significant accounting judgements and estimates
The preparation of these financial statements in accordance with IFRS requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments - Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and recognises the contracts as operating leases.

Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future, for a period of not less than twelve months from the date of this report.

In making the assessment, the Directors have considered the likely impacts of the current Covid-19 pandemic on the Group, operations and the investment portfolio. The Directors noted the cash balance exceeds any short-term liabilities, and have performed stress testing and reverse stress testing. The Group is a REIT traded on the London Stock Exchange, where assets are not required to be liquidated to meet day-to-day redemptions. Whilst the economic future is uncertain, the Directors believe it is possible the Group could experience further reductions in income and/or property valuations, however this should not be to a level which would threaten the Group's ability to continue as a going concern. The Directors, the Investment Manager and other service providers have put in place contingency plans to minimise disruption. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group's financial position in respect of its cash flows, borrowing facilities and investment commitments. Therefore, the financial statements have been prepared on the going concern basis.

Estimates
Valuation of property
The Group's investment properties are held at fair value as determined by the external valuer in accordance with the RICS Valuation Global Standards 2017 and IFRS 13. Refer to note 13 for further details of the judgements and estimates made in determining the valuation of property.

For the valuation of the properties as at 30 June 2020, the valuer has included the following valuation considerations in its report:

"The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. In the UK, market activity is being impacted in all sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is/are therefore reported on the basis of 'material valuation uncertainty' per VPGA 10 of the RICS Valuation - Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that - in the current extraordinary circumstances - less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is a disclosure, not a disclaimer."

Post year end, the Company has been notified that with effect from 7 July 2020, its valuations will no longer be subject to this qualification.

2.3 Summary of significant accounting policies
The principal accounting policies applied in the preparation of these financial statements are stated in the notes to the financial statements.

a) Basis of consolidation
As a real estate entity, the Company does not meet the definition of an investment entity and therefore does not qualify for the consolidation exemption under IFRS 10. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2020. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date that such control ceases. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In preparing these financial statements, intra-group balances, transactions and unrealised gains or losses have been eliminated in full. The subsidiaries all have the same year end as the Company. Uniform accounting policies are adopted in the financial statements for transactions and events in similar circumstances.

b) Functional and presentation currency
The overall objective of the Group is to generate returns in Pound Sterling and the Group's performance is evaluated in Pound Sterling. Therefore, the Directors consider Pound Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have therefore adopted it as the functional and presentation currency.

c) Segmental reporting
The Directors are of the opinion that the Group is engaged in a single segment of business, being the investment and provision of student accommodation facilities (including ancillary retail, commercial and teaching facilities) in the UK.

Part 2. Review of the financial year
This section includes information on performance of the Company, including rental income, EPRA metrics, operating and administration expenses and information of dividends for the year. The EPRA metrics have been reconciled to the IFRS measures where appropriate and are included to enhance comparability across the real estate sector.

3. EPRA metrics
3.1 EPS and EPRA EPS
Basic EPS is calculated by dividing profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the year. As there are no dilutive instruments in issue, basic and diluted EPS are identical. The following reflects the earnings and share data used in the basic and diluted share computations and EPRA EPS[1] and Group-specific adjusted EPS[1] computations.

	30 June 2020 £'000	30 June 2019 £'000
Group earnings for EPS and diluted EPS	**48,578**	92,786
Fair value gains on investment properties	**(33,904)**	(73,865)
Fair value losses on financial assets	**233**	-
Group earnings for basic and diluted EPRA EPS[1] (EPRA Earnings)	**14,907**	18,921
Group-specific adjustments:		
Licence fees on forward-funded developments	**4,206**	2,263
Aborted transaction costs	**3,765**	-
Group-specific adjusted earnings	**22,878**	21,184

	30 June 2020 Pence per share	30 June 2019 Pence per share
Basic Group EPS	**11.17**	22.92
Basic Group EPRA EPS[1]	**3.42**	4.67
Diluted Group EPS	**11.17**	22.92
Diluted Group EPRA EPS[1]	**3.42**	4.67
Group-specific adjusted EPS[1]	**5.26**	5.23
Total dividends	**6.15**	6.15
Dividend cover ratio[1]	**86%**	85%

	30 June 2020 Number of shares	30 June 2019 Number of shares
Weighted average number of shares in issue	**434,788,411**	404,793,233

A Group-specific adjusted EPS[1] has been calculated to show EPRA earnings[1] excluding non-recurring transactions and adding licence fees on forward-funding agreements which are treated as capital items in the financial statements. The capital items have arisen from the following:

1. For the year ended 30 June 2020:
   i. licence fees of £4,206,000 from the developers of Scape Brighton and Circus Street, Brighton in respect of forward-funding agreements; and
   ii. aborted transaction costs of £3,765,000 in relation to the Scape Mile End Canalside acquisition, including a write-off of the deposit under the forward purchase agreement.

2. For the year ended 30 June 2019:
   i. licence fees of £2,263,000 from the developers of Scape Brighton and Circus Street, Brighton in respect of forward-funding agreements.

1. Alternative performance measure - see below for definitions and calculation methodology.

3.2 EPRA NAV[1]

Basic NAV per share is calculated by dividing net assets in the statement of financial position attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding at the end of the year. As there are no dilutive instruments in issue, basic and diluted NAV per share are identical. The following reflects the net asset and share data used in the basic, diluted and EPRA NAV[1] per share computations:

	30 June 2020 £'000	30 June 2019 £'000
NAV per the financial statements	**781,419**	684,663
Effect of dilutive instruments	**-**	-
Diluted NAV	**781,419**	684,663
Fair value of other financial liabilities	**233**	-
Deferred tax liability	**-**	-
EPRA NAV[1]	**781,652**	684,663
Fully diluted number of shares	**455,019,030**	413,653,630
EPRA NNNAV[1] pence per share	**171.73**	165.52
EPRA NAV[1] pence per share	**171.78**	165.52
IFRS NAV pence per share	**171.73**	165.52

3.3. EPRA cost ratio[1]

	30 June 2020 £'000	30 June 2019 £'000
Administration expenses	**9,861**	8,808
Property operating expenses	**9,658**	9,364
Less ground rent	**(347)**	(335)
Less recoverable service charge income and other similar costs	**(226)**	(239)
EPRA costs (including direct vacancy costs)	**18,946**	17,598
Gross rental income	**47,762**	43,939
Less recoverable service charge income and other similar items	**(226)**	(239)
Gross rental income	**47,536**	43,700
EPRA cost ratio[1] (including direct vacancy costs)	**40%**	40%

Further EPRA metrics are disclosed in notes 11 and 12 to the financial statements.

1. APM - see below for definitions and calculation methodology.

4. Rental income

	30 June 2020 £'000	30 June 2019 £'000
Nomination rental income	**6,243**	5,990
Direct let rental income	**35,482**	35,008
Discounts	**(332)**	(261)
Total student income	**41,393**	40,737
Teaching space income	**525**	501
Commercial rental income	**5,451**	2,701
Gross rental income	**47,369**	43,939
Ancillary income	**386**	471
Other income	**7**	-
Total	**47,762**	44,410

Ancillary income includes income received through services provided to students such as laundry, cleaning and vending machines.

Accounting policy

Rental income, including direct lets to students, nomination agreements to HEIs and leases to commercial tenants receivable under operating leases, is recognised on a straight-line basis over the term of the lease, except for contingent income in respect of rental guarantees which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

5. Property operating and administration expenses

	30 June 2020 £'000	30 June 2019 £'000
Operating costs	**2,650**	2,641
Marketing	**312**	401
Utilities	**1,697**	1,568
Property maintenance	**1,743**	1,496
Staff costs	**3,256**	3,258
Property operating expenses	**9,658**	9,364
Investment management fees	**7,467**	6,455
Directors' remuneration	**212**	186
Other administration expenses	**2,182**	2,167
Administration expenses	**9,861**	8,808
Aborted transaction costs	**3,765**	-
Total	**23,284**	18,172

Investment management fees are further disclosed in note 28 and Directors' remuneration is further disclosed in note 26.

Property management agreements

During the year under review, the Group had two Property Managers. The Group is responsible for all fees payable in relation to property management costs incurred by it.

Collegiate Accommodation Consulting Limited

Under the terms of its asset and facilities management agreement, Collegiate is entitled to a fee of 5.5% of the total rental income collected per annum attributable to Water Lane Apartments. The fee is calculated and paid monthly in arrears.

Scape

For the financial year ended 30 June 2020, the Company received property management services from Scape Student Living Limited. Post year end, the asset and facilities management agreements between the Group and Scape Student Living Limited were terminated and new property management agreements were entered into with Scape Student Limited, as set out below.

Under the terms of its asset and facilities management agreements, Scape was entitled to a fee which was calculated and paid quarterly in arrears and was one quarter of the Investment Manager's fee attributable to those assets in the Group's portfolio for which it provided asset and facilities management services. The fee paid to Scape was paid from the Investment Manager's fee.

In the period since the Company's IPO in 2013, Scape and its affiliates have grown into a global developer, manager and operator of PBSA in the UK, Australia and Europe with c.30,000 student beds in operation or under construction globally. In order to align the Group's property management arrangements with those entered into by Scape and its affiliates globally, and as announced by the Company on 27 August 2020, new property management agreements have been entered into between the Group and Scape, including in respect of Circus Street and Scape Brighton.

Under the terms of the new property management arrangements, with effect from 1 July 2020, Scape will be entitled to an annual property management fee (payable quarterly in arrears) in respect of the management of PBSA of 4% of the total income and 1.25% of net operating income attributable to the Group's PBSA managed by Scape. An annual

property management fee (payable quarterly in arrears) of 2% of income shall be payable in respect of the management of the Group's non-PBSA commercial space.

The property management fees payable by the Group to Scape shall be subject to a minimum fee where the provision of academic services by UK higher education institutions is affected such that the Group's occupancy is materially and adversely affected by a pandemic and/or epidemic, including in the current Covid-19 pandemic. Such fee shall be calculated as 80% of the Group's relevant budgeted annual property management fees, payable quarterly in arrears.

The revised arrangements between the Group and Scape provide for the assumption by Scape of certain employment cost overheads which were previously incurred by the Group. By way of illustration, the assumption by Scape of such costs would have reduced costs incurred by the Group by approximately £0.8 million for the twelve-month period ended 30 June 2020.

The Group shall be responsible for all fees payable to Scape under the property management agreements. The revised property management arrangements may be terminated by the Company or Scape at any time with 24 months' notice, provided that such notice may expire no earlier than 30 September 2023.

As part of a wider separation of the businesses of the Investment Manager and Scape, and in light of their time commitments to the Scape business, post year end, Nigel Taee (Chairman of Scape) and Tom Ward (Global CEO of Scape) resigned as directors of the Investment Manager. Tom Ward served as the Company's lead portfolio manager in its early years following IPO. The Directors thank Mr Ward for his substantial contribution to the Company during that time. For the avoidance of doubt, neither Mr Taee nor Mr Ward were involved in the provision of investment management services to the Company immediately prior to their resignations.

At 30 June 2020, the directors of the Investment Manager indirectly owned a c.75% interest in Scape Student Living Limited. As part of the separation of the businesses of the Investment Manager and Scape, post year end a single director of the Investment Manager holds an interest of approximately 6% in Scape Student Limited.

Administration agreement
Link Alternative Fund Administrators Limited has been appointed as the Administrator to the Company and its subsidiaries. It provides the day-to-day administration services for these entities. It is also responsible for the Company's general administrative functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records. Under the terms of its administration agreement, Link Alternative Fund Administrators Limited is entitled to an administration fee of £150,000 per annum (exclusive of VAT). The administration agreement is terminable upon six months' written notice.

Company secretarial agreement
Link Company Matters Limited has been appointed by the Company to provide company secretarial functions required by the Companies Act 2006. The Secretary is entitled to a fee of £70,000 per annum in respect of the Company and £2,000 per annum in respect of each UK subsidiary. The company secretarial fees are subject to an annual RPI increase. The secretarial agreement is terminable upon six months' written notice.

Depositary agreement
Langham Hall UK Depositary LLP has been appointed as depositary to the Company. The Depositary is responsible for ensuring the safekeeping of custody assets and the non-custody assets of the Company entrusted to it (held on trust for the Company as applicable); the oversight and supervision of the Investment Manager and the Company; and for ensuring the Company's cash flows are properly monitored. Under the terms of the depositary agreement, the Depositary is entitled to a fee of £51,000 per annum, subject to an annual RPI increase. The depositary agreement is terminable by either the Company and/or the Investment Manager upon six months' written notice.

Accounting policy
All property operating expenses and administration expenses are charged to the income statement and are accounted for on an accruals basis.

6. Auditor's remuneration

	30 June 2020 £'000	30 June 2019 £'000
Audit fee	**180**	159
Other services	**20**	9
Total	**200**	168

The Company reviews the scope and nature of all proposed non-audit services before engagement, to ensure that the independence and objectivity of the Auditor are safeguarded. Audit fees are recognised within administration expenses in the statement of comprehensive income and comprise the following:

	30 June 2020 £'000	30 June 2019 £'000
Annual report and financial statements	**60**	26
Subsidiary financial statements for the year ended 30 June 2020	**120**	-
Subsidiary financial statements for the year ended 30 June 2019	**-**	116
Subsidiary financial statements for the year ended 30 June 2018	**-**	17
Total	**180**	159

For the year ended 30 June 2020, the Auditor provided non-audit services, being the review of the half-yearly report and condensed consolidated financial statements for a fee of £20,000 (2019: £9,000).

	30 June 2020 £'000	30 June 2019 £'000
Half-yearly report and condensed consolidated financial statements	**20**	9
Total	**20**	9

The audit and risk committee has considered the independence and objectivity of the Auditor and has conducted a review of non-audit services which the Auditor has provided during the year under review. The audit and risk committee receives an annual assurance from the Auditor that its independence is not compromised by the provision of such non-audit services.

7. Taxation
Corporation tax has arisen as follows:

	30 June 2020 £'000	30 June 2019 £'000
Corporation tax on residual income for current year	**-**	-
Corporation tax on residual income for prior periods	**-**	-
Total	**-**	-

Reconciliation of tax charge to profit before tax:

	30 June 2020 £'000	30 June 2019 £'000
Profit before tax	**48,578**	92,786
Corporation tax at 19% (2019: 19%)	**9,230**	17,629
Change in value of investment properties	**(6,458)**	(14,034)
Change in value of financial assets	**60**	-
Tax exempt property rental business	**(4,381)**	(3,962)
Capital allowances	**(394)**	(541)
Excess management expenses	**1,943**	908
Total	**-**	-

The Group has unrelieved excess management expenses of £23,355,000 (2019: £14,161,000) and a non-trade loan relationship deficit of £2,218,000 (2019: £2,003,000). As it is unlikely that the Group will generate sufficient taxable profits in the future to utilise these amounts, therefore no deferred tax asset has been recognised in respect of these items.

Accounting policy
Corporation tax is recognised in the income statement except where in certain circumstances corporation tax may be recognised in other comprehensive income.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

As a REIT, the Group is exempt from corporation tax on the profits and gains from its property rental business, provided it continues to meet certain conditions as per REIT regulations.

Non-qualifying profits and gains of the Group (residual income) continue to be subject to corporation tax. Therefore, current tax is the expected tax payable on the non-qualifying taxable income for the year if applicable, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

8. Dividends

		30 June 2020				30 June 2019			
	Dividend	**Total pence**	**PID**	**Ordinary dividend**	**£'000**	Total pence	PID	Ordinary dividend	£'000
Current year dividends									
30 June 2020/2019	Fourth interim dividend[1]	**1.42**	**1.26**	**0.16**	**-**	1.56	1.08	0.48	-
31 March 2020/2019	Third interim dividend	**1.58**	**1.30**	**0.28**	**7,189**	1.53	1.11	0.42	6,282
31 December 2019/2018	Second interim dividend	**1.58**	**1.30**	**0.28**	**7,189**	1.53	1.22	0.31	6,282
30 September 2019/2018	First interim dividend	**1.57**	**1.49**	**0.08**	**6,494**	1.53	1.13	0.40	6,282
Total		**6.15**	**5.35**	**0.80**	**20,872**	6.15	4.54	1.61	18,846
Prior year dividends									
30 June 2019/2018	Fourth interim dividend	**1.56**	**1.08**	**0.48**	**6,453**	1.51	0.94	0.57	5,814
Total		**1.56**	**1.08**	**0.48**	**6,453**	1.51	0.94	0.57	5,814
Dividends in statement of changes in equity					**27,325**				24,660
Movement in withholding tax accrual					**(257)**				(87)
Dividends in statement of cash flows					**27,068**				24,573

1. The fourth interim dividend was declared after the year end and therefore is not accrued for as a provision in the financial statements.

On 31 July 2020, the Company declared a fourth interim dividend of 1.42 pence per ordinary share amounting to £6.5 million. The dividend was paid on 14 September 2020 to shareholders on the register at close of business on 14 August 2020.

As a REIT, the Company is required to pay PIDs equal to at least 90% of the property rental business profits of the Group.

Accounting policy
Dividends due to the Company's shareholders are recognised when they become payable. For interim dividends this is when they are paid.

Part 3. Asset management
This section includes information on the Company's investment portfolio, valuation methodology and its performance over the year. The Group's investment properties are valued at fair value as determined by the external valuer in accordance with the RICS Valuation Global Standards 2017 and IFRS 13.

9. Operating leases
Leases are typically direct let agreements with individual students or HEIs for an academic year or shorter period. The Group also has a small number of leases on commercial areas, teaching and retail spaces and a number of nomination agreements whereby multiple beds are let out for a set number of years. The Company additionally has granted a 21-year lease over its Circus Street asset.

In March 2020, in response to the Covid-19 pandemic and in agreement with the Company, Scape accepted requests to forgo rent on a case-by-case basis related to the final direct let instalment due in April 2020, for residents seeking to return home for the remainder of the current academic year.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2020 are as follows:

	30 June 2020 £'000	30 June 2019 £'000
Less than one year	**35,697**	46,731
One to two years	**15,682**	17,575
Two to three years	**9,936**	9,811
Three to four years	**9,813**	9,811
Four to five years	**9,813**	9,789
More than five years	**66,598**	77,222
Total	**147,539**	170,939

Accounting policy
When the Group acts as lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

10. UK investment property

	Properties under construction £'000	Leasehold £'000	Freehold £'000	Total £'000
Carrying value at 1 July 2019	**97,540**	**264,651**	**557,012**	**919,203**
Capital expenditure on properties	**-**	**27**	**136**	**163**
Land and development expenditure on properties under construction	**44,958**	**-**	**-**	**44,958**
Movement between properties under construction and leasehold properties	**(67,350)**	**67,350**	**-**	**-**
Fair value gains on investment properties[1]	**6,334**	**4,899**	**22,671**	**33,904**
Adjustment in respect of right-of-use asset recognised on first application of IFRS 16[2]	**-**	**11,610**	**-**	**11,610**
Carrying value at 30 June 2020	**81,482**	**348,537**	**579,819**	**1,009,838**
Right-of-use asset	**-**	**(11,522)**	**-**	**(11,522)**
Lease incentives	**-**	**2,514**	**-**	**2,514**
Fair value at 30 June 2020	**81,482**	**339,529**	**579,819**	**1,000,830**
Carrying value at 1 July 2018	30,490	248,460	505,474	784,424
Capital expenditure on properties	-	55	4,895	4,950
Land and development expenditure on properties under construction	55,964	-	-	55,964
Fair value gains on investment property	11,086	16,136	46,643	73,865
Carrying value at 30 June 2019	97,540	264,651	557,012	919,203

Lease incentives	-	2,399	-	2,399
Fair value at 30 June 2019	97,540	267,050	557,012	921,602

1. Included in fair value gains on investment properties is a loss of £88,000 which relates to the adjustment in the year in respect of the right-of-use asset.
2. IFRS 16 has been adopted for the first time this year; for further information refer to note 2.1.

The Group continued construction of Scape Brighton and completed construction of the student accommodation element of Circus Street during the year. Refer to note 28 for details of construction costs to complete on Scape Brighton.

Accounting policy
Investment property comprises property held to earn rental income or for capital appreciation, or both. Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes and professional fees to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value in accordance with IFRS 13. Gains or losses arising from changes in the fair values are included in the income statement in the period in which they arise under IAS 40 Investment Property.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (from lettings and future revenue streams), capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property and discount rates applicable to those assets.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Investment properties under construction are measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less any impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier.

Licence fees (where income is receivable from a developer in respect of a forward-funding agreement) are deducted from the cost of investment properties and shown as a receivable until settled.

11. EPRA NIY[1]
Calculated as the value of investment properties divided by annualised net rents:

	30 June 2020	30 June 2019
	£'000	£'000
Investment properties	**1,000,830**	921,602
Less: investment property under construction	**(81,482)**	(97,540)
Operational property portfolio	**919,348**	824,062
Allowance for estimated purchasers' costs	**54,769**	25,207
Operational property portfolio plus purchasers' costs	**974,117**	849,269
Annualised cash passing rental income	**50,713**	45,675
Property operating costs	**(7,499)**	(7,159)
Annualised net rents	**43,214**	38,516
Topped-up net annualised rent	**43,214**	38,516
EPRA NIY[1]	**4.44%**	4.54%
EPRA topped-up NIY	**4.44%**	4.54%

Property-related capital expenditure analysis

	30 June 2020	30 June 2019
	£'000	£'000
Acquisitions	**44,958**	55,964
Subsequent capital expenditure	**163**	4,950
Total capital expenditure	**45,121**	60,914

Methodology/notes:
Acquisitions:
The cost of acquisition of land and capital expenditure in respect of development properties.

Subsequent capital expenditure:
Capital expenditure post acquisition includes the costs of refurbishment.

12. EPRA vacancy rate
The Company's buildings were fully occupied at the start of the 2019/20 academic year and remained the case until the restrictions on global mobility and closure of academic institutions resulting from the Covid-19 pandemic resulted in the majority of students vacating their rooms. The Company's buildings were fully occupied for the prior 2018/19 academic year.

13. Fair value
IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

The fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

Interest-bearing loans and borrowings are disclosed at amortised cost. The carrying value of the loans and borrowings approximate to their fair value due to the contractual terms and conditions of the loan.

Quarterly valuations of investment property are performed by Knight Frank LLP, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued; however, the valuations are the ultimate responsibility of the Directors, who appraise these quarterly.

The Group's investment properties are held at fair value as determined by the external valuer in accordance with the RICS Valuation Global Standards 2017 and IFRS 13.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings and future revenue streams), the capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property and discount rates applicable to those assets.

The following tables show an analysis of the fair values of assets and liabilities recognised in the statement of financial position by level of the fair value hierarchy[1]:

	30 June 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets and liabilities measured at fair value	**£'000**	**£'000**	**£'000**	**£'000**
Investment properties	**-**	**-**	**1,000,830**	**1,000,830**
Financial derivatives	**-**	**(233)**	**-**	**(233)**
Total	**-**	**(233)**	**1,000,830**	**1,000,597**

	30 June 2019			
	Level 1	Level 2	Level 3	Total
Assets and liabilities measured at fair value	£'000	£'000	£'000	£'000
Investment properties	-	-	921,602	921,602
Total	-	-	921,602	921,602

1. Explanation of the fair value hierarchy:
   - Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
   - Level 2 - use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data; and
   - Level 3 - use of a model with inputs that are not based on observable market data.

There have been no transfers between levels during the period.

Valuation techniques and significant inputs within the valuation of investment properties
The following table analyses:

- the fair value measurements at the end of the reporting period;
- a description of the valuation techniques applied;
- the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- for Level 3 fair value measurements, quantitative information about significant unobservable inputs used in the fair value measurement.

Class	Fair value	Valuation technique	Key unobservable inputs	Range
Operational student property 30 June 2020	**£919,348,000**	**Income capitalisation**	**ERV - 2019/20** **Rental growth** **Tenancy period** **Sundry income** **Facilities management cost** **Initial yield**	**£165 - £670 per bed per week** **2% - 3%** **40/51 weeks** **£50 - £100 per bed per annum** **£2,150 - £2,550 per bed per annum** **4.00% - 5.80% blended (4.00% - 7.50%)**
Development student property 30 June 2020	**£81,482,000**	**RLV (less cost left to spend)/**	**RLV** **Build cost left to spend**	**£9,910,000 - £72,670,000** **£4,244,000 - £12,281,000**
Operational student property 30 June 2019	£824,062,000	Income capitalisation	ERV - 2018/19 Rental growth Tenancy period Sundry income Facilities management cost Initial yield	£165 - £651 per bed per week 2% - 3% 40/51 weeks £50 - £100 per bed per annum £2,100 - £2,350 per bed per annum 4.10% - 5.80% blended (4.10% - 7.50%)
Development student property 30 June 2019	£97,540,000	RLV (plus cost spend to date)	RLV Build cost spend to date	£19,480,000 -£34,690,000 £6,722,000 - £36,002,000

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

The carrying amount of the Company's other assets and liabilities is considered to approximate their fair value.

For the valuation of the properties as at 30 June 2020, the valuer has included the following valuation considerations in their report:

"The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. In the UK, market activity is being impacted in all sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is/are therefore reported on the basis of 'material valuation uncertainty' per VPGA 10 of the RICS Valuation - Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that - in the current extraordinary circumstances - less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is a disclosure, not a disclaimer."

Post year end, the Company has been notified that with effect from 7 July 2020, its valuations will no longer be subject to this qualification.

1. Alternative performance measure - see below for definitions and calculation methodology.

14. Events after the reporting period
On 27 August 2020, the Company entered into a revised investment management agreement with the Investment Manager. Details of the revised fee and termination arrangements with the Investment Manager are included in note 28. At the same date, the Group entered into new property management agreements with the Property Manager, Scape. Details of the new agreements with Scape are included in note 5. The revised investment management agreement and the new property management agreements are effective from 1 July 2020.

On 7 July 2020, the Company was informed by the Valuer that it will be following the recommendation made by the RICS Material Valuation Uncertainty Leaders Forum (UK) in relation to the valuation managed student housing of institutional grade that a material valuation uncertainty may no longer be appropriate for the Group's properties and that its valuations will no longer be subject to this qualification.

In the period since the year end, the Directors and Investment Manager have continued to monitor the level of bookings at the Group's properties in light of the Covid-19 pandemic. At the date of the report, 68% of rooms across the Group's portfolio of student accommodation, including in respect of Scape Brighton, have been booked.

Part 4. Borrowings and equity
This section includes information on the Company's interest-bearing loans and borrowings, leverage, capital position and exposure to financial risk. The Group manages its capital requirements through a combination of debt and equity.

15. Finance income

	30 June 2020 £'000	30 June 2019 £'000
Income from cash and short-term deposits	**79**	33
Income from interest-bearing loans and borrowings	**14**	1,055
Total	**93**	1,088

Accounting policy
Interest income is recognised on an effective interest rate basis and shown within the income statement as financial income.

16. Finance expenses

	30 June 2020 £'000	30 June 2019 £'000
Bank charges	**13**	8
Change in fair value of interest rate derivatives[1]	**233**	-
Commitment and other fees	**863**	676
Finance interest	**172**	-
Loan arrangement fees amortised	**824**	619
Loan interest	**7,792**	7,101
Other	**-**	1
Total	**9,897**	8,405

1. The Group has entered into an interest rate swap and cap in order to seek to mitigate the risk of interest rate increases as part of the Group's efficient portfolio management. Refer to note 17 for further details.

Accounting policy
Any finance costs that are separately identifiable and directly attributable to a liability are amortised as part of the cost of the liability. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with bank and other borrowings. Fair value movements on

derivatives are recorded in finance expenses.

17. Interest-bearing loans and borrowings

	30 June 2020 £'000	30 June 2019 £'000
Borrowings at the start of the year	**252,150**	235,000
Borrowings drawn down in the year	**57,790**	34,620
Borrowings repaid in the year	**(28,220)**	(17,470)
Borrowings at the end of the year	**281,720**	252,150
Unamortised loan arrangement fees at the start of the year	**(3,039)**	(2,229)
Amortised during the year	**824**	619
Loan arrangement fees incurred during the year	**(49)**	(1,429)
Unamortised loan arrangement fees at the end of the year	**(2,264)**	(3,039)
Borrowings less unamortised loan arrangement fees	**279,456**	249,111

At 30 June 2020, the Group had debt facilities of £335 million, comprising the following:

Fixed-rate secured facilities totalling £235 million with PGIM:

Amount	Facility	Interest rate %	Maturity	Drawn
£130,000,000	1	3.07	September 2024	£130,000,000
£40,000,000	1	2.83	September 2024	£40,000,000
£65,000,000	2	2.82	April 2029	£65,000,000

Secured credit facilities totalling £100 million with Wells Fargo:

Amount	Facility	Interest rate %	Maturity	Drawn
£45,000,000	Redrawable credit facility	LIBOR + 1.85%	July 2021	£15,000,000
£55,000,000	Development loan	LIBOR + 3.10%	December 2021 + 1 year	£31,720,000

The Group has entered into interest rate hedging arrangements in relation to the Wells Fargo development loan. The arrangements expire on the maturity of the loan in December 2021. Under the arrangements, the Group has entered into an interest rate cap of 1.75% and an interest rate swap of 0.676%, both with respect to LIBOR. The notional amounts of the cap and swap each follow a profile equal to 50% of the anticipated drawdown profile of the loan.

The Group uses gearing to seek to enhance returns over the long term and for the purpose of funding acquisitions in line with the Company's investment policy. The level of gearing is governed by careful consideration of the cost of borrowing.

The debt facilities include gearing and interest cover covenants that are measured in accordance with the respective facility agreement. The Group has maintained significant headroom against all measures throughout the financial year and is in full compliance with all loan covenants at 30 June 2020.

Reconciliation of financing liabilities	**30 June 2020 £'000**	30 June 2019 £'000
Balance at the start of the year	**249,111**	232,771
Changes from cash flows		
Borrowings drawn down	**57,016**	34,620
Borrowings repaid	**(28,220)**	(17,470)
Loan arrangement fees	**(49)**	(1,429)
Non-cash changes		
Commitment and other fees capitalised	**774**	-
Amortisation of loan arrangement fees	**824**	619
Balance at the end of the year	**279,456**	249,111

Reconciliation of lease liability	**30 June 2020 £'000**
Non-cash changes	
Adjustment in respect of recognition of lease liability on first application of IFRS 16	**11,610**
Finance interest	**172**
Changes from cash flows	
Repayment of leasing liability	**(174)**
Balance at the end of the year	**11,608**

Leverage

For the purposes of the AIFMD, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its NAV and is calculated under the gross and commitment methods, in accordance with AIFMD.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by AIFMD. At 30 June 2020, the figures are as follows:

Leverage exposure	Maximum limit	Actual exposure
Gross method	155%	128%
Commitment method	155%	136%

Accounting policy

Loans and borrowings are initially recognised as the proceeds received net of directly attributable transaction costs. Loans and borrowings are subsequently measured at amortised cost with interest charged to the income statement at the effective interest rate and shown within finance costs. Transaction costs are spread over the term of loan.

18. Share capital

	Number of shares	Share issue price	£'000
Issued and fully paid:			
Balance at 1 July 2018	385,064,556		3,851
Shares issued on 25 September 2018	25,512,151	149.50p	255
Shares issued on 4 June 2019	3,076,923	162.50p	31
Balance at 30 June 2019	413,653,630		4,137
Shares issued on 27 December 2019	41,365,400	186.00p	413
Balance at 30 June 2020	**455,019,030**		**4,550**

The share capital comprises one class of ordinary shares. At general meetings of the Company, ordinary shareholders are entitled to one vote on a show of hands and on a poll, to one vote for every share held. There are no restrictions on the size of a shareholding or the transfer of shares, except for the UK REIT restrictions.

19. Share premium

	30 June 2020 £'000	30 June 2019 £'000
At the start of the year	**450,658**	408,617
Shares issued on 25 September 2018	**-**	37,885
Shares issued on 4 June 2019	**-**	4,969
Shares issued on 27 December 2019	**76,526**	-
Share issue costs	**(1,436)**	(813)
Balance at the end of the year	**525,748**	450,658

20. Capital and reserves

Share capital

Share capital is the nominal amount of the Company's ordinary shares in issue.

Share premium
Share premium relates to amounts subscribed for share capital in excess of nominal value less associated issue costs of the subscriptions.

Share premium comprises the following cumulative amounts:

	30 June 2020 £'000	30 June 2019 £'000
Issued share capital	**603,963**	527,437
Share issue costs	**(10,857)**	(9,421)
Cancelled share premium[1]	**(67,358)**	(67,358)
Total	**525,748**	450,658

1. On 31 July 2013, the Company, by way of special resolution, cancelled the value of its share premium account, by an Order of the High Court of Justice, Chancery Division. As a result of this cancellation, £67.4 million was transferred from share premium to retained earnings in the financial period ended 30 June 2014.

Special reserve
The special reserve represents the cancelled share premium less dividends paid from this reserve.

The special reserve comprises the following cumulative amounts:

	30 June 2020 £'000	30 June 2019 £'000
Cancelled share premium	**67,358**	67,358
Dividends paid from reserves	**(41,018)**	(28,599)
Total	**26,340**	38,759

Retained earnings
Retained earnings represent the profits of the Group less dividends paid from revenue profits to date. Unrealised gains on the revaluation of investment properties contained within this reserve are not distributable until they crystallise upon sale of the investment property.

Retained earnings comprise the following cumulative amounts:

	30 June 2020 £'000	30 June 2019 £'000
Total unrealised gains on investment properties	**224,781**	191,109
Total revenue profits	**68,434**	53,527
Dividends paid from revenue profits	**(68,434)**	(53,527)
Total	**224,781**	191,109

21. Capital management
The Group's capital is represented by share capital, reserves and borrowings.

The primary objective of the Group's capital management is to ensure that it remains within its quantitative banking covenants and maintains a strong credit rating. No changes were made in the objectives, policies or processes during the period.

The Group may use gearing to enhance returns over the long term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Group may use hedging or otherwise seek to mitigate the risk of interest rate increases. As at the year end, the Group was operating with a loan-to-value of 22% (30 June 2019: 26%).

The debt facilities include gearing and interest cover covenants that are measured in accordance with the respective facility agreement. The Group has maintained significant headroom against all measures throughout the financial year and is in full compliance with all loan covenants at 30 June 2020.

22. Financial risk management objectives and policies
The Company's principal financial liabilities are long-term loans and borrowings. The main purpose of the Company's loans and borrowings is to finance the acquisition of the Company's property portfolio. The Company has trade and other receivables, trade and other payables, and cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk
Market risk is the risk that the future values of investments in property and related investments will fluctuate due to changes in market prices. The total exposure at the statement of financial position date is £1,000,830,000 and, to manage this risk, the Group diversifies its portfolio across a number of assets.

The outbreak of the Covid-19 pandemic has impacted global financial markets. Travel restrictions have been implemented by many countries. In the UK, market activity is being impacted in all sectors. Given the unknown future impact that Covid-19 might have on the property market, the Directors intend to keep the valuation of the property under frequent review.

The following sensitivity analysis has been prepared by the valuer:

As at 30 June 2020	**-3% change in rental income £'000**	**+3% change in rental income £'000**	**-0.25% change in yield £'000**	**+0.25% change in yield £'000**
(Decrease)/increase in the fair value of the investment properties	**(824,308)**	**877,061**	**(905,150)**	**803,380**

As at 30 June 2019	-3% change in rental income £'000	+3% change in rental income £'000	-0.25% change in yield £'000	+0.25% change in yield £'000
(Decrease)/increase in the fair value of the investment properties	(800,318)	848,630	(874,004)	781,024

The key assumptions for the commercial properties are net initial yields, current rent and rental growth. A movement of 3% in passing rent and 0.25% in the net initial yield will not have a material impact on the financial statements.

Sensitivity analysis to significant changes in unobservable inputs within the valuation of investment properties
Significant increases/decreases in the ERV (per sq ft p.a.) and rental growth p.a. in isolation would result in a significantly higher/lower fair value measurement. Significant increases/decreases in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/higher fair value measurement.

Generally, a change in the assumption made for the ERV (per sq ft p.a.) is accompanied by:

— a discretionary similar change in the rent growth p.a. and discount rate (and exit yield); and
— an opposite change in the long-term vacancy rate.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to £33,904,000 (2019: £73,865,000) and are presented in the income statement in line item 'fair value gains on investment properties'.

Market risk is also the risk that the fair values of financial instruments will fluctuate because of changes in market prices. Refer to the principal risks above where market risk is discussed in more detail.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of

changes in market interest rates is minimal as it has taken out the majority of the debt as fixed rate bank loans of £170,000,000 with a maturity of September 2024 and £65,000,000 with a maturity of April 2029.

The Company also has a variable rate facility of up to £100,000,000, of which £46,720,000 has been drawn down. The Group has entered into interest rate hedging arrangements in relation to this variable rate facility. The arrangements expire on the maturity of the loan in December 2021.

Liquidity risk
Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 30 June 2020	**Less than three months £'000**	**Three to twelve months £'000**	**One to two years £'000**	**Two to five years £'000**	**More than five years £'000**	**Total £'000**
Interest-bearing loans and borrowings	**2,102**	**6,237**	**54,211**	**186,634**	**71,900**	**321,084**
Trade and other payables	**8,003**	**1,063**	**-**	**-**	**-**	**9,066**
Lease liability	**86**	**256**	**332**	**937**	**9,997**	**11,608**
Retention account	**-**	**308**	**-**	**-**	**-**	**308**
Total	**10,191**	**7,864**	**54,543**	**187,571**	**81,897**	**342,066**

Year ended 30 June 2019	Less than three months £'000	Three to twelve months £'000	One to two years £'000	Two to five years £'000	More than five years £'000	Total £'000
Interest-bearing loans and borrowings	1,868	5,563	24,561	20,868	244,622	297,482
Trade and other payables	4,829	1,058	-	-	-	5,887
Retention account	-	-	308	-	-	308
Total	6,697	6,621	24,869	20,868	244,622	303,677

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its leasing activities and its financing activities, including deposits with banks and financial institutions.

Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

The following table analyses the Group's exposure to credit risk:

	30 June 2020 £'000	30 June 2019 £'000
Retention account	**308**	308
Cash and cash equivalents	**60,358**	15,509
Trade and other receivables	**14,216**	14,023
Total	**74,882**	29,840

The retention account and cash and cash equivalents are held with Barclays Bank PLC, which holds an A-1 credit rating, with the exception of £22.5 million held with Landesbank-Thüringen Girozentrale (Helaba) which holds an A-1 credit rating, £10 million held with Standard Chartered Bank which holds an A-1 credit rating and £10 million Sumitomo Mitsu Banking Corp Europe which also holds an A-1 credit rating. Ratings taken from S&P Global.

Part 5. Working capital
This section includes information on the Company's cash reserves and working capital management, including trade receivables and payables.

23. Cash and cash equivalents

	30 June 2020 £'000	30 June 2019 £'000
Cash and cash equivalents	**56,011**	4,987
Subsidiary cash and cash equivalents	**4,347**	10,522
Total	**60,358**	15,509

Accounting policy
Cash and cash equivalents comprise cash at bank and short-term deposits with banks and other financial institutions, with an initial maturity of three months or less.

24. Trade and other receivables

	30 June 2020 £'000	30 June 2019 £'000
Prepayments	**941**	820
Rent receivable	**1,777**	1,543
Cash held by rental agents	**3,479**	2,530
Licence fees	**3,614**	2,924
Lease incentives	**2,514**	2,399
Receivables from developers	**4,427**	3,631
Other receivables	**919**	747
Total	**17,671**	14,594

Accounting policy
Trade and other receivables are recognised initially at fair value and subsequently carried at amortised cost less provision for impairment. Where the time value of money is material, receivables are carried at amortised cost using the effective interest method. Impairment provisions are recognised based on the expected credit loss model detailed within IFRS 9.

The Group recognises a loss allowance for expected credit losses on trade and other receivables where necessary. The loss allowance is based on lifetime expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Impaired balances are reported net, however impairment provisions are recorded within a separate provision account with the loss being recognised within administration costs within the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. The expected credit losses on rent receivables as well as other receivables for the year ended 30 June 2020 were not material.

Licence fees represent income receivable from a developer in respect of a forward-funding agreement which is deducted from the cost of investment and shown as a receivable until settled.

25. Payables and accrued expenses

	30 June 2020 £'000	30 June 2019 £'000
Property operating expenses	**744**	1,032
Finance expenses	**1,002**	936
Other expenses	**7,320**	3,919
Trade and other payables	**9,066**	5,887
Deferred income	**6,085**	12,293
Total	**15,151**	18,180

Accounting policy
Trade and other payables are initially recognised at fair value and subsequently held at amortised cost.

Deferred income is rental income received in advance during the accounting period. The income is deferred and is unwound to revenue on a straight-line basis over the period in which it is earned.

Part 6. Staff and key management
The following detail wages and salaries of the employees of the Group.

26. Directors' remuneration

	30 June 2020 £'000	30 June 2019 £'000
Robert Peto	**50**	48
Gillian Day	**39**	38
Peter Dunscombe[1]	**-**	13
David Hunter[2]	**39**	6
Malcolm Naish	**39**	38
Marlene Wood	**45**	43
Total	**212**	186

1. Retired as a Director of the Company on 6 November 2018.
2. Appointed as a Director of the Company on 1 May 2019.

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' remuneration report in the full Annual Report.

27. Staff costs

	30 June 2020 £'000	30 June 2019 £'000
Salaries	**3,187**	3,163
Other benefits	**68**	95
Total	**3,255**	3,258

With the exception of the Directors, whose remuneration is shown in the Directors' remuneration report and policy in the full Annual Report, the Group employed 112 (2019: 124) members of staff, with an average of 123 (2019: 117) employees during the year.

The Group operates a defined contributions pension scheme for 79 (2019: 83) of its employees. The costs for the year ended 30 June 2020 totalled £49,000 (30 June 2019: £40,000).

28. Related party transactions
Directors
The Directors (all non-executive Directors) of the Company and subsidiaries are considered to be the key management personnel of the Group. Directors' remuneration for the year totalled £212,000 (2019: £186,000) and at 30 June 2020, a balance of £nil (2019: £nil) was outstanding. Further information is given in note 26. The Directors of the Company are also the directors of all subsidiaries apart from GCP Operations Limited where the directors are representatives from the Investment Manager and the Property Manager Scape who are not considered key management personnel of the Group.

Investment management arrangements
Investment Manager
The Company is party to an investment management agreement with the Investment Manager, pursuant to which the Company has appointed the Investment Manager to provide investment management services relating to the respective assets on a day-to-day basis in accordance with the Company's investment objective and policy, subject to the overall supervision and direction of the Board of Directors.

For the financial year ended 30 June 2020, the Investment Manager was entitled to receive a management fee at an annual rate of 1% of the prevailing NAV of the Group, payable quarterly in arrears. From its investment management fee, the Investment Manager was responsible for the payment of annual property management fees of up to 0.25% of the Group's NAV that is attributable to its operational assets. For the twelve-month period ended 30 June 2020, the investment management fee earned by the Investment Manager, net of payments made by it in respect of property management fees, was 0.82% of the Group's average NAV over that period.

As announced on 27 August 2020, the Company entered into revised investment management arrangements with the Investment Manager. The amended fee arrangements, which are payable quarterly in arrears based on the prevailing NAV of the Group, came into effect on 1 July 2020, as set out below.

NAV	Revised investment management fee from 1 July 2020 (annualised)	**Previous investment management fee to 30 June 2019 (annualised)**
Up to £950 million	0.7500%	**1.00%**
Above £950 million and up to £1.5 billion	0.6375%	**1.00%**
Above £1.5 billion	0.5625%	**1.00%**

Pursuant to the revised investment management agreement, the Group is responsible for the payment of all property management fees incurred by it. Further details of the Company's property management agreements are set out in note 5.

The revised investment management agreement between the Company and the Investment Manager can be terminated by the Company or the Investment Manager at any time with not less than 24 months' written notice to the other party. If the investment management agreement is terminated by the Company or the Investment Manager on 24 months' notice in the event of certain change of control events relating to the Company, the investment management fees payable in such circumstances will be based on the prevailing published NAV at the time immediately preceding the change of control.

The Investment Manager is also appointed as the Company's AIFM and receives an annual fee of £25,000, subject to an annual RPI increase.

During the year, the Group incurred £7,548,000 (30 June 2019: £6,582,000) in respect of investment management fees, the AIFM fee, and marketing and investor introduction services. A total of £7,467,000 (30 June 2019: £6,455,000) is included within administration expenses in the consolidated statement of comprehensive income and £81,000 (30 June 2019: £127,000) is included within the share issue costs relating to shares issued during the year; at 30 June 2020, £1,949,000 (30 June 2019: £1,707,000) was outstanding.

Transactions with persons connected to the Investment Manager
The following transactions are disclosed for the purpose of transparency and are not related party transactions under IAS 24.

The Group is party to a contract with Scaperfield Limited to acquire and forward-fund the construction of Scape Brighton, which has been ongoing during the year. At 30 June 2020 estimated construction costs to complete were £12,281,000. The directors of the Investment Manager and their family members, directly or indirectly, owned in aggregate approximately 80% of Scaperfield Limited during the year, post year end this reduced to 30%.

The Company benefits from a conditional forward purchase agreement with Kernel Court Limited to acquire a high specification, purpose-built, private student accommodation residence in the same locality as its Scape Surrey asset in Guildford. The directors of the Investment Manager and their family members, directly or indirectly, owned in aggregate approximately 40% of Kernel Court Limited during the year, post year end this reduced to 16%.

Each of the above assets has been or will be acquired, as appropriate, on the basis of an independent valuation and approval by the independent Board of Directors.

Part 7. Company subsidiaries
This section includes information on the subsidiaries of the Company and inter-company transactions. All subsidiaries are consolidated from the date on which the Company obtained control of the entity.

29. Subsidiaries

The financial statements comprise the financial statements of the Company and its subsidiaries listed below.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and distributions are eliminated in full. The Company has a 100% beneficial interest (whether directly or indirectly) in the issued share capital of all subsidiaries.

Company	Place of registration, incorporation and operation	Number and class of shares held by the Group	Group holding	**Capital and reserves at 30 June 2020 £'000**	**Profit after tax for the year ended 30 June 2020 £'000**
GCP Bloomsbury Limited [1,2]	UK	16 ordinary shares	100%	**104,584**	**8,445**
GCP Brighton Limited[2]	UK	4 ordinary shares	100%	**48,575**	**5,108**
GCP Brunswick Limited[1,2]	UK	1,046,728,191 ordinary shares	100%	**15,356**	**14**
GCP Holdco Limited[1,2]	UK	5 ordinary shares	100%	**403,215**	**18,764**
GCP Holdco 2 Limited[1,2]	UK	22 ordinary shares	100%	**149,103**	**10,068**
GCP Holdco 3 Limited[1,2]	UK	22 ordinary shares	100%	**144,017**	**36,449**
GCP Makerfield Limited[1,2]	UK	22 ordinary shares	100%	**45,438**	**2,549**
GCP Operations Limited[2]	UK	2 ordinary shares	100%	**143**	**(7)**
GCP QMUL Limited[2]	UK	4 ordinary shares	100%	**(542)**	**(3,089)**
GCP RHUL Limited[1,2]	UK	4 ordinary shares	100%	**19,608**	**(255)**
GCP RHUL 2 Limited[1,2]	UK	4 ordinary shares	100%	**17,722**	**(1,453)**
GCP Scape East Limited [1,2]	UK	51,508,283 ordinary shares	100%	**127,188**	**9,543**
GCP SG Limited [1,2]	UK	4 ordinary shares	100%	**29,367**	**(167)**
GCP Surrey 2 Limited[1,2]	UK	2 ordinary shares	100%	**(19)**	**(19)**
GCP Topco Limited[2]	UK	3 ordinary shares	100%	**403,204**	**18,801**
GCP Topco 2 Limited[2]	UK	22 ordinary shares	100%	**149,062**	**10,055**
GCP WL Limited[1,2]	UK	3 ordinary shares	100%	**24,125**	**203**
GCP Wembley Limited[2]	UK	12 ordinary shares	100%	**94,865**	**7,785**
GCP Wembley 2 Limited[1,2]	UK	2 ordinary shares	100%	**413**	**11**
GCP Greenwich Limited[1,3]	Guernsey	102 ordinary shares	100%	**43,075**	**3,902**
GCP Greenwich 2 Limited[1,3]	Guernsey	102 ordinary shares	100%	**900**	**(483)**
GCP Greenwich JV Limited[1,3]	Guernsey	103 ordinary shares	100%	**69,455**	**3,937**
GCP Old Street Limited [1,3]	Guernsey	100 ordinary shares	100%	**146,621**	**7,015**
GCP Old Street 2 Limited[1,3]	Guernsey	100 ordinary shares	100%	**232**	**(1,284)**
GCP Old Street Acquisitions Limited[1,3]	Guernsey	450 A ordinary shares 550 B ordinary shares	100%	**146,420**	**295**

1. Indirect subsidiaries.
2. Registered office: Beaufort House, 51 New North Road, Exeter EX4 4EP.
3. Registered office: Hirzel House, Smith Street, St Peter Port, Guernsey GY1 2NG. On 1 July 2019 the Group's Guernsey registered companies became UK tax resident by virtue of their central management and control being located in the UK.

Accounting policy

Where property is acquired, via corporate acquisition or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree.

For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the proportionate share of the acquiree's identifiable net assets. Acquisition costs (except for costs of issue of debt or equity) are expensed in accordance with IFRS 3 Business Combinations.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Contingent consideration is deemed to be equity or a liability in accordance with IAS 32. If the contingent consideration is classified as equity, it is not re-measured and its subsequent settlement shall be accounted for within equity. If the contingent consideration is classified as a liability, subsequent changes to the fair value are recognised in profit or loss.

Business combinations are accounted for using the acquisition method.

30. Ultimate controlling party

It is the view of the Directors that there is no ultimate controlling party.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	**30 June 2020 £'000**	30 June 2019 £'000
Assets			
Non-current assets			
Investment in subsidiary companies	3	**744,440**	689,760
		744,440	689,760
Current assets			
Cash and cash equivalents	4	**56,011**	4,987
Trade and other receivables	5	**71,884**	68,233
		127,895	73,220
Total assets		**872,335**	762,980
Liabilities			
Current liabilities			
Trade and other payables	6	**(90,916)**	(78,317)
Total liabilities		**(90,916)**	(78,317)
Net assets		**781,419**	684,663
Equity			
Share capital		**4,550**	4,137
Share premium		**525,748**	450,658
Special reserve		**26,340**	38,759
Retained earnings		**224,781**	191,109
Total equity		**781,419**	684,663
Number of shares in issue		**455,019,030**	413,653,630
NAV per share (pence per share)		**171.73**	165.52

The total comprehensive income of the Company for the year was £48,578,000 (30 June 2019: £92,786,000).

The financial statements were approved by the Board of Directors of GCP Student Living plc on 16 September 2020 and signed on its behalf by:

Robert Peto
Chairman
Company number: 08420243

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

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

	Share capital £'000	**Share premium £'000**	**Special reserve £'000**	**Retained earnings £'000**	**Total £'000**
Balance at 1 July 2019	**4,137**	**450,658**	**38,759**	**191,109**	**684,663**
Total comprehensive income				**48,578**	**48,578**
Ordinary shares issued	**413**	**76,526**	**-**	**-**	**76,939**
Share issue costs	**-**	**(1,436)**	**-**	**-**	**(1,436)**
Dividends paid in respect of the previous year	**-**	**-**	**(2,344)**	**(4,109)**	**(6,453)**
Dividends paid in respect of the current year	**-**	**-**	**(10,075)**	**(10,797)**	**(20,872)**
Balance at 30 June 2020	**4,550**	**525,748**	**26,340**	**224,781**	**781,419**

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2018	3,851	408,617	44,497	117,245	574,210
Total comprehensive income	-	-	-	92,786	92,786
Ordinary shares issued	286	42,854	-	-	43,140
Share issue costs	-	(813)	-	-	(813)
Dividends paid in respect of the previous year	-	-	(2,508)	(3,306)	(5,814)
Dividends paid in respect of the current year	-	-	(3,230)	(15,616)	(18,846)
Balance at 30 June 2019	4,137	450,658	38,759	191,109	684,663

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

COMPANY STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	Notes	**30 June 2020 £'000**	30 June 2019 £'000
Cash flows from operating activities			
Operating profit		**48,509**	92,776
Adjustments to reconcile profit for the year to net cash flows:			
Gains from change in fair value of subsidiary companies		**(47,226)**	(88,922)
Dividends received from subsidiary companies		**(6,823)**	(8,701)
Net recharges from subsidiary companies		**(4,002)**	(3,412)
Increase in other receivables and prepayments		**(121)**	(64)
Increase in other payables and accrued expenses		**378**	224
Net cash flow used in operating activities		**(9,285)**	(8,099)
Cash flows from investing activities			
Acquisition of subsidiaries	3	**-**	(22,399)
Net cash received from/(paid to) subsidiary companies		**11,805**	(1,549)
Net cash generated from/(used in) investing activities		**11,805**	(23,948)
Cash flows from financing activities			
Proceeds from issue of ordinary share capital		**76,939**	43,140
Share issue costs		**(1,436)**	(813)
Finance income		**76**	29
Finance expenses		**(7)**	(4)
Dividends paid in the year		**(27,068)**	(24,573)
Net cash flow generated from financing activities		**48,504**	17,779
Net increase/(decrease) in cash and cash equivalents		**51,024**	(14,268)
Cash and cash equivalents at start of the year		**4,987**	19,255
Cash and cash equivalents at end of the year	4	**56,011**	4,987
Non-cash items			
Transfer of GCP Wembley Limited to GCP Holdco 3 Limited		**-**	(93,408)
Investment in GCP Holdco 3 Limited		**-**	93,408

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 30 June 2020

1. General information
GCP Student Living plc is a REIT incorporated in England and Wales on 26 February 2013. The registered office of the Company is located at 51 New North Road, Exeter EX4 4EP. The Company's shares are listed on the Premium Segment of the Main Market of the London Stock Exchange.

2. Basis of preparation
These financial statements are prepared in accordance with IFRS issued by the IASB as adopted by the EU. The financial statements have been prepared under the historical cost convention, except for investments in subsidiaries that have been measured at fair value. The audited financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

These financial statements are for the year ended 30 June 2020. Comparative figures are for the previous accounting period, the year ended 30 June 2019.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own income statement or statement of comprehensive income.

The financial statements of the Company follow the accounting policies laid out above.

3. Investment in subsidiary companies

	30 June 2020 £'000	30 June 2019 £'000
At the beginning of the year	**689,760**	578,439
Investment in subsidiary companies	**7,853**	22,399
Total	**697,613**	**600,838**
Fair value gains on the revaluation of subsidiary companies	**46,827**	88,922
Total	**744,440**	689,760

	30 June 2020 £'000	30 June 2019 £'000
Investment in and transfers of subsidiary companies		
Investments in subsidiary companies		

GCP Topco 2 Limited	**4,322**	-
GCP Holdco 3 Limited	**3,531**	115,807
Total	**7,853**	115,807
Cash items included in cash flow		
GCP Holdco 3 Limited	**-**	22,399
Total	**-**	22,399

Cash items included in the statement of cash flows comprise share purchases in the above entities.

Accounting policy
Investments in subsidiary companies which are all 100% owned by the Company are valued at NAV, which is equivalent to fair value.

Changes in fair value of investments and gains on the sale of investments are recognised as they arise in the Company statement of comprehensive income.

4. Cash and cash equivalents

	30 June 2020	30 June 2019
	£'000	£'000
Cash and cash equivalents	**56,011**	4,987
Total	**56,011**	4,987

Accounting policy
Cash and cash equivalents comprise cash at bank and short-term deposits with banks and other financial institutions, with an initial maturity of three months or less.

5. Other receivables

	30 June 2020	30 June 2019
	£'000	£'000
Amounts due from subsidiary companies	**71,658**	68,128
Prepayments and other receivables	**226**	105
Total	**71,884**	68,233

6. Other payables and accrued expenses

	30 June 2020	30 June 2019
	£'000	£'000
Amounts due to subsidiary companies	**87,916**	75,953
Other expenses payable	**3,000**	2,364
Total	**90,916**	78,317

7. Fair value
IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

The fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

The valuation of subsidiaries is based on NAV. The NAVs of the subsidiaries are based on fair values of the assets held by the subsidiary; see note 13 to the consolidated financial statements for details of underlying asset fair values. The valuations are the ultimate responsibility of the Directors, who appraise these quarterly.

The following tables show an analysis of the fair values of financial instruments recognised in the statement of financial position by level of the fair value hierarchy[1]:

30 June 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value	**£'000**	**£'000**	**£'000**	**£'000**
Investment in subsidiaries	**-**	**-**	**744,440**	**744,440**
Total	**-**	**-**	**744,440**	**744,440**

30 June 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value	£'000	£'000	£'000	£'000
Investment in subsidiaries	-	-	689,760	689,760
Total	-	-	689,760	689,760

1. Explanation of the fair value hierarchy:
   - Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
   - Level 2 - use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data; and
   - Level 3 - use of a model with inputs that are not based on observable market data.

8. Related party transactions
The tables below disclose the transactions and balances between the Company and subsidiary entities:

	30 June 2020	30 June 2019
Transactions	**£'000**	£'000
Recharges of fund level expenses to:		
GCP Bloomsbury Limited	**744**	703
GCP Brighton Limited	**297**	190
GCP Brunswick Limited	**4**	4
GCP Greenwich 2 Limited	**243**	230
GCP Holdco Limited	**5**	5
GCP Holdco 2 Limited	**5**	5
GCP Holdco 3 Limited	**5**	9
GCP Makerfield Limited	**249**	53
GCP Old Street 2 Limited	**818**	780
GCP Operations Limited	**8**	10
GCP QMUL Limited	**8**	8
GCP RHUL Limited	**140**	138
GCP RHUL 2 Limited	**127**	125
GCP Scape East Limited	**630**	570
GCP SG Limited	**115**	111
GCP Surrey 2 Limited	**9**	-
GCP Topco Limited	**5**	5
GCP Topco 2 Limited	**5**	5
GCP Wembley 2 Limited	**407**	375
GCP WL Limited	**93**	88
Total	**3,917**	3,414

	30 June 2020	30 June 2019
Balances	**£'000**	£'000
Other intercompany balances due (to)/from:		
GCP Brighton Limited	**30,921**	18,794
GCP Holdco 3 Limited	**(8,050)**	(5,533)
GCP Makerfield Limited	**-**	4,808
GCP Operations Limited	**(156)**	(142)
GCP QMUL Limited	**534**	98

GCP RHUL 2 Limited	**-**	21
GCP Surrey 2 Limited	**120**	68
GCP Topco Limited	**(72,741)**	(65,861)
GCP Topco 2 Limited	**33,031**	44,339
GCP Wembley Limited	**-**	(2,047)
GCP Wembley 2 Limited	**83**	(1,443)
GCP WL Limited	**-**	(927)
Total	**(16,258)**	**(7,825)**

SHAREHOLDER INFORMATION

Key dates

September	Annual results announced
	Payment of fourth interim dividend
November	Annual general meeting
December	Company's half-year end
	Payment of first interim dividend
March	Half-yearly results announced
	Payment of second interim dividend
June	Company's year end
	Payment of third interim dividend

Frequency of NAV publication
The Company's NAV is released via RNS to the London Stock Exchange on a quarterly basis and is published on the Company's website.

Sources of further information
Copies of the Company's annual and half-yearly reports, stock exchange announcements and further information on the Company can be obtained from the Company's website: www.gcpstudent.com.

Warning to users of this report
This report is intended solely for the information of the person to whom it is provided by the Company, the Investment Manager or the Administrator. This report is not intended as an offer or solicitation for the purchase of shares in the Company and should not be relied on by any person for the purpose of accounting, legal or tax advice or for making an investment decision. The payment of dividends and the repayment of capital are not guaranteed by the Company. Any forecast, projection or target is indicative only and not guaranteed in any way, and any opinions expressed in this report are not statements of fact and are subject to change, and neither the Company nor the Investment Manager is under any obligation to update such opinions.

Past performance is not a reliable indicator of future performance, and investors may not get back the original amount invested. Unless otherwise stated, the sources for all information contained in this report are the Investment Manager and the Administrator. Information contained in this report is believed to be accurate at the date of publication, but none of the Company, the Investment Manager and the Administrator gives any representation or warranty as to the report's accuracy or completeness. This report does not contain and is not to be taken as containing any financial product advice or financial product recommendation. None of the Company, the Investment Manager and the Administrator accepts any liability whatsoever for any loss (whether direct or indirect) arising from any use of this report or its contents.

Electronic communications from the Company
Shareholders now have the opportunity to be notified by email when the Company's annual reports, half-yearly reports and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company. If you have not already elected to receive electronic communications from the Company and wish to do so, visit www.signalshares.com. To register, you will need your investor code, which can be found on your share certificate or your dividend tax voucher.

Alternatively, you can contact Link's Customer Support Centre, which is available to answer any queries you have in relation to your shareholding:

By phone: from the UK, call 0871 664 0300; from overseas call +44 (0) 371 664 0300 (calls cost 12 pence per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Link is open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales).

By email: enquiries@linkgroup.co.uk

By post: Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Annual general meeting
The Company's annual general meeting will be held on Wednesday, 4 November 2020. The notice of this meeting will be circulated to shareholders in due course and will be separate to the annual report. The notice will also be uploaded to the Company's website www.gcpstudent.com in due course.

National Storage Mechanism
A copy of the annual report and financial statements will be submitted shortly to the National Storage Mechanism ("NSM") and will be available for inspection at the NSM, which is situated at https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism.

ALTERNATIVE PERFORMANCE MEASURES

The Board and the Investment Manager assess the Company's performance using a variety of measures that are not defined under IFRS and are therefore classed as alternative performance measures ("APMs"). Where possible, reconciliations to IFRS are presented from the APMs to the most appropriate measure prepared in accordance with IFRS. All items listed below are IFRS financial statement line items unless otherwise stated. APMs should be read in conjunction with the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows, which are presented in the financial statements section of this report. The APMs below may not be directly comparable with measures used by other companies.

Adjusted EPS
EPS adjusted for non-recurring transactions and licence fees receivable on forward-funded developments (refer to note 3).

Annualised total shareholder return since IPO
Total shareholder return[1] expressed as a weighted annual percentage. Calculated with reference to the IPO issue price of 100 pence per ordinary share.
Source: Bloomberg

Blended NIY
Net initial yield of the operational portfolio as determined by the Company's valuer.

Dividend cover ratio
Total dividends per share divided by adjusted EPS, expressed as a percentage (refer to note 3).

EPRA cost ratio
Ratio of overheads and operating expenses against gross rental income. Net overheads and operating expenses relate to all administrative and operating expenses net of any service fees, recharges or other income specifically intended to cover overhead and property expenses (refer to note 3).

EPRA EPS
Recurring earnings from core operational activities excluding movements relating to revaluation of investment properties and interest rate swaps and the related tax effects, divided by the number of shares in issue (refer to note 3).

EPRA NAV
Net assets divided by number of shares. Includes all property at market value but excludes the mark to market of interest rate swaps (refer to note 16).

EPRA NIY
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs (refer to note 11).

EPRA triple net asset value (EPRA NNAV)
EPRA NAV[1] including adjustments for the fair value of financial instruments, the fair value of debt and deferred taxes (refer to note 3).

Loan-to-value or LTV

A measure of borrowings used by property investment companies calculated as borrowings, net of cash, as a proportion of property value.

Loan-to-value	**As at 30 June 2020 £'000**	As at 30 June 2019 £'000
Interest-bearing loans and borrowing	**281,720**	252,150
Cash and cash equivalents	**(60,358)**	(15,509)
	221,362	236,641
Investment property	**1,009,838**	919,203
Loan-to-value	**22%**	26%

NAV total return
A measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders, expressed as a percentage. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend. This is a standard performance metric across the investment industry and allows comparability across the sector.

Source: Bloomberg

Net operating margin
Gross profit expressed as a percentage of rental income.

Ongoing charges
Ongoing charges (previously total expense ratios or TERs) is a measure of the annual percentage reduction in shareholder returns as a result of recurring operational expenses assuming markets remain static and the portfolio is not traded.

Ongoing charges	**30 June 2020**	30 June 2019
Investment management fees	**7,467**	6,455
Directors' fees	**212**	186
Administration expenses	**2,182**	2,167
Total expenses	**9,861**	8,808
Non-recurring expenses	**(50)**	(204)
Total expenses	**9,811**	8,604
Average NAV	**765,132**	656,171
Ongoing charges ratio	**1.28%**	1.31%

Student rental growth
Annual increase in direct let rental rates, expressed as a percentage.

Total shareholder return
A measure of the performance of a Company's shares over time. It combines share price movements and dividends to show the total return to the shareholder expressed as a percentage. It assumes that dividends are reinvested in the shares at the time the shares are quoted ex dividend. This is a standard performance metric across the investment industry and allows comparability across the sector.

Source Bloomberg

1. Refer to relevant APM.

GLOSSARY

Adjusted EPS
Refer to APMs above

AIC
Association of Investment Companies

AIC Code
AIC Code of Corporate Governance, as published in February 2019

AIFM
Alternative Investment Fund Manager

AIFMD
Alternative Investment Fund Managers Directive

Annualised total shareholder return since IPO
Refer to APMs above

APM
Alternative performance measure

BAFE
British Approvals for Fire Equipment (UK)

Blended NIY
Refer to APMs above

CIL
Community Infrastructure Levy

City
City, University of London

CMA Order
Competition and Markets Authority Order

Collegiate
Collegiate AC Limited - Property Manager for Water Lane Apartments, Bristol

Company or GCP Student
GCP Student Living plc

Cost of borrowing
Cost of borrowing expressed as a percentage weighted according to period drawn down (refer to notes 16 and 17)

CTA
Corporation Tax Act 2010

Dividend cover ratio
Refer to APMs above

EPRA
European Public Real Estate Association

EPRA cost ratio

Refer to APMs above

EPRA EPS
Refer to APMs above

EPRA NAV
Refer to APMs above

EPRA NAV per share (cum-income)
Net asset value before deduction of proposed dividend

EPRA NAV per share (ex-income)
Net asset value after deduction of proposed dividend

EPRA NIY
Refer to APMs above

EPRA triple net asset value (EPRA NNNAV)
Refer to APMs above

EPS
Earnings per share (refer to note 3)

ERV
Estimated rental value (refer above)

ESG
Environmental, social, governance

EU
European Union

FCA
Financial Conduct Authority

FPPP
Financial Position and Prospects Procedures

FRC
Financial Reporting Council

FRI leases
Full repairing and insuring leases

Full occupancy
Full occupancy is determined as occupancy across the Company's operational portfolio of properties being no less than 97%. This is consistent with terminology used across the private purpose-built student accommodation market and the methodology applied by the Company since its IPO in 2013

GHG
Greenhouse gas

GOSH
Great Ormond Street Hospital

GRESB
Global Real Estate Sustainability Benchmark

Group
GCP Student Living plc and its subsidiaries

H&S
Health and safety

HEI
Higher education institution

IASB
International Accounting Standards Board

IFRS
International Financial Reporting Standards

INTO
INTO University Partnerships

IPO
Initial public offering

KCL
King's College London

LIBOR
London interbank offered rate

Loan-to-value or LTV
Refer to APMs above

LSE
London School of Economics

MAR
Market Abuse Regulation

MSCI ESG Rating
ESG ratings provided by MSCI Inc.

NAV
Net asset value (refer to note 3)

NAV total return
Refer to APMs above

Net operating margin
Gross profit expressed as a percentage of rental income

NIY

Net initial yield

Non-PID
Non-property income distribution

OECD
Organisation for Economic Co-operation and Development

Ongoing charges ratio
Refer to APMs above

PBSA
Purpose-built student accommodation

PGIM
PGIM Real Estate Finance

PID
Property income distribution

PPS
Pence per share

QMUL
Queen Mary University of London

RCF
Redrawable credit facility

REIT
Real estate investment trust

RHUL
Royal Holloway, University of London

RICS
Royal Institution of Chartered Surveyors

RLV
Residual land value

RPI
Retail price index

RNS
Regulatory news service

Scape
Scape Student Living Limited or Scape Student Limited - Property Manager for Scape Shoreditch, Scape Mile End, Scape Greenwich, Scape Guildford, Scape Wembley, Scape Bloomsbury, Podium, Scape Brighton, Circus Street, Brighton and The Pad

SOAS
School of Oriental and African Studies

Student rental growth
Refer to APMs above

Total shareholder return
Refer to APMs above

UAL
University of the Arts London

UCAS
Universities and Colleges Admissions Service

UCH
University College Hospital

UCL
University College, London

UK Code
UK Code of Corporate Governance, as published in 2018

END

Neither the contents of GCP Student Living plc's website nor the contents of any website accessible from hyperlinks on the website (or any website) is incorporated into, or forms part of, this announcement.

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