Annual Financial Report

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GCP Student Living PLC
19 October 2021

GCP STUDENT LIVING PLC

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ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021.

The full annual report and financial statements and the Notice of the AGM 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[1]

	2019	2020	**2021**
Value of property portfolio	£921.6m	£1,000.8m	**£1,137.3m**
EPRA NTA[2] per ordinary share	165.52p	171.78p	**195.05p**
Dividends per ordinary share	6.15p	6.15p	**0.75p**
Net operating margin[2]	79%	80%	**58%**
Share price per ordinary share	162.20p	124.00p	**161.00p**
Student rental growth[2]	3.5%	4.4%	**2.6%**

HIGHLIGHTS[1,3]

- Total shareholder return[2] of 31.9% for the year driven by a recovery in the share price at the year end. Annualised total shareholder return since IPO[2] of 10.2%, compared to the Company's target return of 8-10%.
- Total NAV return[2] of 15.0% for the year and annualised total NAV return since IPO[2] of 13.1%.
- Dividends of 0.75 pence per share paid in respect of the year.
- EPRA NTA[2] per share of 195.05 pence at 30 June 2021.
- Total rental income for the year of £36.3 million (30 June 2020: £47.8 million). The Company's rental income continues to be materially adversely impacted as a result of the disruption caused by the Covid-19 pandemic.
- High-quality portfolio of eleven assets with 4,116 beds located primarily in and around London, with a valuation of over £1.1 billion at 30 June 2021.
- Bookings across the Group's portfolio for the 2020/21 academic year were c.68% with the majority (c.64%) of rooms booked being occupied or subject to nominations arrangements.
- Blended NIY[2] of operational portfolio of 4.30% (30 June 2020: 4.44%).
- At 15 October 2021, 80% of rooms across the Group's portfolio of student accommodation have been booked for the 2021/22 academic year, and of these rooms 83% have been occupied by residents.
- Post period end, the Company received a cash offer to acquire the Company, which was recommended to shareholders by the Board. On 6 September 2021, shareholders approved the acquisition, which if completed, is expected to occur in the coming months, subject to conditions.
- On the basis of the cash exit of 213 pence per share, the Company will have delivered a shareholder total return since IPO[2,4] of 190.0%, representing an annualised total shareholder return since IPO[2,4] of 13.9% and a return on equity since IPO[2.4] of 2.6 times.

1. These financial statements are prepared in accordance with IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. 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 for definitions.
2. Alternative performance measure - see below for definitions and calculation methodology.
3. This report includes statements that are, or may be deemed to be, 'forward-looking statements'. These include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager regarding future events and performance of the Company, at the date of the report only.
4. Based on the period from IPO to the date of the announcement of the recommended cash offer on 16 July 2021.

David Hunter, Chairman, commented:

'Through its strategic focus on providing high-quality student accommodation primarily in and around London, the Company has delivered exceptional returns to shareholders since its IPO in 2013.

The year under review has been dominated by the Covid-19 pandemic, with the UK's departure from the EU adding to wider market uncertainty. Notwithstanding the resultant operational challenges faced by the Company during the year, the focus on assets in and around London has delivered strong NAV performance. This has been driven by valuation uplifts underpinned by strong institutional demand for private student residential accommodation assets in the Company's core market, as evidenced by the approach to acquire the Company which was received post year end.

If the proposed acquisition completes, the Company will have delivered a total shareholder return since IPO of 190.7%, representing an annualised total shareholder return since IPO of 13.9% and a return on equity since IPO of 2.6 times, on the basis of the cash exit of 213 pence per share.

On behalf of the Board, I would like to thank shareholders for their continued support of the Company since IPO.'

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Henry Wilson

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 £732.6 million at 30 June 2021.

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 10.2%.	The Company's investment portfolio has achieved average annualised student rental growth since IPO[1] of 3.7%.	The Company's property portfolio comprises eleven modern standing student accommodation buildings.
0.75p **Dividends in respect of the year** 30 June 2020: 6.15p	**68%** **Bookings for 2020/21 academic year** AY 2019/20: FULL[2]	**4,116** **Number of beds at 30 June 2021** 30 June 2020: 4,116
31.9% **Total shareholder return[1] for the year** 30 June 2020: -20.6%	**2.6%** **Student rental growth[1] for the year** 30 June 2020: 4.4%	**11** **Number of assets at 30 June 2021** 30 June 2020: 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 2021, the Company's portfolio comprised eleven assets with c.4,100 beds, providing high-quality, modern student accommodation.

Location of assets by total capital value:
81% in and around London
19% rest of the UK

Blended NIY
4.30%

Bookings
68%[1]

For detailed portfolio information see below.

1. Bookings for 2020/21 academic year.

CHAIRMAN'S STATEMENT[1]

Through its strategic focus on providing high-quality student accommodation primarily in and around London, the Company has delivered exceptional returns to shareholders since its IPO in 2013.

Introduction
The year under review has been dominated by the Covid-19 pandemic, with the UK's departure from the EU adding to wider market uncertainty. Students seeking to attend universities in the UK for in-person learning for the final term of the 2019/20 academic year and all of the 2020/21 academic year have been faced with considerable challenges through a combination of travel restrictions, lockdowns and the closure of academic institutions as teaching moved online. Events leading from this have resulted in a reversal during the year of the Company's hitherto strong operational performance.

Notwithstanding the resultant operational challenges faced by the Company during the year, the focus on assets in and around London has delivered strong NAV performance, with the EPRA NTA[2] per share rising by 13.5% to 195.05 pence per share. This has been driven by valuation uplifts underpinned by strong institutional demand for private student residential accommodation assets in the Company's core market, as evidenced by the approach to acquire the Company which was received post year end, as detailed below.

Offer to acquire the Company
On 11 August 2021, the Company published a circular to shareholders containing the details of the Board-recommended acquisition of the Company by a special purpose vehicle formed by a consortium comprising Scape Living plc and iQSA Holdco Limited (the "Consortium"), to be funded by their respective primary shareholders, these being APG Asset Management N.V. and Blackstone Group International Partners LLP. In arriving at its recommendation, the Board has factored in the increasingly positive news flow in recent months, most notably the Covid-19 vaccine rollout, as well as the extremely strong investment appetite and transaction activity in the purpose-built student accommodation sector.

However, the Board has tempered these factors with a recognition that, because of the continued global impact on travel caused by the Covid-19 pandemic and the effect of Brexit on student movement from the EU, as well as a volatile geopolitical environment, there remain considerable risks to student numbers. .By way of reference, in the academic year 2020/21, 73% of bookings were from overseas students.

Consequently, whilst the Board remains confident in the standalone prospects for the Company, having negotiated several improved proposals from the Consortium the Board believes that the acquisition allows shareholders to capture anticipated future value today, whilst eliminating the associated uncertainties. In addition, the Board recognises that the acquisition allows shareholders the opportunity to fully exit in cash at a price which represents an all-time high share price and an attractive premium to the EPRA NTA[2] of 195.05 pence per share at the year end.

On 6 September 2021, shareholders voted in favour of the acquisition. If the transaction completes (subject to certain conditions being met, including clearance from the CMA) each shareholder in the Company will receive 213 pence per share in cash. If the conditions are met, the transaction is expected to occur in the coming months.

On the basis of the cash exit of 213 pence per share, the Company will have delivered a total shareholder return since IPO[2,3] of 190.0%, representing an annualised total shareholder return since IPO[2,3] of 13.9% and a return on equity since IPO[2,3] of 2.6 times.

1. This report includes statements that are, or may be deemed to be, 'forward-looking statements'. These include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager regarding future events and performance of the Company, at the date of the report only.

2. Alternative performance measure - see below for definitions and calculation methodology.
3. Based on the period from IPO to the date of the announcement of the recommended cash offer on 16 July 2021.

Student welfare
The Directors are mindful of the Company's social responsibilities. The wellbeing of the residents and staff in the Group's buildings throughout the Covid-19 pandemic has remained of paramount importance to the Board, the Investment Manager and the Property Managers. Further, the Company's willingness to offer rental concessions during the year demonstrates to students, the Group's current and future[2] customers, that it continues to support them in this difficult period.

Investment activity
The Group's forward-funded development, Scape Brighton, opened to students in two stages across the last quarter of 2020. Scape Brighton adds to the Group's presence in the Brighton market alongside Circus Street, Brighton.

In light of the disruption and market uncertainty caused by the Covid-19 pandemic, in November 2020 the Directors decided not to exercise the Company's right to acquire a second asset in the same locality as Scape Guildford.

Financial results
The Company's rental income for the financial year has been materially adversely impacted as a result of the disruption caused by the Covid-19 pandemic. The investment portfolio generated rental income of £36.3 million over the period to 30 June 2021 (30 June 2020: £47.8 million), representing c.60% of budgeted revenues of £60.1 million for the financial year.

The Company's EPRA NTA[1] increased from 171.78 pence per share at the start of the year to 195.05 pence per share at 30 June 2021, representing an increase over the period of 13.5%.

Dividends
Noting the ongoing uncertainties relating to the Covid-19 pandemic, the impact on the Company's revenues and a desire to manage the business in a prudent and conservative manner, in November 2020, the Directors decided to reduce the Company's dividend payments to shareholders. In July 2021, following the receipt of the recommended cash offer, the Directors suspended dividends until further notice.

The Company has paid dividends in respect of the year ended 30 June 2021 of 0.75 pence per share. The dividends were paid in full as PIDs. The total dividend for the year was 188% covered by adjusted EPS[1] of 1.41 pence.

In light of the offer to acquire the Company, the Directors do not currently expect that any further dividends will be declared or paid to shareholders.

Financing
At 30 June 2021, the Group's available debt facilities totalled £335 million, of which £288.2 million was drawn. At that date, the Group's current blended cost of borrowing on its drawn debt was 2.94% with an average weighted maturity of approximately four years. The loan-to-value[1] of the Group at the year end was 21%.

Post year end the Company entered into an agreement with Wells Fargo & Company to extend its £45 million redrawable credit facility to January 2023. Further details of the Group's debt facilities are set out in note 17 to the financial statements.

Environmental, social, governance ("ESG")
The Board considers the integration of responsible investment principles across the Group, the assets within its investment portfolio and the operations of its advisers to be of fundamental importance. The Company has a GRESB three 'green star' rating, an EPRA sBPR gold award and a 'BB' MSCI ESG rating.

The Board has an ESG committee chaired by Gillian Day which oversees the formulation and implementation of the Group's ESG strategy. The Company has a long-term target[2] of a 0.5% per annum like-for-like reduction in energy consumption, water consumption and general waste production from a baseline of 2018 to 2021. On a like-for-like basis the Company's emissions reduced by 11% for the year ended 30 June 2021, primarily due to reduced occupancy.

The Investment Manager is a signatory to the Principles for Responsible Investment. Its policy on Responsible Investment may be found on its website, www.graviscapital.com.

1. Alternative performance measure - see below for definitions and calculation methodology.
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Investment management and property management arrangements

With effect from 1 July 2020, the Company entered into revised investment management arrangements with the Investment Manager and new property management arrangements with its primary Property Manager, Scape. The revised management arrangements provide the Company with a competitive investment management fee basis and more closely align property management fees to relevant operational metrics. The revised arrangements are set out below.

In the first quarter of 2021, ORIX Corporation, a diversified financial services company based in Japan, acquired a 70% stake in the Investment Manager.

If the transaction to acquire the Company completes, the Consortium has indicated that following purchase it intends that the investment management arrangements with the Investment Manager will be terminated. It is expected that the Property Manager will be retained to provide property management services in respect of certain assets.

Board changes
A number of Board changes have taken place during the year. Robert Peto retired as a Director and Chairman of the Company on 4 November 2020 and I was appointed as Chairman in his place. On behalf of the Board, I would like to thank Robert for his leadership of the Company and his service to shareholders since the IPO in 2013. Further, the Board appointed Russell Chambers as a Director of the Company, with effect from 1 February 2021.

Continuation vote
If the recommended offer to acquire the Company does not complete in accordance with the Company's articles of association, a continuation resolution is scheduled to be put to shareholders at the annual general meeting to be held later in 2021. Further information will be set out in relation to the continuation resolution when the notice of the annual general meeting is published. In the event that the takeover of the Company by the Consortium is completed ahead of that date, the Company will not hold its annual general meeting as currently constituted and no continuation vote will be put to shareholders.

Final thoughts
On behalf of the Board, I would like to thank the Investment Manager for its substantial contribution to the creation and operation of the Company and to Scape for managing the properties so effectively. I would also like to thank my Board colleagues for their valued contribution through a period of intense operations and corporate challenges for the Company. Further, I would like to thank shareholders for their continued support of the Company since IPO.

David Hunter
Chairman
18 October 2021

COMPANY PERFORMANCE SINCE IPO

Annualised total shareholder return since IPO[1]

8-10% Target at IPO
13.9%[2,3] on exit

Relevance to strategy: Total shareholder return measures the delivery of the Company's strategy, to provide shareholders with attractive total returns in the longer term.

Dividends per share since IPO

42.11p since IPO

Relevance to strategy: The total dividend reflects the Company's ability to deliver regular, sustainable, long-term dividends and is a key element of total return.

Annualised total NAV return since IPO[1]

13.1%[2] at 30 June 2021

Relevance to strategy: Total NAV return measures the delivery of the Company's strategy, to provide shareholders with modest capital appreciation.

Blended NIY[1]

4.30% at IPO
6.29% at 30 June 2021

Relevance to strategy: Blended NIY over time demonstrates the yield shift experienced in the student accommodation sector since IPO.

Number of beds

558 at IPO
4,116 at 30 June 2021

Relevance to strategy: Number of beds measures the delivery of the Company's strategy, to invest and manage assets with the objective of spreading risk.

Average annualised student rental growth since IPO[1]

3.7% at 30 June 2021

Relevance to strategy: Student rental growth is a key measure of the quality of the portfolio.

Gross asset value

£93.0m at IPO
£1.2bn at 30 June 2021

Relevance to strategy: Gross asset value demonstrates delivery of the Company's strategy, through the acquisition of eleven properties.

Share price

100p at IPO
213p[2] on exit

Relevance to strategy: Share price is a measure of delivery of the Company's strategy, to provide shareholders with attractive total returns in the longer term.

Market capitalisation

£70.0m at IPO
£732.6m at 30 June 2021

Relevance to strategy: Market capital demonstrates the successful growth of the Company over the period since IPO.

1. Alternative performance measure - see below for definitions and calculation methodology.
2. Shareholders will receive a cash exit 213 pence per share on completion of the recommended acquisition of the Company, if it occurs.
3. Based on the period from IPO to the date of the announcement of the recommended cash offer on 16 July 2021.

STRATEGIC REPORT

STRATEGIC OVERVIEW

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

10.2%
Annualised total shareholder return since IPO[1]

0.75p
Dividends paid in respect of the year

Business model
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[2] strategy.

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. The Company has not breached its investment guidelines and restrictions during the year.

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.
2. This report includes statements that are, or may be deemed to be, 'forward-looking statements'. These include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager regarding future events and performance of the Company, at the date of the report only.

INVESTMENT MANAGER'S REPORT

The Investment Manager has assembled a portfolio of assets which, following the acquisition of the Company by the Consortium, will have delivered an annualised total shareholder return since IPO[1] of 13.9%.

PORTFOLIO PERFORMANCE

Introduction
Travel restrictions combined with lockdowns and the closure of academic institutions through the financial year have restricted the ability of students to attend universities and occupy their student accommodation. These factors have resulted in a reduction to occupancy levels across the portfolio, impacting revenue for the year. Notwithstanding this, strong institutional appetite for private student accommodation assets has driven up the value of assets in the expectation of attractive longer-term returns.

Portfolio performance update
The key drivers of the Company's returns are based on the three fundamentals of where, what and how the Company acquires and operates assets. Focusing on modern, purpose-built, private student residential accommodation located primarily in and around London forms the basis of how the Investment Manager seeks to add value over the long term. The success of this approach has been demonstrated by the price which the Consortium has offered to acquire the Company, and the returns since IPO that this will realise for shareholders.

The Group's portfolio generated rental income of £36.3 million for the year to 30 June 2021 (30 June 2020: £47.8 million) comprising income from direct lets of rooms to students, nominations agreements with HEIs and long-term commercial leases, as set out in the chart below. This represents c.60% of budgeted revenues of £60.1 million for the financial year. The portfolio has continued to be impacted by the restrictions on global mobility and closure of academic institutions resulting from the Covid-19 pandemic.

The Group's buildings have remained operational throughout the pandemic with the Investment Manager and Property Managers remaining focused on ensuring the wellbeing of residents and staff by providing a safe and secure environment in line with UK Government regulations. The Board, the Investment Manager and the Property Managers have all prioritised the safety and wellbeing of students and the Group's employees from the outset.

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.

For the academic year 2020/21, approximately 68% of booked rooms were occupied and/or subject to nominations agreements. Post year end, at 15 October 2021, approximately 80% of rooms across the Group's portfolio of student accommodation have been booked for the 2021/22 academic year, and of these rooms 83% have been occupied by residents. The level of bookings at the same date for the previous academic year was 70%.

On 5 November 2020, the Company reported that the Company's nominations agreement with a subsidiary of INTO University Partnerships ("INTO") was in arrears of c.£1.9 million at 30 September 2020. On 17 November 2020, the Company announced that it and INTO had agreed to a full settlement of all arrears of £1.9 million, in addition to a variation to the nominations agreement between them. The previous nominations agreement was for 210 beds at the Group's Scape Mile End asset up until the end of the 2024/25 academic year. The revised arrangements between the Company and INTO are for 105 beds, at a premium rate, up until the end of the 2020/21 academic year and include additional parent company financial guarantees.

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

REVENUE BY TYPE
£24.5m: Direct let income[2]
£6.3m: Commercial income
£5.3m: Nominations income
£0.2m: Ancillary income2. Net of Discounts

On 15 February 2020, the Company announced that it had terminated its 15-year occupational lease with a WeWork subsidiary ("WeWork") in respect of commercial space at Scape Shoreditch. Ahead of termination, the Company collected a payment of c.£3.1 million (including VAT) covering all arrears and rent due to the end of June 2021.

The payment was equal to the maximum amount available of WeWork's parent company guarantee. The Company has taken vacant possession of the commercial space at Scape Shoreditch. The Investment Manager is pursuing opportunities to re-let the commercial space at Scape Shoreditch including plans for refitting the premises.

In order to support direct let students during this difficult period, in January 2021 the Company offered rental concessions of up to 100% for a six-week period, which was applied to final instalments for the academic year due in April 2021. The loss of rental income arising from this rent concession was approximately £0.7 million or c.0.15 pence per share.

In the year under review, the Company has achieved strong NAV growth driven by valuation uplifts. The Company's EPRA NTA[1] per share increased from 171.78 pence at 30 June 2020 to 195.05 pence at 30 June 2021, an increase of 13.6%. This was driven by a like-for-like portfolio valuation uplift of 11.0%. The market valuation of the portfolio was £1.14 billion at 30 June 2021.

The valuation uplift for the year has been driven primarily by strong investment demand for private student accommodation in the Company's core London market, which has been the Investment Manager's focus since IPO.

This includes valuation uplifts on Scape Bloomsbury of £25.2 million, Scape Wembley of £21.9 million and Scape Mile End of £17.2 million. The blended net initial yield[1] of the Company's operational portfolio at 30 June 2021 was 4.30% (30 June 2020: 4.44%).

During the year, the Company's forward-funded development at Scape Brighton became operational, notwithstanding reduced levels of activity across the construction sector. Scape Brighton opened to students in two stages in September and early November 2020. Its construction costs have been part-funded through the Company's £55.0 million development facility, of which £15.0 million was drawn at the year end. The Company's outstanding capital commitments, including in respect of the construction costs at Scape Brighton, were approximately £3.9 million and will be funded through the Company's available cash resources.

STUDENTS PER BED RATIO
London: **3.8**
Brighton: **4.1**
Bristol: **2.7**
National average: **3.1**

Source: HESA, Knight Frank Research.

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

MARKET UPDATE

The UK student accommodation market
The Covid-19 pandemic has created unprecedented challenges for global mobility, including that of students. With this backdrop, it is encouraging to note that applications and acceptances for higher education courses are at record levels. The UK remains a global leader in the provision of higher education, with some of the highest-ranking universities in the world, including two in the top ten in 2021[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].

Approximately 81% of the Company's portfolio is located in and around London. Demand for full-time higher education courses in London remains strong relative to the rest of the UK. London is home to 23 universities, with more universities (four) ranked in the top 40 by The Times Higher Education World University Rankings than any other city in the world. Approximately 30% of the 2.5 million students in the UK study in London and the South East[3]. International students in particular favour London as a destination for higher education given its continued reputation as a global centre of academic excellence. A quarter of all international students in the UK choose to study in London.

Student numbers supportive of occupancy and growth
Applications and acceptances for higher education courses in the UK were at record levels for the 2020/21 academic year. UCAS end-of-cycle data for the 2020/21 academic year showed that 570,475 students had accepted places onto higher education courses in the UK, representing a year-on-year increase on pre-pandemic levels of 5.4%.

This growth has been driven by a year-on-year increase in acceptances of 16.9% for non-EU international students to 52,755 and a 4.5% increase in domestic students to 485,400. The number of EU students has also increased by 1.7% to 32,320. The increase in acceptances for domestic students has, in part, been underpinned by record entry rates of 18 year-olds into higher education.

Looking forward, UCAS clearing data published on 7 September 2021 relating to acceptances for the upcoming 2021/22 academic year shows a further increase in students placed onto higher education courses in the UK with a year-on-year increase of 5% for non-EU international students. The effect of Brexit is impacting student numbers from the EU due to the obligation to now pay international student rates rather than domestic, with acceptances falling by 56%.

The UCAS data above supports the Investment Manager's view that students will continue to invest in their education and enrol on courses to further their future employment prospects.

The continued rise in the number of applications from non-EU 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. However, with the continued global impact on travel caused by the Covid-19 pandemic and the effect of Brexit on student movement from the EU, there remains considerable uncertainty on occupancy levels for at least one further academic year and possibly beyond.

The Board and the Investment Manager continue to monitor global events as they relate to student numbers, including relations between the US, the UK and China. In 2020/21, one in four of the Company's student bookings were from China.

1. The Times Higher Education World University Rankings 2021.
2. OECD.
3. HESA.

Strong supply-side barriers
The investment returns from student accommodation vary considerably between cities in the UK. The Investment Manager has focused on constructing a portfolio in those markets which demonstrate a structural undersupply of private student accommodation. Furthermore, short-term supply dynamics, driven by the consequences of the pandemic, should not detract from the longer-term divergence of returns from student accommodation between cities in the UK with an undersupply of student housing and those with less restrictive planning regulations.

The Investment Manager expects London and Brighton to remain undersupplied as a result of a combination of high land values and challenging planning restrictions. Modern student accommodation is in short supply in both markets, as illustrated by existing university stock in London, of which an estimated two-thirds is over 20 years old[1].

The beneficial impact of these supply-side barriers on the Company's portfolio, coupled with the outlook for demand for accommodation in its assets and investment activity in the student accommodation sector, is reflected by the strong valuation increases achieved both during the period and since the Company's IPO in 2013. The Investment Manager believes these fundamentals will continue to drive strong performance over the longer term, in the event that the recommended offer for the Company does not complete.

Transactional activity
Investment volumes of student accommodation assets exceeded £5.9 billion in 2020, the highest level of transactional activity in the UK ever recorded. This included the £4.7 billion acquisition of the iQ Student portfolio by Blackstone Group in May 2020 which was the largest-ever student property transaction in the UK, at an estimated yield of 4.2%. Other notable transactions included the acquisition of a c.£600 million mixed portfolio of student accommodation and residential units by Quadreal in November 2020, for a reported yield for the student element of below 4.0%.

Further, the sale of Scape Canalside to an institutional buyer was completed in October 2020, for a price of c.£100 million, believed to reflect an estimated yield of 4.2%.

Private capital continues to be deployed in the acquisition of student accommodation in the UK throughout 2021. Approximately £600 million of transactions have completed for assets during Q2 2021.

1. JLL London Student Housing.

FINANCIAL REVIEW

Rental income
The Company generated rental income for the year ended 30 June 2021 of £36.3 million from the Company's property portfolio. This represents c.60% of budgeted income for the financial year. The portfolio has continued to be impacted by the restrictions on global mobility and closure of academic institutions resulting from the Covid-19 pandemic, which 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
The Company's net operating margin has reduced to 57% for the period, primarily due to the reduction in revenue detailed above and an increase in operating costs. Property expenditure of £15.3 million was incurred during the year, a significant increase of £5.7 million year-on-year, predominantly due to the accounting treatment of three factors. Firstly, the Scape property management fees of £2.2 million (previously paid by the Investment Manager from its fee) are now being paid directly by the Company and recognised in property operating costs. The investment management fees have been reduced accordingly, refer to note 28.

Secondly, the termination of the WeWork lease in February 2020 resulted in a write-off of £2.1 million of lease incentives held on the statement of financial position. This was offset by a £3.1 million settlement from WeWork recognised in income. Finally, bad debts of £1.0 million were written off in the year in respect of students unable to occupy their rooms due to the ongoing pandemic.

Administration expenses
Total administration expenses of £8.6 million comprise fund running costs, including the Investment Manager's fee 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 value for services received.

Other costs
These include the initial legal and professional fees associated with the recommended cash offer of £0.4 million and aborted transaction costs of £0.1 million in relation to a forward purchase agreement of a second asset in the same locality as Scape Guildford. Further costs associated with the recommended cash offer were incurred post year end which are not reflected in the financial statements.

Net financing costs

Net finance costs of £10.0 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 £1.9 million was generated in the period.

Total fair value gains on investment properties through revaluation of the Company's investment portfolio were £112.8 million for the year, positively impacting operating profit and generating EPS of 25.21 pence. The adjusted EPS[1] for the period was 1.41 pence[2] excluding fair value gains on investment properties and adjusting for non-recurring transactions costs and licence fees receivable on forward funding agreements..

Financial performance
Condensed profit and loss

	Notes	**For the year ended 30 June 2021 £'000**	For the year ended 30 June 2020 £'000
Total income	4	**36,909**	47,762
Property operating expenses	5	**(15,849)**	(9,658)
Gross profit (net operating income)		**21,060**	38,104
Net operating margin		**57%**	80%
Administration expenses	5	**(8,619)**	(9,861)
Other costs		**(561)**	(3,765)
Net finance costs	15, 16	**(10,028)**	(9,804)
Profit before tax and fair value gains on investment properties (realised profits)		**1,852**	14,674
Fair value gains on investment properties	10	**112,877**	33,904
Profit before tax for the year		**114,729**	48,578

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 1.0% for the year ended 30 June 2021, calculated in line with the AIC methodology, excluding direct property costs. This ratio has decreased from 1.3% in the prior year 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 2021, the Company paid dividends of 0.75 pence per ordinary share. The dividends were paid in full as a PID in respect of the Group's tax exempt property rental business. 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 2021 and at the date of this report.

The total dividend of 0.75 pence for the year was 188% covered by adjusted EPS[1] of 1.41 pence[2].

Cash flow generation
The Company held cash and cash equivalents of £44.6 million at the end of the financial year. A total of £15.4 million of operating cash flows were generated in relation to the Company's student accommodation portfolio. The Company drew down £6.1 million on the Company's development facility and continued the forward-funding of the construction of Circus Street and Scape Brighton. The remaining cash outflows during the year relate the cost of servicing the Company's debt facility in addition to payment of dividends, resulting in a net decrease in cash and cash equivalents at the year end.

Debt financing
The Company's loan facilities total £335.0 million, of which £288.2 million was drawn at 30 June 2021. 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 four years. In addition, the Group has £100 million of floating rate borrowing facilities with Wells Fargo (of which £53.2 million was drawn as at 30 June 2021) 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 21%.

Asset performance
Bookings for the 2020/21 academic year were at reduced levels, however the Company saw headline like-for-like student rental growth[1] of 2.6% for the 2020/21 academic year and also benefited from yield compression. The valuation uplift for the financial year has been predominantly driven by uplifts on Scape Bloomsbury of £25.2 million, Scape Wembley of £21.9 million and Scape Mile End of £17.2 million.

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

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

Lifecycle reserve
The Company's lifecycle cash reserves were £3.1 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
In October 2019, EPRA announced updated best practice recommendations which included new NAV metrics to replace EPRA NAV. The Company has adopted EPRA NTA [1] as its principal measure of NAV. Net assets attributable to equity holders at 30 June 2021 on an IFRS basis were £887.4 million, up from £781.4 million at 30 June 2020.

The increase in net assets since the prior year end was primarily driven by an increase in the valuation of the property portfolio. At 30 June 2021, there were 455,019,030 shares in issue, giving an EPRA NTA[1] per share of 195.05 pence.

NAV and share price return
The Company's ordinary shares have traded at an average premium[1] to EPRA NTA[1] per share (ex-income) of 0.7% since IPO, with an average discount[1] over the financial year of 17.0%..EPRA NTA[1] per share has increased from 171.78 pence at 30 June 2020 to 195.05 pence per share at 30 June 2021, a 13.5% increase year-on-year. Dividends of 0.75 pence per ordinary share were paid to shareholders.

The annualised total shareholder return since IPO[1] was 10.2% at the year end, compared to the annualised target return of 8 to 10%. The total shareholder return[1] for the year was 31.9%. On the basis of the cash exit of 213 pence per share, the Company will have delivered a total shareholder return since IPO[1,3] of 190.0%, representing an annualised total shareholder return since IPO[1,3] of 13.9% and a return on equity since IPO[1,3] of 2.6 times.

Financial performance
Condensed balance sheet

	Notes	**As at 30 June 2021 £'000**	As at 30 June 2020 £'000
Assets			
Investment property	10	**1,148,811**	1,009,838
Trade and other receivables, retentions and deposits		**8,534**	17,979
Cash and cash equivalents	23	**44,559**	60,358
Total assets		**1,201,904**	1,088,175
Liabilities			
Trade and other payables, retentions and deposits		**(8,857)**	(9,374)
Deferred income		**(6,985)**	(6,085)
Lease liability		**(11,834)**	(11,608)
Financial derivatives		**(95)**	(233)
Interest-bearing loans and borrowings	17	**(286,721)**	(279,456)
Total liabilities		**(314,492)**	(306,756)
Net assets		**887,412**	781,419

Number of shares		**455,019,030**	455,019,030
EPRA NTA[1] per share (cum-income)	3	**195.05p[2]**	171.78p
EPRA NTA[1] per share (ex-income)		**195.05p[2]**	170.36p

1. Alternative performance measure - see below for definitions and calculation methodology.
2. Following the recommended cash offer for the Company, the Directors suspended the fourth quarterly dividend. Therefore, EPRA NTA (ex-income) is equivalent to EPRA NTA (cum-income).
3. Based on the period from IPO to the date of the announcement of the recommended cash offer on 16 July 2021

Gravis Capital Management Limited
18 October 2021

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 2021

4,116
Number of beds at 30 June 2021

At 30 June 2021, the Company's portfolio comprised eleven high-quality, modern student accommodation buildings, of which 81% of the total capital value was located in and around London.

Key
1: Number of beds
2: Date of acquisition
3: Book cost
4: Valuation at 30 June 2021
5: NIY[a,b]

1 Scape Shoreditch
1: 541
2: Sep 2015
3: £166.8m
4: £227.3m
5: 4.33%

2 Scape Bloomsbury
1: 432
2: Apr 2017
3: £167.3m
4: £219.6m
5: 3.75%

3 Scape Mile End
1: 588
2: May 2013
3: £94.4m
4: £181.6m
5: 4.20%

4 Scape Wembley
1: 578
2: Jun 2016
3: £78.0m
4: £127.2m
5: 4.15%

5 Scape Brighton
1: 555
2: Jul 2018
3: £92.5m
4: £107.2m
5: 5.00%

6 Circus Street[c]
1: 450
2: Aug 2017
3: £63.5m
4: £85.0m
5: 3.80%

7 Scape Greenwich
1: 280
2: May 2014
3: £40.5m
4: £66.7m
5: 4.34%

8 The Pad
1: 220
2: Dec 2013
3: £31.4m
4: £35.3m
5: 5.80%

9 Podium
1: 178
2: Dec 2017
3: £29.6m
4: £32.9m
5: 5.65%

10 Scape Guildford
1: 141
2: Sep 2015
3: £19.1m
4: £29.8m
5: 5.15%

11 Water Lane Apartments
1: 153
2: Feb 2016

3: £18.8m
4: £24.7m
5: 5.15%

Top five HEIs attended
1. Royal Holloway
2. UCL
3. QMUL
4. Sussex
5. Brighton

Top five nationalities represented
1. British
2. Chinese
3. Indian
4. French
5. American

4.30%
Blended net initial yield[a,b]

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

a) The blended net initial yield is calculated by the Company's independent valuer on operational assets only.
b) Alternative performance measure - see below for definitions and calculation methodology.
c) The office element remains under construction
d) Excluding Circus Street, Brighton which is let under a 20-year FRI lease to Kaplan.

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. 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 when tenanted. The property has generated a valuation uplift of £16.6 million for the year to 30 June 2021.

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 BAYES 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 £25.2 million for the year to 30 June 2021.

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 customers, shareholders, employees, local communities and suppliers.

STAKEHOLDER ENGAGEMENT

Section 172
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 customers, shareholders, employees, suppliers and the local communities in which it operates.

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.

CUSTOMERS	**Why engage**
The students who reside in the	Thousands of 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

Company's properties. The operational portfolio provides a home to c.4,000 students.	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. The Scape app provides 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 and ACM. The Board receives regular feedback from the Property Managers and the Investment Manager on matters relating to student engagement and welfare.
SHAREHOLDERS All investors in the Company, be they institutional, such as pension funds or wealth managers, or retail, such as private individuals.	**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. Shareholder meetings were held in April and May 2021 at which the Chairman met with a number of the Company's major shareholders. 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. As set out in the Chairman's statement, following the publication of a circular to shareholders regarding the Board-recommended acquisition of the Company by the Consortium, shareholders voted in favour of the acquisition on 6 September 2021. Further information on the acquisition is set out above and in the scheme document, which is available on the Company's website. The 2021 annual general meeting of the Company will be held later this year[1]. All shareholders are encouraged to attend and vote at the annual general meeting, during which the Board and Investment Manager will be available to discuss issues affecting the Company. A separate notice convening the annual general meeting will be distributed to shareholders in due course. This will include an explanation of the items of business to be considered at the meeting. The notice will also be made available on the Company's website.
EMPLOYEES Everyone who is directly employed by the Group; their knowledge, expertise and skill are a major part of the Company's intangible value.	**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 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. If the transaction to acquire the Company completes, it is expected that the Group's employees will be retained to provide property management services in respect of certain of the Scape-branded assets within the portfolio.
SUPPLIERS Suppliers across the UK who provide a wide range of property and administrative services to the Company and its subsidiaries.	**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.

	If the transaction to acquire the Company completes, the Consortium has indicated that following purchase it intends that the investment management arrangements with the Investment Manager will be terminated. It is expected that the Property Manager will be retained to provide property management services in respect of certain assets. The Company will honour the existing terms of all other agreements with service providers up to the point of acquisition.
SOCIETY The Company positively impacts local communities through its sustainable environmental initiatives, investment in areas undergoing regeneration and local employment practices.	**Why engage** The Group's 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.

1. This report includes statements that are, or may be deemed to be, 'forward-looking statements'. These include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager regarding future events and performance of the Company, at the date of the report only.

SUSTAINABILITY

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

Responsible investment
The Board considers the integration of responsible investment principles across the Group, the assets within its investment portfolio and the operations of its advisers to be of fundamental importance. The Board has established an ESG Committee and a Board member has been allocated specific responsibility for ESG matters.

The Investment Manager is a signatory to the Principles for Responsible Investment ("PRI"). The PRI, established in 2006, is a global collaborative network of investors working together to put the six Principles for Responsible Investment into practice. More information can be found at: www.unpri.org.

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

Prior to a new investment being approved, the Investment Manager assesses how the investment fares against key relevant ESG criteria, laid out in an ESG checklist tailored for the Company. The checklist typically covers the counterparty's commitment and capability to effectively identify, monitor and manage potential ESG-related risks and opportunities, and, to the extent applicable, the availability of relevant policies and procedures, alignment with industry or investment specific standards and ratings and compliance with relevant ESG-related regulation and legislation.

As a firm-wide approach, the Investment Manager applies a process of positively screening for investments that promote sustainability or benefit society, including, but not limited to, the areas of climate change mitigation and adaptation, energy transition, critical infrastructure, affordable living, social housing, education and healthcare. The Investment Manager excludes investments which focus on animal testing, armaments, alcohol production, pornography, tobacco, coal production and power, and nuclear fuel production. Its policy on Responsible Investment can be found on its website: www.graviscapital.com.

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 2021, a total of c.500 tonnes of property waste has been diverted from landfill, with Scape procuring the conversion of 82% of all property waste into renewable energy and 16% into national recycling schemes. The property waste has been recycled into various consumer products such as cups and bottles and renewable energy, with approximately 230,000 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.

EPC ratings
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 2021 is rated as follows:

A: 17%
B: 83%
C-G: 0%

Greenhouse gas emissions

Carbon emissions data	**Year ended 30 June 2021**	Year ended 30 June 2020
Absolute energy use:		
Residential gas (kWh)	**9,442,670**	9,743,744
Residential electricity (kWh)	**6,335,285**	5,830,977
Absolute CO_2e emissions (tonnes CO_2e)	**3,075**	3,151
Residential gas emissions (tonnes CO_2e) (Scope 1)	**1,730**	1,792
Residential electricity emissions (tonnes CO_2e) (Scope 2)	**1,345**	1,359
Total residential emissions (tonnes CO_2e) (Scopes 1+2)	**3,075**	3,151
CO_2e emissions per sq ft (tonnes CO_2e/sq ft)	**0.0030**	0.0036
Residential gas and oil emissions (tonnes CO_2e/sq ft) (Scope 1)	**0.0017**	0.0020

Residential electricity emissions (tonnes CO_2e/sq ft) (Scope 2)	**0.0013**	0.0016
Total residential emissions (tonnes CO_2e/sq ft) (Scopes 1+2)	**0.0030**	0.0036
CO_2e emissions per bed (tonnes CO_2e/number of beds)	**0.7**	0.8

Impact area	EPRA code	Units of measure	Indicator	**Year ended 30 June 2021**	Year ended 30 June 2020
Total electricity consumption	**Elec-Abs**	Annual kWh	All properties	**6,335,285**	5,830,977
Total district heating and cooling consumption	**DH&C-Abs**	Annual kWh	All properties	**1,258,400**	1,083,810
Total fuel consumption	**Fuels-Abs**	Annual kWh	All properties	**15,777,955**	15,574,720
Building energy intensity	**Energy-Int**	kWh/appropriate denominator	All properties	**3,075**	3,784

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.

Scope of data:

Scape Brighton became operational during the year and therefore emissions on an absolute basis have increased. Excluding Scape Brighton, emissions have decreased by 11% on an absolute basis.

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 2021**	Year ended 30 June 2020
Total direct GHG emissions	**GHG-Dir-Abs**	Annual metric tonnes CO_2	All properties	**3,075**	3,151
Greenhouse gas (GHG) emissions intensity from building consumption	**GHG-Int**	Tonnes CO_2/ Appropriate denominator	All properties	**0.7**	0.8

Water consumption

Impact area	EPRA code	Units of measure	Indicator	**Year ended 30 June 2021**	Year ended 30 June 2020
Total water consumption	**Water-Abs**	Annual cubic metres	All properties	**165,847**	172,725
Building water intensity	**Water-Int**	m^2/appropriate denominator	All properties	**40.3**	42.0

Waste and recycling

Total weight of waste by disposal route

(Annual metric tonnes and proportion by disposal route)

30 June 2021
514 tonnes
Waste to energy: **82%**
Waste to recycling: **16%**
Waste to landfill: **2%**

EPRA code
Waste-Abs

30 June 2020
820 tonnes
Waste to energy: **86%**
Waste to recycling: **14%**
Waste to landfill: **0%**

EPRA code
Waste-Abs

Methodology/notes:

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 2021 Female**	**Year ended 30 June 2021 Male**	Year ended 30 June 2020 Female	Year ended 30 June 2020 Male
Employee gender diversity	**Diversity-Emp**	Number of employees	Board of Directors	**2**	**3**	2	3
			Senior management	**3**	**1**	3	2
			Employees	**67**	**50**	66	48
			Total	**72**	**54**	71	53

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 FRC 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; 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 regard to the UK's exit from the EU, relations between the UK, US and China and the Covid-19 pandemic.

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	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	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	**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

conducting due diligence in respect of any new investments, are integral to the Group's performance.	Property Managers or other third party service providers could cause significant losses to the Group.	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.	Manager and third party service providers enacted Business Continuity Plans in response to the Covid-19 pandemic which continue to operate 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 NTA[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 £36.3 million, which represents c.60% of the budgeted income for the year.

Concentration			
The Company's property portfolio comprised eleven assets at 30 June 2021. 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 second asset in Brighton under a forward-funding agreement. 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.	**Stable** The Company continues to be impacted by the restrictions on global mobility and closure of academic institutions caused by the Covid-19 pandemic. The operational portfolio generated rental income of £36.3 million for the year to 30 June 2021, representing c.60% 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 may be at a discount to the prevailing valuation of the relevant investments.	The Company has entered into a service 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 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.	**Stable** Despite the operational challenges the Company is experiencing, investor demand for student accommodation continues to support attractive valuations. This is illustrated by the offer made by the Consortium to acquire the Company.

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) or retrospective changes to building regulations including those pertaining to building materials and external walls.	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 or any costs associated with making the buildings compliant with retrospective changes to building regulations 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 and technical building consultants 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.	**Increase** The residual risk has increased in light of the greater focus on building safety. The Company's internal compliance procedures continue to operate effectively. The Investment Manager and third party service providers monitor changes to laws, regulations and/or government policy on a regular basis and report to the Board.

RISK 2: MARKET RISK

Risk	**Impact**	**How the risk is managed**	**Change in residual risk over the year**
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.	**Decrease** Property valuations, and particularly student property valuations, have remained resilient throughout the Covid-19 pandemic with transactional evidence supporting valuations. With restrictions now eased and the successful vaccination rollout, the level of uncertainty has reduced.
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. The Board are also closely monitoring relations between the US, the UK and China.	**Stable** The effect of Brexit on students from the EU has been observed in the 2021/22 UCAS clearing cycle. Acceptances of EU students have reduced by 56% due to the obligation to pay international student rates rather than domestic.
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 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.	**Increase** The signing of a security partnership with Australia and the USA has increased tensions between the UK and China. In 2020/21 one in four of the Company's student residents were from China. The Board and the Investment Manager continue to monitor global events as they relate to student numbers, including relations between the US, the UK and China.

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 Group was not in breach of its banking covenants at 30 June 2021.

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

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, have continued to closely monitor the crisis. 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 had also put acquisitions on hold and is maintaining a surplus cash balance.	**Decrease** The year has continued to be dominated by the Covid-19 pandemic. However, the Board notes the increasingly positive news flow in recent months, notably the resumption of international travel following the vaccine rollout as well as the strong investment appetite and transaction activity in the purpose-built student accommodation sector.
Climate change			
A 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 2020/21 reporting cycle. The Board has an ESG committee which oversees the formulation and implementation of the Group's ESG strategy. The Investment Manager is a signatory to the PRI and carries out environmental impact assessments in due diligence processes.	**Increase** The UN's IPCC recent report on climate change included stark warnings about the future of our planet. It outlined that if global emissions are cut in half by 2030 to reach net zero by the middle of this century, the rise in temperatures could be halted and possibly reversed. The Company has set a long-term target[1] of a 0.5% per annum like-for-like reduction in energy consumption, water consumption and general waste production from a baseline of 2018 to 2021.
University funding			
The primary sources of funding for universities are tuition fees, followed by research grants. There are growing pressures	A material reduction to the number of HEIs in the UK, due to lack of funding, consolidation or otherwise, may have a material	The Board together with its advisers, monitors the funding positions of UK higher education institutions. The Company's	**Stable** The Company's exposure to London and locations aligned to highly ranked universities has

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.	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.	focus on London means it has exposure to the market in the UK with the greatest diversity of highly ranked higher education institutions.	protected it against falls in student numbers. Half of the Group's direct let bookings for the 2020/21 academic year were by students attending five universities which experienced on average 13% growth in acceptances in September 2020, compared to a national average of 5%.

1. This report includes statements that are, or may be deemed to be, 'forward-looking statements'. These include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager regarding future events and performance of the Company, at the date of the report only.

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 NTA and the nature of its portfolio and expenditure projections.

Material uncertainty
On 6 September 2021, the shareholders of the Company approved resolutions relating to the acquisition of the Company by the Consortium. The acquisition is subject to certain conditions including CMA approval, and if occurs, is estimated to complete in the coming months. The Directors are aware that the Consortium has stated its intention to break up the Group after completion of the proposed acquisition. If this were to happen, it would materially change the Directors' assessment of going concern for the Group, and therefore a material uncertainty has been identified. Further information is given in note 2.2 to the financial statements.

Continuation vote
The Company's articles of association include provisions for a continuation vote to be held every three years. A continuation resolution is scheduled to be put to shareholders at the annual general meeting to be held later in 2021. In the event that the acquisition of the Company by the Consortium is completed ahead of that date, the Company will not hold its annual general meeting as currently constituted and no continuation vote will be held.

Directors' assessment
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 twelve months from the date of approval 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 NTA per share 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, including consideration of the material uncertainty detailed above, 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.

Viability statement
The Directors have also made an assessment of the viability of the Company, in order to meet the requirements of the UK Code, notwithstanding the approval by shareholders of the recommended cash offer and the material uncertainty identified in relation to this matter. Further information is given in note 2.2 to the financial statements.

The Directors have assessed the prospects of the Group over a period longer than the period used in the going concern assessment of twelve months from the date of approval of these financial statements. The Board has determined that a five-year period constitutes an appropriate period to provide its viability statement. They have therefore assessed the viability of the Company over a five-year period to 30 June 2026, assuming the acquisition of the Company by the Consortium does not complete. 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 four years.

The Directors have considered the financial position of the Group and the potential impact on 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. The principal risks that the Directors consider have been most impacted by the pandemic are 'net income and property values' risk and 'property valuation' risk. The Directors have also considered the Company's policy for monitoring, managing and mitigating its exposure to these risks.

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 2021 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, in the event that the recommended offer for the Company does not complete.

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

David Hunter
Chairman
18 October 2021

GOVERNANCE

BOARD OF DIRECTORS

David Hunter - *Chairman*

Gillian Day - *Chair of the remuneration committee*

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

Marlene Wood - *Chair of the audit and risk committee*

Russell Chambers - *Director*

EXTRACTS FROM THE DIRECTORS' REPORT

Share capital
At the annual general meeting held on 4 November 2020, 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 45,501,900 ordinary shares. No ordinary shares have been allotted under this authority during the year. As at the date of this report, the Company may allot further ordinary shares up to an aggregate nominal amount of £455,019 under its existing authority.

At the annual general meeting held on 4 November 2020, 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. This authority will expire at the conclusion of, and renewal will be sought at, the annual general meeting to be held later this year.

Shares bought back by the Company may be held in treasury, from where they could be reissued at or above the prevailing NTA 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 2021, 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 0.75 pence per ordinary share have been paid in respect of the year ended 30 June 2021 as follows:[1]

	Year ended 30 June 2021 pence	Year ended 30 June 2020 pence
First interim dividend	**0.25**	1.57
Second interim dividend	**0.25**	1.58
Third interim dividend	**0.25**	1.58
Fourth interim dividend	**-**	1.42
Total	**0.75**	6.15

1. Refer to note 8 for further information.

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 international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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, 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, 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

David Hunter
Chairman
18 October 2021

NON-STATUTORY ACCOUNTS

The financial information set out below does not constitute the Company's statutory accounts for the year ended 30 June 2021 or the year ended 30 June 2020 but is derived from those accounts. Statutory accounts for the year ended 30 June 2020 have been delivered to the Registrar of Companies and those for 2021 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 2021

Continuing operations	Notes	**Year ended 30 June 2021 £'000**	Year ended 30 June 2020 £'000
Rental income	4	**36,293**	47,762
Other income	4	**616**	-
Property operating expenses	5	**(15,849)**	(9,658)
Gross profit		**21,060**	38,104
Administration expenses	5	**(8,619)**	(9,861)
Aborted transaction costs	5	**(119)**	(3,765)
Costs relating to recommended cash offer	5	**(442)**	-
Operating profit before gains on investment properties		**11,880**	24,478
Fair value gains on investment properties	10	**112,877**	33,904
Operating profit		**124,757**	58,382
Finance income	15	**144**	93
Finance expenses	16	**(10,172)**	(9,897)

Profit before tax		**114,729**	48,578
Tax charge on residual income	7	**-**	-
Total comprehensive income for the year		**114,729**	48,578
EPS (basic and diluted) (pence per share)	3	**25.21**	11.17

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Notes	**30 June 2021 £'000**	30 June 2020 £'000
Assets			
Non-current assets			
Investment property	10	**1,148,811**	1,009,838
Total non-current assets		**1,148,811**	1,009,838
Current assets			
Cash and cash equivalents	23	**44,559**	60,358
Retention account		**-**	308
Trade and other receivables	24	**8,534**	17,671
Total current assets		**53,093**	78,337
Total assets		**1,201,904**	1,088,175
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	17	**(233,707)**	(279,456)
Lease liability	17	**(11,486)**	(11,266)
Financial derivatives	13	**-**	(233)
Total non-current liabilities		**(245,193)**	(290,955)
Current liabilities			
Interest-bearing loans and borrowings	17	**(53,014)**	-
Trade and other payables	25	**(8,857)**	(9,066)
Deferred income	25	**(6,985)**	(6,085)
Lease liability	17	**(348)**	(342)
Retention account		**-**	(308)
Financial derivatives	13	**(95)**	-
Total current liabilities		**(69,299)**	(15,801)
Total liabilities		**(314,492)**	(306,756)
Net assets		**887,412**	781,419
Equity			
Share capital	18	**4,550**	4,550
Share premium	19	**525,748**	525,748
Special reserve	20	**19,456**	26,340
Retained earnings	20	**337,658**	224,781
Total equity		887,412	**781,419**
Number of shares in issue		**455,019,030**	455,019,030
EPRA NDV[1] per share (pence per share)	3	**195.03**	171.73
EPRA NTA[1] per share (pence per share)	3	**195.05**	171.78
EPRA NRV[1] per share (pence per share)	3	**212.08**	184.46

These financial statements were approved by the Board of GCP Student Living plc on 18 October 2021 and signed on its behalf by:

David Hunter
Chairman

Company number: 08420243

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2021

	Notes	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2020		4,550	525,748	26,340	224,781	781,419
Total comprehensive income		**-**	**-**	**-**	**114,729**	**114,729**
Dividends in respect of the previous year	8	**-**	**-**	**(6,364)**	**(97)**	**(6,461)**
Dividends in respect of the current year	8	**-**	**-**	**(520)**	**(1,755)**	**(2,275)**
Balance at 30 June 2021		**4,550**	**525,748**	**19,456**	**337,658**	**887,412**

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

	Notes	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 in respect of the previous year	8	-	-	(2,344)	(4,109)	(6,453)
Dividends 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

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

	Notes	**30 June 2021 £'000**	30 June 2020 £'000
Cash flows from operating activities			
Operating profit		**124,757**	58,382
Adjustments to reconcile profit for the year to net operating cash flows:			

Gains from change in fair value of investment properties	10	**(112,877)**	(33,904)
Decrease/(increase) in other receivables and prepayments		**1,869**	(1,583)
Increase/(decrease) in other payables and accrued expenses		**1,676**	(5,941)
Net cash flow generated from operating activities		**15,425**	16,954
Cash flows from investing activities			
Land and development expenditure on properties under construction		**(23,403)**	(41,075)
Reimbursement for shared development works		**4,427**	-
Capital expenditure on investment properties		**(34)**	(295)
Net cash used in investing activities		**(19,010)**	(41,370)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**-**	76,939
Share issue costs		**-**	(1,436)
Proceeds from interest-bearing loans and borrowings	17	**6,101**	57,016
Repayment of interest-bearing loans and borrowings		**-**	(28,220)
Repayment of lease liability		**(351)**	(174)
Loan arrangement fees		**-**	(49)
Finance income		**84**	85
Finance expenses		**(8,666)**	(7,828)
Dividends paid	8	**(9,382)**	(27,068)
Net cash flow (used in)/generated from financing activities		**(12,214)**	69,265
Net (decrease)/increase in cash and cash equivalents		**(15,799)**	44,849
Cash and cash equivalents at start of the year		**60,358**	15,509
Cash and cash equivalents at end of the year	23	**44,559**	60,358

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

Part 1. Basis of preparation
This section includes the Company's accounting policies applied to the financial statements in accordance with IFRS. Specific accounting policies 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 £732.6 million at 30 June 2021.

2. Basis of preparation
These financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in 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 2021. Comparative figures are for the previous accounting period, the year ended 30 June 2020.

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.

In adopting the going concern basis of accounting, the Directors have identified a material uncertainty, set out in note 2.2. There have been no accruals or adjustments to the financial statement figures in relation to the material uncertainty.

2.1 Changes to accounting standards and interpretations
In the current period, the Group has applied a number of amendments to IFRS including IFRS 16 Covid-19 related rent concessions and changes to interest rate benchmark reform. These amendments also include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosure and presentation requirements, including updates relating to Covid-19. The adoption of these updates has not had a significant impact on the Group's financial statements.

Further to the above, there are no new IFRS or IFRIC interpretations that are issued but not effective that would be expected to have a significant impact on the Group's 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 twelve months from the date of approval of this report.

In making their assessment, the Directors have considered the potential impacts of the acquisition of the Company by the Consortium and the ongoing Covid-19 pandemic on the Group, operations and the investment portfolio.

The Directors, the Investment Manager and other service providers have put in place contingency plans to minimise disruption from the Covid-19 pandemic. 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 deductions 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 have a reasonable expectation that the Group has sufficient cash resources and financing available to meet its liabilities as they full due over the next twelve months. The Company has suspended the payment of dividends until further notice, following the recommended cash offer for the Company, and has cash balances which exceed any short-term liabilities. In forming this expectation, the Directors have considered the results of forecasting and stress testing carried out by the Investment Manager, including analysis of the ongoing impact of the Covid-19 pandemic on market conditions and its impact on the Company.

The Directors are not aware of any material uncertainties, other than as set out below, 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 a going concern basis.

Material uncertainty
The Directors note that the Consortium has stated its intention to break up the Group after completion of the proposed acquisition. If this were to happen, it would materially change the Directors' assessment of going concern for the Group. Notwithstanding this, the Directors have concluded that it remains appropriate to prepare the consolidated financial statements on a going concern basis while highlighting this as a material uncertainty for the Company. There have been no accruals or adjustments to the financial statement figures in relation to the material uncertainty.

In reaching this conclusion the Directors have considered the following:

- if the acquisition occurs, it is estimated to complete in the coming months, however it remains subject to several conditions, including clearance from the CMA, the outcome

of which is not certain; and
- the Directors approving these consolidated financial statements will not be those tasked with breaking up the Group post acquisition. They therefore do not currently have sufficiently reliable and precise information on which to adopt a basis other than going concern.

Estimates
Valuation of property
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. Refer to note 13 for further details of the judgements and estimates made in determining the valuation of property.

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 at 30 June 2021. 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 EPRA earnings
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 2021 £'000	30 June 2020 £'000
Group earnings for EPS and diluted EPS	**114,729**	48,578
Fair value gains on investment properties	**(112,877)**	(33,904)
Fair value (gains)/losses on financial assets	**(138)**	233
Group earnings for basic and diluted EPRA EPS[1]	**1,714**	14,907
Group-specific adjustments:		
Licence fees on forward-funded developments	**2,076**	4,206
Write-off of lease incentive relating to terminated lease	**2,073**	-
Aborted transaction costs	**119**	3,765
Costs relating to recommended cash offer	**442**	-
Group-specific adjusted earnings	**6,424**	22,878

	30 June 2021 Pence per share	30 June 2020 Pence per share
Basic Group EPS	**25.21**	11.17
Basic Group EPRA EPS[1]	**0.38**	3.42
Diluted Group EPS	**25.21**	11.17
Diluted Group EPRA EPS[1]	**0.38**	3.42
Group-specific adjusted EPS[1]	**1.41**	5.26
Total dividends	**0.75**	6.15
Dividend cover ratio[1]	**188%**	86%

	30 June 2021 Number of shares	30 June 2020 Number of shares
Weighted average number of shares in issue	**455,019,030**	434,788,411

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

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

1. For the year ended 30 June 2021:

   i. licence fees of £486,000 from the developer of Circus Street, Brighton in respect of a forward-funding agreement;
   ii. licence fees of £1,590,000 from the developer of Scape Brighton in respect of a forward-funding agreement;
   iii. write-off of lease incentive relating to terminated lease at Scape Shoreditch of £2,073,000;
   iv. aborted transaction costs of £119,000 in relation to a forward purchase agreement of a second asset in the same locality as Scape Guildford; and
   v. £442,000 of costs relating to the recommended cash offer.

2. For the year ended 30 June 2020:

   i. licence fees of £986,000 from the developer of Circus Street, Brighton in respect of a forward-funding agreement;
   ii. licence fees of £3,220,000 from the developer of Scape Brighton in respect of a forward-funding agreement; and
   iii. 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.

3.2 EPRA NAV[1]
EPRA announced updated best practice recommendations which included revised NAV metrics to replace EPRA NAV[1] and EPRA NNNAV[1].These comprise: EPRA NDV[1], EPRA NTA[1] and EPRA NRV[1]. The Company has adopted EPRA NTA[1] as its principal measure of NAV for the year ended 30 June 2021 and for future periods. The revised EPRA metrics are shown below.

	30 June 2021 £'000	30 June 2020 £'000
NAV reported under IFRS and EPRA NDV[1]	**887,412**	781,419
Fair value of other financial instruments	**95**	233
EPRA NTA[1]	**887,507**	781,652
Investment property uplift to gross value	**77,514**	57,674
EPRA NRV[1]	**965,021**	839,326

Number of shares in issue	**455,019,030**	455,019,030
EPRA NDV[1] pence per share	**195.03**	171.73
EPRA NTA[1] pence per share	**195.05**	171.78
EPRA NRV pence per share	**212.08**	184.46

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

3.3. EPRA cost ratio[1]

	30 June 2021	30 June 2020
	£'000	£'000
Administration expenses	**8,619**	9,861
Property operating expenses	**13,776**	9,658
Less other operating income recharges intended to cover overhead expenses less any related profits	**(579)**	-
Less ground rent	**-**	(347)
Less recoverable service charge income and other similar costs	**(416)**	(226)
EPRA costs (including direct vacancy costs)	**21,400**	18,946
Direct vacancy costs	**(308)**	-
EPRA costs (excluding direct vacancy costs)	**21,092**	18,946
Gross rental income	**36,293**	47,762
Less recoverable service charge income and other similar items	**(416)**	(226)
Gross rental income	**35,877**	47,536
EPRA cost ratio[1] (including direct vacancy costs)	**60%**	40%
EPRA cost ratio[1] (excluding direct vacancy costs)	**59%**	40%

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

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

4. Income

	30 June 2021	30 June 2020
Rental income	**£'000**	£'000
Nomination rental income	**5,268**	6,243
Direct let rental income	**25,419**	35,482
Discounts	**(882)**	(332)
Total student income	**29,805**	41,393
Teaching space income	**513**	525
Commercial rental income	**5,743**	5,451
Gross rental income	**36,061**	47,369
Ancillary income[2]	**165**	386
Income from solar panels	**67**	7
Total rental income	**36,293**	47,762
Other income[3]	**616**	-
Total	**36,909**	47,762

1. Ancillary income includes income received through services provided to students such as laundry, cleaning and vending machines.
2. Other income relates to the recharge of property operating expenses, including staff costs, incurred centrally by the Group and shared with Scape and the owners of non-Group properties managed by Scape.

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.

Other income includes the recharge of a proportion of shared property operating expenses, incurred centrally by the Group, to entities outside the Group. The amount recharged is calculated by allocating the underlying costs to the relevant properties using the number of beds at each property. A mark-up on cost is applied where the recharge relates to staff costs.

5. Property operating and administration expenses

	30 June 2021	30 June 2020
	£'000	£'000
Bad debts	**1,011**	121
Marketing	**546**	312
Operating costs	**2,706**	2,422
Property maintenance	**2,036**	1,743
Property management fees	**2,222**	107
Staff costs	**3,556**	3,255
Utilities	**1,699**	1,698
Write-off of lease incentive relating to terminated lease	**2,073**	-
Property operating expenses	**15,849**	9,658
Directors' remuneration	**203**	212
Investment management fees	**6,108**	7,467
Other administration expenses	**2,308**	2,182
Administration expenses	**8,619**	9,861
Aborted transaction costs	**119**	3,765
Costs relating to recommended cash offer	**442**	-
Total	**25,029**	23,284

1. These are the initial legal and professional costs incurred by the Company in relation to the recommended cash offer for the Company. The costs include professional advice provided to the Board as well as the cost of providing due diligence information to the Consortium as part of the bidding process. Additional costs have been accrued since the year end and will be recognised in subsequent reporting periods.

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 2021, the Company received property management services from Scape Student Limited.

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 property management arrangements, with effect from 1 July 2020, Scape is 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 is payable in respect of the management of the Group's non-PBSA commercial space.

The property management fees payable by the Group to Scape are 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.

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, during the year, Nigel Taee (Chairman of Scape) and Tom Ward (Global CEO of Scape) resigned as directors of the Investment Manager. Mr 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 2021, the directors of the Investment Manager indirectly owned a c.6% interest in Scape Student Limited. Prior to the separation of the businesses of the Investment Manager and Scape as detailed above, the directors held an interest of approximately 75% in Scape Student Living Limited (the company's previous registered name).

The Consortium has indicated that following its purchase of the Company it intends that the Property Manager will be retained to provide property management services in respect of certain assets. The companies under common control with Scape provide property management and ancillary services to Scape Living plc, a member of the Consortium. The controlling parties of Scape also, indirectly, hold a small minority interest in Scape Living plc.

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 NTA 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 £71,000 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 2021	30 June 2020
	£'000	£'000
Audit fee	**240**	180
Non-audit services - review of the half-year financial statements	**20**	20
Total	**260**	200

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 2021	30 June 2020
	£'000	£'000
Annual report and financial statements	**115**	60
Subsidiary financial statements for the year ended 30 June 2021/2020	**125**	120
Total	**240**	180

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 2021	30 June 2020
	£'000	£'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 2021	30 June 2020
	£'000	£'000
Profit before tax	**114,729**	48,578
Corporation tax at 19% (30 June 2020: 19%)	**21,799**	9,230
Change in value of investment properties	**(21,447)**	(6,458)
Change in value of financial assets	**26**	60
Tax exempt property rental business	**(553)**	(4,381)
Capital allowances	**(486)**	(394)
Excess management expenses	**661**	1,943
Total	**-**	-

The Group has unrelieved excess management expenses of £21,482,000 (2020: £23,355,000) and a non-trade loan relationship deficit of £5,051,000 (2020: £1,572,000). 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 2021				30 June 2020			
	Dividend	Total pence[1]	PID[1]	Ordinary dividend[1]	£'000	Total pence[1]	PID[1]	Ordinary dividend[1]	£'000
Current year dividends									
30 June 2021/2020	Fourth interim dividend	-	-	-	-[3]	1.42	1.26	0.16	-[2]
31 March 2021/2020	Third interim dividend	0.25	0.25	-	-[2]	1.58	1.30	0.28	7,189
31 December 2020/2019	Second interim dividend	0.25	0.25	-	1,138	1.58	1.30	0.28	7,189
30 September 2020/2019	First interim dividend	0.25	0.25	-	1,137	1.57	1.49	0.08	6,494
Total		0.75	0.75	-	2,275	6.15	5.35	0.80	20,872
Prior year dividends									
30 June 2020/2019	Fourth interim dividend	1.42	1.26	0.16	6,461	1.56	1.08	0.48	6,453
Total		1.42	1.26	0.16	6,461	1.56	1.08	0.48	6,453
Dividends in statement of changes in equity					8,736				27,325
Movement in withholding tax accrual					646				(257)
Dividends in statement of cash flows					9,382				27,068

1. Amounts shown in pence per share.
2. Dividend was paid after the year end and is not accrued for as a provision in the financial statements.
3. Following the recommended cash offer for the Company, the Directors decided to suspend the Company's quarterly dividend until further notice.

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.

On 15 February 2020, the Company announced that it had terminated its 15-year occupational lease with a WeWork subsidiary ("WeWork") in respect of commercial space at Scape Shoreditch. Ahead of termination, the Company collected a payment of c.£3.1 million (including VAT) covering all arrears and rent due to the end of June 2021.

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 2021 are as follows:

	30 June 2021 £'000	30 June 2020 £'000
Less than one year	**31,267**	35,697
One to two years	**9,615**	15,682
Two to three years	**4,554**	9,936
Three to four years	**4,554**	9,813
Four to five years	**4,554**	9,813
More than five years	**49,468**	66,598
Total	**104,012**	147,539

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 2020	81,482	348,537	579,819	1,009,838
Capitalised expenditure	**25,887**	**33**	**(56)**	**25,864**
Transfer from properties under construction	**(99,699)**	**99,699**	**-**	**-**
Fair value gains on investment properties[1]	**3,190**	**38,231**	**71,456**	**112,877**
Adjustment to the lease liability in respect of rent review	**-**	**232**	**-**	**232**
Carrying value at 30 June 2021	**10,860**	**486,732**	**651,219**	**1,148,811**
Right-of-use asset	**-**	**(11,834)**	**-**	**(11,834)**
Lease incentives	**-**	**313**	**-**	**313**
Fair value at 30 June 2021	**10,860**	**475,211**	**651,219**	**1,137,290**
Carrying value at 1 July 2019	97,540	264,651	557,012	919,203
Capitalised expenditure	44,958	27	136	45,121
Transfer from properties under construction	(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	-	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

1. Included in fair value gains on investment properties is a gain of £80,000 (30 June 2020: loss of £88,000) which relates to the right-of-use asset.

During the year, the Group completed construction of the student accommodation element of Scape Brighton, which opened to students in September 2020. The Group received £4.4 million from the owner of the residential development adjacent to Circus Street, Brighton as reimbursement for the cost of shared development works. On 15 February 2020, the Company announced that it had terminated its 15-year occupational lease with a WeWork subsidiary ("WeWork") in respect of commercial space at Scape Shoreditch.

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 value 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. Refer to note 13 for further details.

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.

A right-of-use asset has been recognised at fair value in relation to ground rent paid on one of the Group's investment properties. The right-of-use asset is included within investment property in the consolidated statement of financial position at fair value. There were no additions to the right-of-use asset during the year.

11. EPRA NIY[1]

Calculated as the value of investment properties divided by annualised net rents:

	30 June 2021	30 June 2020
	£'000	£'000
Investment properties	**1,137,290**	1,000,830
Less: investment property under construction	**(10,860)**	(81,482)
Operational property portfolio	**1,126,430**	919,348
Allowance for estimated purchasers' costs	**88,374**	54,769
Operational property portfolio plus purchasers' costs	**1,214,804**	974,117
Annualised cash passing rental income	**61,590**	50,713
Property operating costs	**(9,343)**	(7,499)
Annualised net rents	**52,247**	43,214
Topped-up net annualised rent	**52,247**	43,214
EPRA NIY[1]	**4.30%**	4.44%
EPRA topped-up NIY	**4.30%**	4.44%

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

Property-related capital expenditure analysis

		30 June 2021	30 June 2020
		£'000	£'000
Development expenditure		**25,887**	44,958
Investment properties		**(23)**	163
	No incremental lettable space	**33**	163
	Reversing prior development cost accruals	**(56)**	-
Total capital expenditure		**25,864**	45,121
Conversion from accrual to cash basis		**(6,854)**	(3,751)
Total capital expenditure on cash basis		**19,010**	41,370

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 68% booked for the 2020/21 academic year. The Company's buildings were fully occupied for the prior 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. Bookings for the 2021/22 academic year were 80% at 15 October 2021 and of these rooms 83% have been occupied by residents.

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 to 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, tenants' profiles, 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 Covid-19 pandemic continues to impact global financial markets. Travel restrictions are still in place in many countries. In the UK, market activity is being impacted in all sectors. Given the ongoing impact Covid-19 is having on the property market, the Directors are keeping the valuation of the portfolio under frequent review.

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 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets and liabilities measured at fair value	**£'000**	**£'000**	**£'000**	**£'000**
Investment properties	**-**	**-**	**1,137,290**	**1,137,290**
Financial derivatives	**-**	**(95)**	**-**	**(95)**
Total	**-**	**(95)**	**1,137,290**	**1,137,195**

	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

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 2021	**£1,126,430,000**	**Income capitalisation**	**ERV - 2020/21** **Rental growth** **Tenancy period** **Sundry income** **Facilities management cost** **Initial yield**	**£165 - £729 per bed per week[1]** **2% - 2.5%** **41/51 weeks** **£50 - £100 per bed per annum** **£2,050 - £2,850 per bed per annum** **3.75% - 5.50% blended** **(3.75% - 7.50%)**
Development office property 30 June 2021	**£10,860,000**	**GDV (less cost to complete)**	**GDV** **Costs to complete**	**£15,000,000** **£4,140,000**
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 (plus cost spend to date)	RLV Build cost spend to date	£9,910,000 - £72,670,000 £4,244,000 - £12,281,000

1. The Company's buildings are located in and around London where rental rates vary depending on location and size and specification of the accommodation.

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.

14. Events after the reporting period
On 26 July 2021, the Group revised its redrawable credit facility with Wells Fargo. The facility was extended to January 2023 and the interest rate was set at 2.1% above SONIA, reducing to 1.95% when the debt yield is 9.0% or higher. Further information is provided in note 17.

On 11 August 2021, the Company published a circular to shareholders containing the details of the Board recommended acquisition of the Company by the Consortium. On 6 September 2021, shareholders voted in favour of the above. If the transaction completes (subject to certain conditions being met, including clearance from the CMA) each shareholder in the Company will receive 213 pence per share in cash. If the conditions are met, the transaction is expected to occur in the coming months.

On 13 August 2021, the Group terminated its interest rate cap and amended its interest rate swap to a rate of 0.86%, linked to SONIA. Further information is provided in note 17.

Further, the Company suspended the payment of dividends until further notice, following the recommended cash offer for the Company.

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 2021	30 June 2020
	£'000	£'000
Income from cash and short-term deposits	**6**	79
Income from interest-bearing loans and borrowings	**-**	14
Change in fair value of interest rate derivatives[1]	**138**	-
Total	**144**	93

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

16. Finance expenses

	30 June 2021	30 June 2020
	£'000	£'000
Bank charges	**12**	13
Change in fair value of interest rate derivatives[1]	**-**	233
Commitment and other fees	**420**	863
Lease liability interest	**345**	172
Loan arrangement fees amortised	**817**	824
Loan interest	**8,578**	7,792
Total	**10,172**	9,897

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 2021	30 June 2020
	£'000	£'000
Borrowings at the start of the year	**281,720**	252,150
Borrowings drawn down in the year[1]	**6,448**	57,790
Borrowings repaid in the year	**-**	(28,220)
Borrowings at the end of the year	**288,168**	281,720
Unamortised loan arrangement fees at the start of the year	**(2,264)**	(3,039)
Amortised during the year	**817**	824
Loan arrangement fees incurred during the year	**-**	(49)
Unamortised loan arrangement fees at the end of the year	**(1,447)**	(2,264)
Borrowings less unamortised loan arrangement fees	**286,721**	279,456
Current liabilities - less than one year	**53,014**	-
Non-current liabilities - more than one year	**233,707**	279,456
Borrowings less unamortised loan arrangement fees	**286,721**	279,456

1. Includes commitment and other fees capitalised.

At 30 June 2021, 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

Floating rate 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	£38,168,000

Post year end, on 26 July 2021, the Group revised its redrawable credit facility with Wells Fargo. The facility was extended to January 2023 and the interest rate revised to 2.1% above three-month SONIA, reducing to 1.95% when the debt yield[1] is 9.0% or higher. A further £9.1 million was drawn on the redrawable credit facility and £15.0 million of the development loan was repaid.

The Group also entered into interest rate hedging arrangements in relation to the Wells Fargo development loan. The arrangements expire 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.

On 13 August 2021, the Group terminated the interest rate cap and amended the interest rate swap to a rate of 0.86%, linked to SONIA, on the full amount of the development loan outstanding at that date (£23.1 million).

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 covenants for the following metrics: loan-to-value of less than 60-65%, interest service cover ratio of 1.75 times and a debt yield greater than 7.5%, that are measured in accordance with the respective facility agreement. The Group was not in breach of its banking covenants at 30 June 2021.

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

Reconciliation of financing liabilities		**30 June 2021 £'000**	30 June 2020 £'000
Balance at the start of the year		**279,456**	249,111
Changes from cash flows			
	Borrowings drawn down	**6,101**	57,016
	Borrowings repaid	**-**	(28,220)
	Loan arrangement fees	**-**	(49)
Non-cash changes			
	Commitment and other fees capitalised	**347**	774
	Amortisation of loan arrangement fees	**817**	824
Balance at the end of the year		**286,721**	279,456

Reconciliation of lease liability		**30 June 2021 £'000**	30 June 2020 £'000
Balance at the start of the year		**11,608**	-
Changes from cash flows			
	Repayment of leasing liability	**(351)**	(174)
Non-cash changes			
	Adjustment in respect of recognition of lease liability on first application of IFRS 16	**-**	11,610
	Adjustment to the lease liability in respect of rent review	**232**	-
	Lease liability interest	**345**	172
Balance at the end of the year		**11,834**	11,608
Current liabilities - less than one year		**348**	342
Non-current liabilities - more than one year		**11,486**	11,266
Balance at the end of the year		**11,834**	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.

Leverage exposure	Maximum limit	**30 June 2021 Actual exposure**	30 June 2020 Actual exposure
Gross method	155%	**128%**	128%
Commitment method	155%	**133%**	136%

The leverage figures above represent leverage calculated under the AIFMD methodology as follows:

	30 June 2021		30 June 2020	
	Gross	**Commitment**	Gross	Commitment
Leverage exposure	**£'000**	**£'000**	£'000	£'000
Investments at fair value	**1,137,290**	**1,137,290**	1,000,830	1,000,830
Cash and cash equivalents	**-**	**44,559**	-	60,358
Total exposure under the AIFMD	**1,137,290**	**1,181,849**	1,000,830	1,061,188
Total shareholders' funds	**887,412**	**887,412**	781,419	781,419
Leverage	**128%**	**133%**	128%	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 the loan.

18. Share capital

Ordinary shares of £0.01 each	Number of shares	Share issue price	£'000
Authorised, issued and fully paid:			
Balance at 1 July 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
Shares issued	-	-	-
Balance at 30 June 2021	**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 2021	30 June 2020

	£'000	£'000
At the start of the year	**525,748**	450,658
Shares issued on 27 December 2019	**-**	76,526
Share issue costs	**-**	(1,436)
Balance at the end of the year	**525,748**	525,748

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 2021 £'000	30 June 2020 £'000
Issued share capital	**603,963**	603,963
Share issue costs	**(10,857)**	(10,857)
Cancelled share premium[1]	**(67,358)**	(67,358)
Total	**525,748**	525,748

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 2021 £'000	30 June 2020 £'000
Cancelled share premium	**67,358**	67,358
Dividends paid from reserves	**(47,902)**	(41,018)
Total	**19,456**	26,340

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 2021 £'000	30 June 2020 £'000
Total unrealised gains on investment properties	**337,658**	224,781
Total revenue profits	**70,286**	68,434
Dividends paid from revenue profits	**(70,286)**	(68,434)
Total	**337,658**	224,781

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. At the year end, the Group was operating with a loan-to-value of 21% (30 June 2020: 22%).

The debt facilities include gearing and interest cover covenants that are measured in accordance with the respective facility agreement, refer to note 17. The Group was not in breach of its banking covenants at 30 June 2021.

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 £1,137,290,000 and, to manage this risk, the Group diversifies its portfolio across a number of assets.

The Covid-19 pandemic continues to impact global financial markets. Travel restrictions are still in place in many countries. In the UK, market activity is being impacted in all sectors. Given the ongoing impact Covid-19 is having on the property market, the Directors are keeping the valuation of the portfolio under frequent review.

The following sensitivity analysis has been prepared by the valuer:

As at 30 June 2021	**-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	**(35,453)**	**35,463**	**74,795**	**(66,218)**

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	(26,091)	26,661	54,750	(47,020)

The key assumptions for the investment properties are net initial yields, and rental income which is based on current rent and rental growth.

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 £112,877,000 (30 June 2020: £33,904,000) 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 £53,168,000 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 2021	**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	**17,059**	**43,673**	**6,956**	**181,511**	**70,067**	**319,266**
Trade and other payables	**6,130**	**2,727**	**-**	**-**	**-**	**8,857**
Lease liability	**88**	**264**	**352**	**1,055**	**48,178**	**49,937**
Financial derivatives	**-**	**95**	**-**	**-**	**-**	**95**
Total	**23,277**	**46,759**	**7,308**	**182,566**	**118,245**	**378,155**

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	87	261	348	1,044	48,016	49,756
Financial derivatives	-	-	233	-	-	233
Retention account	-	308	-	-	-	308
Total	10,192	7,869	54,792	187,678	119,916	380,447

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. Further disclosures relating to impairment of financial assets are included in note 24.

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

	30 June 2021 £'000	30 June 2020 £'000
Retention account	**-**	308
Cash and cash equivalents	**44,559**	60,358
Trade and other receivables[1]	**7,357**	14,216
Total	**51,916**	74,882

2. 1. Excludes prepayments and lease incentives.

The retention account and cash and cash equivalents are held with Barclays Bank PLC, which holds an A1 credit rating, with the exception of £22.5 million held with Landesbank-Thüringen Girozentrale (Helaba) which holds an A2 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 2021 £'000	30 June 2020 £'000
Cash and cash equivalents	**34,349**	56,011
Subsidiary cash and cash equivalents	**10,210**	4,347
Total	**44,559**	60,358

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 2021 £'000	30 June 2020 £'000
Prepayments	**864**	941
Rent receivable	**1,900**	1,777
Cash held by rental agents	**4,081**	3,479
Licence fees	**1,074**	3,614
Lease incentives	**313**	2,514
Receivables from developers	**-**	4,427
Other receivables	**302**	919
Total	**8,534**	17,671

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 2021 were £1.0 million (2020: £0.1 million).

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 2021 £'000	30 June 2020 £'000
Property operating expenses	**1,726**	744

Finance expenses	**1,000**	1,002
Other expenses	**6,131**	7,320
Trade and other payables	**8,857**	9,066
Deferred income	**6,985**	6,085
Total	**15,842**	15,151

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 notes detail wages and salaries of the employees of the Group.

26. Directors' remuneration

	30 June 2021	30 June 2020
	£'000	£'000
David Hunter	**47**	39
Russell Chambers[2]	**16**	-
Gillian Day	**39**	39
Malcolm Naish	**39**	39
Robert Peto[1]	**17**	50
Marlene Wood	**45**	45
Total	**203**	212

1. Retired as a Director of the Company on 4 November 2020.
2. Appointed as a Director of the Company on 1 February 2021.

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 2021	30 June 2020
	£'000	£'000
Salaries	**2,942**	3,187
Other benefits	**35**	68
Staff costs recharged to non-Group companies	**379**	-
Total	**3,356**	3,255

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 129 (2020: 112) members of staff, with an average of 135 (2020: 123) employees during the year.

The Group operates a defined contributions pension scheme for 101 (2020: 79) of its employees. The costs for the year ended 30 June 2021 totalled £55,000 (30 June 2020: £49,000).

During the year, the Group recharged £379,000 (2020: £nil) to Scape and the owners of properties managed by Scape but not held by the Group for services provided by Group employees.

28. Related party transactions

Directors
The Directors (all non-executive) of the Company and subsidiaries are considered to be the key management personnel of the Group. Directors' remuneration for the year totalled £203,000 (30 June 2020: £212,000) and at 30 June 2021, a balance of £nil (30 June 2020: £nil) was outstanding. Further information is given in note 26.

The Directors, with the exception of Russell Chambers, 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. The contractual arrangements were revised during the prior year, with the new arrangements detailed below taking effect from 1 July 2020.

For its services to the Company, the Investment Manager receives an annual fee which is payable quarterly in arrears based on the prevailing NAV of the Group, as set out below.

NAV	Investment management fee to 30 June 2021 (annualised)	Previous investment management fee to 30 June 2020 (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%

The Group is responsible for the payment of all property management fees incurred. Further details of the Company's property management agreements are set out in note 5.

The 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 Consortium has indicated that following its purchase of the Company it intends that the investment management arrangements with the Investment Manager will be terminated.

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 £6,132,000 (30 June 2020: £7,573,000) in respect of investment management fees and the AIFM fee. A total of £6,132,000 (30 June 2020: £7,492,000) is included within administration expenses in the consolidated statement of comprehensive income and £nil (30 June 2020: £81,000) is included within the share issue costs relating to shares issued during the year; at 30 June 2021, £1,670,000 (30 June 2020: £1,949,000) was outstanding and is unsecured and payable within 30 days.

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.

During the year, the Group recharged £616,000 to Scape and the owners of properties managed by Scape but not held by the Group for services provided by Group employees.

The Group is party to a contract with Scaperfield Limited to acquire and forward-fund the construction of Scape Brighton, which completed for the 2020/21 academic year. The directors of the Investment Manager and their family members, directly or indirectly, owned in aggregate approximately 25% of Scaperfield Limited during the year.

The above asset has been acquired, 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 incorporation
GCP Bloomsbury Limited[1,2]	UK
GCP Brighton Limited[2]	UK
GCP Brunswick Limited[1,2]	UK
GCP Holdco Limited[1,2]	UK
GCP Holdco 2 Limited[1,2]	UK
GCP Holdco 3 Limited[1,2]	UK
GCP Makerfield Limited[1,2]	UK
GCP Operations Limited[2]	UK
GCP QMUL Limited[2]	UK
GCP RHUL Limited[1,2]	UK
GCP RHUL 2 Limited[1,2]	UK
GCP Scape East Limited[1,2]	UK
GCP SG Limited[1,2]	UK
GCP Surrey 2 Limited[1,2]	UK
GCP Topco Limited[2]	UK
GCP Topco 2 Limited[2]	UK
GCP WL Limited[1,2]	UK
GCP Wembley Limited[2]	UK
GCP Wembley 2 Limited[1,2]	UK
GCP Greenwich Limited[1,3]	Guernsey
GCP Greenwich 2 Limited[1,3]	Guernsey
GCP Greenwich JV Limited[1,3]	Guernsey
GCP Old Street Limited[1,3]	Guernsey
GCP Old Street 2 Limited[1,3]	Guernsey
GCP Old Street Acquisitions Limited[1,3]	Guernsey

1. Indirect subsidiaries.
2. Registered office: Beaufort House, 51 New North Road, Exeter EX4 4EP.
3. Registered office: 2nd Floor, Windsor House, Lower Pollet, St Peter Port, Guernsey GY1 1WF. 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 2021

	Notes	**30 June 2021 £'000**	30 June 2020 £'000
Assets			
Non-current assets			
Investment in subsidiary companies	3	**838,360**	744,440
Loans receivable from subsidiary company	5	**40,000**	40,000
Total non-current assets		**878,360**	784,440
Current assets			
Cash and cash equivalents	4	**34,349**	56,011
Trade and other receivables	6	**42,718**	31,884
Total current assets		**77,067**	87,895
Total assets		**955,427**	872,335
Liabilities			
Non-current liabilities			
Loans payable to subsidiary company	8	**(40,000)**	(40,000)
Total non-current liabilities		**(40,000)**	(40,000)
Current liabilities			
Trade and other payables	7	**(28,015)**	(50,916)
Total current liabilities		**(28,015)**	(50,916)
Total liabilities		**(68,015)**	(90,916)
Net assets		**887,412**	781,419
Equity			
Share capital		**4,550**	4,550
Share premium		**525,748**	525,748
Special reserve		**19,456**	26,340
Retained earnings		**337,658**	224,781
Total equity		**887,412**	781,419
Number of shares in issue		**455,019,030**	455,019,030
NAV per share (pence per share)		**195.03**	171.73

The total comprehensive income of the Company for the year was £114,729,000 (30 June 2020: £48,578,000).

The financial statements were approved by the Board of Directors of GCP Student Living plc on 18 October 2021 and signed on its behalf by:

David Hunter
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 2021

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2020	4,550	525,748	26,340	224,781	781,419
Total comprehensive income	**-**	**-**	**-**	**114,729**	**114,729**
Dividends paid in respect of the previous year	**-**	**-**	**(6,364)**	**(97)**	**(6,461)**
Dividends paid in respect of the current year	**-**	**-**	**(520)**	**(1,755)**	**(2,275)**
Balance at 30 June 2021	**4,550**	**525,748**	**19,456**	**337,658**	**887,412**

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

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

COMPANY STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

	Notes	**30 June 2021 £'000**	30 June 2020 £'000
Cash flows from operating activities			
Operating profit		**114,729**	48,509
Adjustments to reconcile profit for the year to net cash flows:			
Gains from change in fair value of subsidiary companies		**(93,920)**	(47,226)
Dividends received from subsidiary companies		**(24,491)**	(6,823)
Net recharges from subsidiary companies		**(4,847)**	(4,002)
Decrease/(increase) in other receivables and prepayments		**124**	(121)
Increase in other payables and accrued expenses		**163**	378
Net cash flow used in operating activities		**(8,242)**	(9,285)
Cash flows from investing activities			
Net cash (paid to)/received from subsidiary companies[1]		**(4,038)**	11,805
Net cash (used in)/generated from investing activities		**(4,038)**	11,805
Cash flows from financing activities			
Proceeds from issue of ordinary share capital		**-**	76,939
Share issue costs		**-**	(1,436)
Finance income		**7**	76
Finance expenses		**(7)**	(7)
Dividends paid in the year		**(9,382)**	(27,068)
Net cash flow (used in)/generated from financing activities		**(9,382)**	48,504
Net (decrease)/increase in cash and cash equivalents		**(21,662)**	51,024
Cash and cash equivalents at start of the year		**56,011**	4,987
Cash and cash equivalents at end of the year	4	**34,349**	56,011

1. During the year the Company received and paid numerous cash amounts to and from the subsidiaries, due to the nature of these transactions it was considered appropriate to present these amounts net. 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 2021

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 international accounting standards in conformity with the requirements of the Companies Act 2006. 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 2021. Comparative figures are for the previous accounting period, the year ended 30 June 2020.

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 have been prepared on a going concern basis whilst highlighting a material uncertainty (see note 2.2) to the consolidated financial statements for further details of the Directors assessment and follow the accounting policies laid out above.

3. Investment in subsidiary companies

	30 June 2021 £'000	30 June 2020 £'000
At the beginning of the year	**744,440**	689,760
Investment in subsidiary companies	**-**	7,853
	744,440	697,613
Fair value gains on the revaluation of subsidiary companies	**93,920**	46,827
Total	**838,360**	744,440

Investments in subsidiary companies	**30 June 2021 £'000**	30 June 2020 £'000
GCP Topco 2 Limited	**-**	4,322
GCP Holdco 3 Limited	**-**	3,531
Total	**-**	7,853

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 2021 £'000	30 June 2020 £'000
Cash and cash equivalents	**34,349**	56,011
Total	**34,349**	56,011

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. Loans receivable from subsidiary companies

	30 June 2021 £'000	30 June 2020 £'000
Long-term loan receivable from subsidiary companies[1]	**40,000**	40,000
Total	**40,000**	40,000

1. 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. Loans receivable and other receivables relate to balances with Group companies, all of which are currently profit making. These are predominantly entities which earn capital appreciation and generate rental income from their investment properties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Loans due from related parties are unsecured. Interest is charged on the loans at a rate of 2.83% per annum. It is anticipated the loans will not be repaid until September 2024 at the earliest. Analysis of balances due from related parties has been presented in note 10.

6. Other receivables

	30 June 2021 £'000	30 June 2020 £'000
Amounts due from subsidiary companies[1]	**42,612**	31,658
Prepayments and other receivables	**106**	226
Total	**42,718**	31,884

1. 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. Loans receivable and other receivables relate to balances with Group companies, all of which are currently profit making. These are predominantly entities which earn capital appreciation and generate rental income from their investment properties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Amounts due from related parties above are unsecured and interest free. Analysis of balances due from related parties has been presented in note 10.

7. Other payables and accrued expenses

	30 June 2021 £'000	30 June 2020 £'000
Amounts due to subsidiary companies	**25,496**	47,916
Other expenses payable	**2,519**	3,000
Total	**28,015**	50,916

Amounts due to related parties above are unsecured and interest free. Analysis of balances due from related parties has been presented in note 10.

8. Loans payable to subsidiary companies

	30 June 2021 £'000	30 June 2020 £'000
Loans payable to subsidiary companies	**40,000**	40,000
Total	**40,000**	40,000

Loans due to related parties are unsecured. Interest is charged on the loans at a rate of 2.83% per annum. It is anticipated the loans will not be repaid until September 2024 at the earliest. Analysis of balances due from related parties has been presented in note 10.

9. 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 2021			
Assets measured at fair value	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investment in subsidiary companies	**-**	**-**	**838,360**	**838,360**
Total	**-**	**-**	**838,360**	**838,360**

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

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.

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

Transactions	**30 June 2021 £'000**	30 June 2020 £'000

Recharges of fund level expenses to:		
GCP Bloomsbury Limited	**1,129**	744
GCP Brighton Limited	**321**	297
GCP Brunswick Limited	**57**	4
GCP Greenwich Limited	**93**	-
GCP Greenwich 2 Limited	**485**	243
GCP Greenwich JV Limited	**45**	-
GCP Holdco Limited	**58**	5
GCP Holdco 2 Limited	**58**	5
GCP Holdco 3 Limited	**58**	5
GCP Makerfield Limited	**773**	249
GCP Old Street Limited	**192**	-
GCP Old Street 2 Limited	**1,198**	818
GCP Old Street Acquisitions Limited	**45**	-
GCP Operations Limited	**61**	8
GCP QMUL Limited	**53**	8
GCP RHUL Limited	**364**	140
GCP RHUL 2 Limited	**307**	127
GCP Scape East Limited	**1,110**	630
GCP SG Limited	**296**	115
GCP Surrey 2 Limited	**53**	9
GCP Topco Limited	**58**	5
GCP Topco 2 Limited	**58**	5
GCP Wembley Limited	**125**	-
GCP Wembley 2 Limited	**861**	407
GCP WL Limited	**136**	93
Total	**7,994**	3,917

Balances	**30 June 2021 £'000**	30 June 2020 £'000
Other intercompany balances due from:		
GCP Brighton Limited	**28,037**	30,921
GCP Holdco 3 Limited	**13,680**	-
GCP QMUL Limited	**603**	534
GCP Surrey 2 Limited	**209**	120
GCP Wembley 2 Limited	**83**	83
Total	**42,612**	31,658

Balances	**30 June 2021 £'000**	30 June 2020 £'000
Other intercompany balances due to:		
GCP Holdco 3 Limited	**-**	(8,050)
GCP Operations Limited	**(235)**	(156)
GCP Topco Limited	**(24,009)**	(32,741)
GCP Topco 2 Limited	**(1,252)**	(6,969)
Total	**(25,496)**	(47,916)

Balances	**30 June 2021 £'000**	30 June 2020 £'000
Intercompany loans due (to)/from:		
GCP Topco Limited	**(40,000)**	(40,000)
GCP Topco 2 Limited	**40,000**	40,000

SHAREHOLDER INFORMATION

Key dates

October

- Annual results announced
- Payment of fourth interim dividend[1]

December

- Annual general meeting
- Company's half-year end
- Payment of first interim dividend[1]

March

- Half-yearly results announced
- Payment of second interim dividend[1]

June

Company's year end

Payment of third interim dividend[1]

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, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

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.

1. Following the recommended cash offer for the Company, the Directors suspended dividends until further notice.

ALTERNATIVE PERFORMANCE MEASURES ("APMs")

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, consolidated statement of changes in equity 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 NAV return since IPO
Total NAV return[1] expressed as a time-weighted annual percentage. Calculated with reference to the NAV at IPO of 97 pence per ordinary share.

Source: Bloomberg

Annualised total shareholder return since IPO
Total NAV return[1] expressed as a time-weighted annual percentage. Calculated with reference to the NAV at IPO of 97 pence per ordinary share.
Source: Bloomberg

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

Bookings
Confirmed student room bookings either through direct lets or nomination agreements.

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, financial derivatives 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.

EPRA NDV (EPRA Net Disposal Value)
Represents shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Calculated in accordance with EPRA guidelines (refer to note 4).

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 NRV (EPRA Net Reinstatement Value)
Net assets attributable to shareholders measured with the aim of reflecting the cost to recreate the Company based on its current capital and financing structure. Property transfers costs and taxes are included, while assets and liabilities not expected to crystallise in the normal course of business are excluded. Calculated in accordance with EPRA guidelines (refer to note 4).

EPRA NTA (EPRA Net Tangible Assets)
The value of net assets attributable to shareholders, excluding the fair value of financial instruments and intangible assets. Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Calculated in accordance with EPRA guidelines (refer to note 4).

EPRA triple net asset value (EPRA NNNAV)
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 2021 £'000**	As at 30 June 2020 £'000
Interest-bearing loans and borrowing	**288,168**	281,720
Cash and cash equivalents	**(44,559)**	(60,358)
	243,609	221,362
Investment property	**1,148,811**	1,009,838
Loan-to-value	**21%**	22%

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 totalincome.

NIY
Net initial yield is the current annualised rent, net of costs, expressed as a percentage of capital value, after adding notional purchaser's costs.

Ongoing charges
Ongoing charges 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. Calculated on the AIC's methodology, excluding direct property costs.

	30 June 2021	30 June 2020

Ongoing charges	**£'000**	£'000
Investment management fees	**6,108**	7,467
Directors' fees	**203**	212
Administration expenses	**2,308**	2,182
Total expenses	**8,619**	9,861
Non-recurring expenses	**(811)**	(50)
Total recurring expenses	**7,808**	9,811
Average NAV	**815,698**	765,132
Ongoing charges ratio	**0.96%**	1.28%

Student rental growth
Annual like-for-like 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

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

Average net assets
The average of the four quarterly net asset valuations calculated over the financial year

AY
Academic year

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

Blended NIY
Refer to APMs above

Bookings
Refer to APMs above

CIL
Community Infrastructure Levy

City
City, University of London

CMA
Competition and Markets Authority

CMA Order
The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014

CMA Phase 2 Reference
A reference pursuant to section 33 of the Enterprise Act 2002 to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013

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

Company or GCP Student
GCP Student Living plc

Consortium
A consortium comprising Scape Living plc and iQSA Holdco Limited, to be funded by their respective primary shareholders, these being APG Asset Management N.V. and Blackstone Group International Partners LLP.

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

Debt yield
A financial covenant calculated as property net operating income divided by the amount of the drawn facility

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 NDV
Refer to APMs above

EPRA NIY
Refer to APMs above

EPRA NRV
Refer to APMs above

EPRA NTA
Refer to APMs above

EPRA NTA per share (ex-income)
EPRA NTA after deduction of proposed dividend

EPRA sBPR
EPRA Sustainability Best Practices Recommendations

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

EPS
Earnings per share (refer to note 3)

ERV
Estimated rental value (refer to page 94)

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

GDV
Gross development value

Gearing
Gearing refers to the relationship, or ratio, of a company's debt-to-equity. Gearing shows the extent to which the Group's operations are funded by lenders versus shareholders

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

IFRIC
International Financial Reporting Interpretations Committee

IFRS
International Financial Reporting Standards

Interest service cover ratio
A facility-specific financial covenant calculated as net operating income divided by interest expense

INTO
INTO University Partnerships

IPO
Initial public offering

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
Refer to APMs above

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

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

SOAS
School of Oriental and African Studies

SONIA
Sterling overnight index average

Student rental growth
Refer to APMs above

Total shareholder return
Refer to APMs above

UCAS
Universities and Colleges Admissions Service

UCH
University College Hospital

UCL
University College, London

UK AIFM
Alternative Investment Fund Manager

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

UN IPCC - United Nations Intergovernmental Panel on Climate Change

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END

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