Annual Financial Report

GCP STUDENT LIVING PLC - Annual Financial Report

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GCP STUDENT LIVING PLC

ANNUAL FINANCIAL REPORT FOR THE PERIOD 26 FEBRUARY 2013 TO 30 JUNE 2014

GCP Student Living plc, (the "Group" or the "Company"), which was the first student accommodation real estate investment trust ("REIT") in the UK, today announces its results for the financial period since incorporation on 26 February 2013 to 30 June 2014, including the 13 month trading period since the initial public offering ("IPO") on 20 May 2013.

The full annual report and financial statements can be accessed via the Company's website at www.gcpuk.com/gcp-student-living-plc or by contacting the Company Secretary by telephone on 01392 477500.

Highlights for the period

* Successful IPO of the Company raised £70.1 million through the placing and offer for subscription of ordinary shares in order to acquire the Company's seed asset, Scape East.

* Ordinary shares of the Company admitted to the Specialist Fund Market of the London Stock Exchange ("SFM") and the Channel Islands Securities Exchange Authority Limited ("CISEA") on 20 May 2013.

* Acquisition of The Pad, RHUL (£13 million) made in December 2013, ahead of target.

* A further successful, oversubscribed open offer, placing and offer for subscription raised £42 million in May 2014 in order to fund the Company's acquisition of Scape Greenwich.

* Forward purchase agreements for Phase 2 of The Pad signed in December 2013 and Scape Guildford signed in February 2014, due for completion in Q3 2015.

* Year-on-year growth in student rental income of 3.3% in the academic year since IPO.

* Scape East and The Pad fully occupied for the 2013/14 academic year. As at the date of the report, Scape East, Scape Greenwich and The Pad had achieved full occupancy for the 2014/15 academic year.

* Operating profit of £10.1 million with total profit for the period of £7.7 million.

* Annualised total return achieved of 11.5% to 30 June 2014, exceeding the Company's annualised target return of 8.0-10.0% per annum.

* Company's target 5.5% annualised dividend yield in respect of the period to 30 June 2014 achieved with a total dividend of 6.10 pence per share paid to shareholders in respect of the period.

* EPRA NAV* per ordinary share of 102.64 pence as at 30 June 2014 and EPRA NNNAV* per ordinary share of 102.68 pence at 30 June 2014.

* External valuation of investments as at 30 June 2014 of £151.6 million.

Robert Peto, Chairman, commented:

"The IPO of the Company and the secondary capital raise in May 2014 were an outstanding success with new investors subscribing for more shares than were available. The Company has performed strongly since launch, with full occupancy having been achieved along with year-on-year rental growth above 3% and income and capital performance in excess of target. Going forward, the Company is well positioned to achieve its growth and earnings targets due to an ongoing supply/ demand imbalance of high quality purpose-built accommodation in its core markets."

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* The Company has adopted the EPRA best practice recommendations on reporting and accounting. EPRA NAV and EPRA NNNAV respectively are calculated on the same basis as the `Economic NAV' and `Accounting NAV' that the Company has reported previously.

INVESTMENT OBJECTIVES

The Company invests in UK student accommodation to meet the following key objectives:

Dividend income

To provide shareholders with regular, sustainable and long term dividends.

The Company has achieved its annualised dividend yield target of 5.5% with reference to the IPO issue price in respect of the period to 30 June 2014, paying a total of 6.10 pence per ordinary share in the period since IPO.

Capital appreciation

To provide modest capital appreciation over the long term with income having RPI inflation-linked characteristics.

The valuation of the Company's property portfolio has increased by 3.5% over the period providing capital appreciation to shareholders. Income for the 2014/15 academic year has risen slightly in excess of RPI.

Portfolio quality

Focus on high quality, modern, purpose-built, private student residential accommodation and teaching facilities for students studying at leading academic institutions in and around London.

The Company has further increased its property portfolio to include The Pad and Scape Greenwich, high specification, modern, purpose-built residential student accommodation buildings in and around London.

Key performance highlights

* 6.10 pence - Dividends paid in 2013/14
* £5.0 million - Capital appreciation since IPO
* 100% - Occupancy for 2013/14 academic year for Scape East and The Pad
* 11.5% - Total shareholder return
* 3.3% - Year-on-year rental growth for the 2013/14 academic year
* 61 - Number of HEIs represented

CHAIRMAN'S STATEMENT

Introduction

On behalf of the Board, I am pleased to announce a successful first financial period for the Company. The Company delivered a strong set of results over the period, achieving the target 5.5% annualised dividend in respect of the period to 30 June 2014 and exceeding the annualised total target return of 8.0-10.0% per annum. The net assets of the Company have grown significantly over the period since IPO with the acquisition of The Pad and Scape Greenwich, rising from £70.1 million at IPO to £112.9 million at 30 June 2014. A full summary of the Company's results is set out below.

The Company's IPO in May 2013 was oversubscribed, with £70.1 million raised. The total funds raised were used to acquire the seed asset, Scape East, a high specification student accommodation scheme located directly opposite QMUL. The property houses 588 studio bedrooms and c.30,000 sq ft of teaching facilities, retail space and communal facilities.

The Company built on its initial acquisition by acquiring a newly built 116 bed scheme, The Pad, adjacent to RHUL, in December 2013. The property was fully occupied during the 2013/14 academic year and was acquired through an increase in the Company's senior debt facility with Barclays. The Company also entered into a forward purchase agreement for the acquisition of The Pad Phase 2, a further 100 studio bed scheme targeted for completion in Q3 2015.

The Company's growth path continued in May 2014 following a successful capital raise of £42 million. The proceeds were used to acquire Scape Greenwich, a purpose-built, private student accommodation residence located in a prime London student residential location within 30 minutes of c.75% of London's HEIs and in close proximity to Ravensbourne College, a leading specialist digital media HEI, and the University of Greenwich.

The Company also entered into a forward purchase agreement to acquire Scape Guildford, a high specification, purpose-built, private student accommodation residence located adjacent to the University of Surrey in Guildford, due for completion in Q3 2015. Once complete, the scheme will comprise 141 rooms.

Financial results

The Company generated operating profit of £10.1 million for the first financial period to 30 June 2014, with profit for the period of £7.7 million and basic earnings per share of 10.50 pence. The net asset value of the Company has increased by 60.0% in the period to £112.9 million following the successful capital raise in order to fund the acquisition of Scape Greenwich. EPRA NAV per ordinary share has increased by 5.64 pence with reference to the EPRA NAV at IPO of 97.00 pence per ordinary share to 102.64 pence.

Property portfolio

Since the acquisition of Scape East, the Company successfully acquired two properties, The Pad and Scape Greenwich, and secured forward purchase agreements on a further two sites, The Pad Phase 2 and Scape Guildford, due for completion in Q3 2015. Capital values have performed slightly ahead of expectations with 3.4% uplift in the period since IPO, largely driven by increasing rental rates. The external valuation of the portfolio stood at £151.6 million as at 30 June 2014.

Dividends

The Company paid dividends in respect of the financial period ended 30 June 2014 of 6.10 pence per ordinary share. All dividends were made as PIDs in respect of the Group's tax exempt property rental business.

Financing and hedging

The Company's financing strategy was enhanced in the period by successfully renegotiating a £40 million senior debt facility at a lower rate of interest with Barclays Bank plc and by entering into a new interest rate swap with a notional value of £20.0 million at a fixed rate of 1.4% and floating rate of 3 month LIBOR, bringing the weighted average cost of debt down from 4.4% to 3.0% at 30 June 2014. The Company continues to have significant headroom on its loan-to-value and interest cover covenants. At 30 June 2014, the debt facility was fully drawn and the Company was operating with a property loan-to-value of 26.7%.

Alternative Investment Fund Managers' Directive

The Company is classed as an externally managed AIF under the AIFMD. The Board has appointed the Investment Manager as the Company's AIFM with effect from 1 April 2014. Langham Hall LLP was appointed on 22 July 2014 to provide depositary services in order to fully comply with the provisions of the AIFMD.

Delisting from the CISEA

The Company currently operates with a dual listing on both the SFM and the CISEA. At the date of the Company's IPO, the SFM was not a recognised exchange for ISA investors and therefore a dual listing on the CISEA was required to ensure ISA eligibility of the Company's ordinary shares for investors. Since the launch of the Company, amendments were made to the ISA regulations pursuant to which ISA investors can now invest in shares traded on the SFM.

As announced to the market on 10 September 2014, following consultation with the Company's legal and financial advisers, the Board has decided that it is no longer in the interests of shareholders for the Company to retain a listing of its ordinary shares on the CISEA, given the ongoing costs of such listing. The Company's ordinary shares will continue to trade on the SFM. The delisting from the CISEA is expected to take effect at 7am on 10 October 2014.

Outlook

The Company has performed strongly since IPO and has achieved its target income and return profiles, with strong occupancy and rental growth forecasted for the forthcoming 2014/15 academic year.

Student numbers in the UK remain robust, with total placed applications for the 2013/14 academic year 6% up on the previous year. Student applications for the forthcoming 2014/15 academic year were up 4% on the previous year, with EU student numbers up almost 5% and non-EU students up over 8%, indicating an increase in potential demand for the Company's stock of accommodation.

The supply/demand imbalance in and around London is expected to continue, with limited new stock coming on stream and an increasing number of domestic and in particular international students forecast for the forthcoming academic year.

The providers who selectively choose strong locations and enhance their schemes through quality design and an operational platform with strong brand values will continue to have a competitive advantage in the market.

The Investment Manager continues to review and source additional opportunities in line with the Company's investment policy and currently anticipates making further investments in 2015.

Robert Peto
Chairman
16 September 2014

STRATEGIC REPORT

The Strategic Report has been prepared in accordance with Section 414A of the

Companies Act 2006 (the "Act"). Its purpose is to inform members of the Company and help them assess how the Directors have performed their legal duty under section 172 of the Act to promote the success of the Company.

Strategic Overview

Investment objective

The Company's investment objective is to provide shareholders with regular, sustainable, long-term dividends (with RPI inflation-linked characteristics) coupled with the potential for modest capital appreciation over the long term.

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 invest in modern, mostly 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.

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 2 and 30 years in duration).

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 at specialist colleges.

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

Investment restrictions

The Company will invest and manage its assets with an objective of spreading risk through the following investment restrictions:

* the Company will derive its rental income from a portfolio of not less than 500 studios;

* 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 invest in development assets or assets which are unoccupied or not producing income at the time of acquisition; and

* the Company will not invest in closed-ended investment companies.

Use of derivatives

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

Borrowing and gearing policy

The Company 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 Company may 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 less than 30% of gross assets in the long term and to comply with the REIT condition relating to the ratio between the Company's `property profits' and `property finance costs'. As at the period end, the Company was operating with a property loan to value of 26.7%.

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 for the purposes of Part 12 of the Corporation Tax Act 2010 (and the regulations made thereunder).

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

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

BUSINESS AND STATUS OF COMPANY

The Company is registered as a public limited company and is an investment company within the terms of section 833 of the Act. The Company is a REIT for the purposes of Part 12 of the Corporation Tax Act 2010. Notification has been submitted to, and acknowledged by, HMRC for the Company to enter the UK REIT

regime. 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. The Company's shares were admitted to trading on the SFM and were listed on the Official List of the CISEA on 20 May 2013.

The Company's performance along with the important events that have occurred during the period under review, the key factors influencing the financial statements and the principal risks and uncertainties for the financial period are set out below.

UK STUDENT ACCOMMODATION MARKET

Overview

Higher education is one of the UK's largest service exports, contributing an estimated £17.5 billion to the UK economy in 2011/12. Its continued growth is a mainstay of UK government policy. In the period, the UK was the most popular destination for students studying English outside of their home country, attracting nearly 50% of students globally. In 2011/12, there were 435,000 international students studying at publicly funded HEIs, and a further 53,000 international students studying at alternative institutions, making the UK the second most popular destination for internationally mobile higher education students (behind the USA).

In July 2013, the UK government published an ambitious new strategy to expand the UK's education exports industry to ensure that British higher education continues to stay ahead in the global education market. It aims to secure an extra £3 billion of contracts for educational exports and attract a further 90,000 international students by 2018.

The international education sector is likely to grow partly due to demographic change, with the total global population forecast to increase from nearly 6.9 billion in 2010 to over 7.6 billion in 2020, and partly due to the increase in wealth and size of the middle classes in emerging economies.

In the light of this, the Directors (as advised by the Investment Manager) expect that the rise in international student numbers will continue to increase in line with the OECD predictions on global student mobility, from c.3.7 million international students in 2010 to c.8 million international students by 2025. It is expected that the long-term impact of higher domestic tuition fees will be to increase the competitiveness of the best tertiary education institutions in the country, particularly the Russell Group, as domestic students become more selective over where they will study as they take on more debt.

HEI applications

The number of students in UK HEIs has doubled since 1991. This has been driven by government policy, demographics and global mobility, with approximately 1.7 million students studying full-time in the UK in 2012/2013, with c.22% from outside the UK.

Student numbers for the 2013/14 academic year were c.37,000 up on the previous year, with 677,000 applicants chasing 496,000 places. Full year applicants for UK HEIs have historically exceeded the number of available places and this continued trend provides comfort that student numbers will continue to grow at a sustainable level and that demand will continue to outstrip supply.

The number of students looking to study at UK HEIs continues to increase year-on-year. UCAS applications for 2014/15 show a 4% increase in the number of applications in spite of the continuing fall in the population of 18-year olds in the UK. The increase was most marked in the number of EU (excluding the UK) and non-EU students which increased by 5% and 9% respectively.

Charts showing the full-time student numbers, UCAS full-year applicants and university applications can be found in the full annual report and financial statements.

Student accommodation - the importance of design and quality

Purpose-built student accommodation has evolved as a product over the past 15 years. Over this period, and in particular, following the introduction of tuition fees, students have become consumers in their own right and are making their investment decisions for their higher education not just on price, but also on a mix of quality of the academia and the quality and location of accommodation.

Increasingly, students are demanding high quality living space with clever design, quality materials, social areas in the buildings which provide opportunities for social groups to form and bond centred around work spaces, play space with games and TV areas and communal kitchens. Likewise, they are demanding services that create wider social interaction such as talks, events, workshops and tie-ins with local businesses and educational establishments.

This is particularly the case for international students who tend to demand a higher class of accommodation than domestic students and who have a requirement for greater social interaction.

Student accommodation - supply/demand imbalance

There is a fundamental supply/demand imbalance in the UK student accommodation sector which is responsible for the stability and the strong rental and capital

returns produced in this financial period.

The UK has seen a rising tide of student numbers since the early 1990s, with the student population more than doubling over this period. Domestic student applications have increased year-on-year despite an ageing population and international student numbers continue to grow at a disproportionate rate, as evidenced by the 9% increase in applications by non-EU students for the 2014/15 period.

There is a structural shortfall of purpose-built student accommodation in most of the UK. The supply of private student accommodation has failed to keep pace with the increasing demand owing to the following:

* the residential property market has recovered over the past 18 months, increasing land values as well as increasing the pressure on the private residential sector to house tenants other than students who are willing to pay higher rent levels;

* the private rented sector has become subject to greater local authority and government legislation for houses in multiple occupancy;

* universities are not developing new accommodation as they are becoming more focused on their core competency of investing in education;

* development financing remains constrained; and

* the introduction of CIL which will increase the cost of developing student accommodation.

The London market

The Company is focused on the London student accommodation market because this is where the largest supply/demand imbalance exists in the UK market. London has a number of important dynamics that separate it from the wider UK student housing market:

* London has the largest number of students of any city in the UK, with over 400,000 students being educated at HEIs in the capital;

* London has the largest number of international students of any city in the world with c.108,000 students in 2011 from over 200 countries;

* London is home to some of the leading HEIs in the world which attract a significant number of international students - it has five of the 24 Russell Group universities, two of the top ten universities in the world and has a large number of world-renowned specialist colleges;

* London is one of the most popular cities in the world to visit, with a huge global profile following the London 2012 Olympic Games; and

* London universities are only able to supply accommodation to c.30% of first year and international students.

The acute supply/demand imbalance is more pronounced in London than in any other major UK city, as evidenced in the graph contained in the full annual report and accounts. This graph highlights that in 2013, there were over 250,000 domestic first year undergraduates, international students and postgraduates studying in the capital with only 60,000 purpose-built student accommodation beds in halls of residence available in aggregate from both the university and private sectors, indicating a structural supply shortfall of c.190,000 beds. It is this shortfall that underpins the strong performance of the asset class in the capital.

REVIEW OF THE FINANCIAL PERIOD

Financial results

The Company generated a strong set of results with £9.1 million of rental income generated in the period, resulting in a total of £7.5 million in net operating income and a NOI margin for the period of 81.8% as detailed below. The Board anticipates as additional properties are acquired, further economies of scale in asset and facilities management will be achieved across the Company's portfolio.

Total administration expenses incurred of £1.6 million comprise the Investment Manager's fee and other service provider costs in the period. Total gains on investment properties of £5.0 million upon the revaluation of the Company's investment portfolio as at 30 June 2014, resulting in operating profit for the Company of £10.1 million. Finance costs of £2.4 million comprising loan and swap interest and swap break fees associated with the Company's improved financing arrangements, giving total profit for the period of £7.7 million.

At 30 June 2014, there were no dilutive equity instruments in issue and therefore the Company's basic earnings per share were 10.50 pence per share.

Financial performance

Income statement	For the period ended 30 June 2014 £'000
Rental income	9,132

Operating expense	(1,664)
Gross profit (net operating income)	7,468
NOI margin	81.8%
Administration expenses	(1,646)
Other costs	(711)
Gains on investment properties	5,010
Operating profit	10,121
Finance costs	(2,412)
Profit for the period	7,709

Dividends

In order to maintain its REIT status, the Group 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 income profits of the property rental business for each accounting period, as adjusted for tax purposes. In respect of the financial period ended 30 June 2014, the Company paid dividends of 6.10 pence per share.

Capital raises

The Company's IPO in May 2013 was oversubscribed, with £70.1 million raised. The total funds raised were used to acquire the Company's seed asset, Scape East, a high specification student accommodation scheme located directly opposite QMUL. In May 2014, the Company raised a further £42 million by way of an oversubscribed open offer, placing and offer for subscription to fund the acquisition of Scape Greenwich in accordance with the Company's investment policy.

Cash flow generation

The Company generated cash and cash equivalents of £3.6 million at the end of the period. A total of £5.9 million of operating cash flows were generated in relation to the Company's student accommodation portfolio. Total capital raised in the period amounted to £112.1 million, which was used alongside the Company's debt facility to finance the acquisitions of Scape East and Scape Greenwich. An additional draw down on the facility was utilised to fund the acquisition of The Pad. The remaining cash flows relate to net financing costs in addition to payment of dividends, resulting in a net increase in cash and cash equivalents at the period end of £3.6 million.

Debt financing

The Company entered into significantly improved new financing arrangements with its lender, Barclays, following the renegotiation in May 2014 of a £40 million facility. This facility is now set to mature in May 2019 at a more favourable rate of interest. The previous interest rate swap has been terminated and replaced with an interest rate swap with a notional value of £20 million. The cost of cancelling the previous swap was £0.6 million.

The new banking arrangements have reduced the Group's weighted average cost of debt from 4.4% to 3.0%. The Company is operating with a debt to property value of 26.7% after the issue of new shares and the acquisition of Scape Greenwich.

Banking covenants

The Company debt facility includes loan-to-value and interest cover covenants that are measured at a Group level. The Company has maintained significant headroom against all measures throughout the financial period and is in full compliance with all loan covenants at 30 June 2014.

Asset performance

The Company has experienced 3.3% year-on-year rental growth for the 2013/14 academic year. The valuation of the Company's property portfolio has increased by £5.0 million (3.4%) since the IPO or acquisition of assets.

The portfolio has been 100% occupied for the 2013/14 academic year, all on 51 week tenancies. As at the date of this report, Scape East, Scape Greenwich and The Pad had achieved full occupancy for the 2014/15 academic year.

Net assets

Net assets attributable to equity holders at 30 June 2014 were £112.9 million. The increase in net assets since the IPO primarily relates to the May 2014 capital raise. The acquisition of The Pad was funded by an increase in the Company's existing debt facility and therefore had no effect on the net assets of the Company.

At 30 June 2014, there were 109,910,428 shares in issue giving an EPRA NAV per ordinary share of 102.64 pence. The EPRA NAV excludes the fair value mark-to-market valuation of the Company's financial derivative instrument, which is used to manage adverse effects of interest rate movements on the Company's debt facility.

Accordingly, taking into account the fair value mark-to-market valuation of this financial derivative instrument based on current gilt rates, the EPRA NAV at 30 June 2014, adjusted to reflect the cost of fixed rate debt (EPRA NNNAV), is 102.68 pence per ordinary share.

Financial performance

Net Assets

Assets	30 June 2014 £'000
Property	151,560
Receivables	1,362
Cash and cash equivalents	4,585
Total assets	157,507
Liabilities	
Payables	(3,168)
Deferred income	(2,028)
Senior loan	(39,456)
Total liabilities	(44,652)
Net assets	112,855
Number of shares	109,910,428
EPRA NAV per share	102.64p
EPRA NNNAV per share	102.68p

Net asset value and share price performance

The Company's shares have traded at a premium to NAV since IPO, with an average premium over the period of 6.6%. The Company's share price hit an all-time high of 108.50 pence on three occasions, in September, October and November 2013.

EPRA NAV has increased to 102.64 pence per ordinary share as at 30 June 2014 (5.8% increase in 13 months). Dividends of 6.10 pence per ordinary share were declared and paid to shareholders, achieving the target 5.5% annualised dividend yield in respect of the period to 30 June 2014. At the Company level, the annualised total return to 30 June 2014 was 11.5%, which exceeds the annualised target return of 8.0-10.0%. Historic share price and NAV performance is set out in the charts in the full annual report and financial statements.

COMPANY PERFORMANCE

Key performance indicators

Shareholder total return	11.5%
Basic earnings per share	10.50 pence
Dividend yield	5.5%
EPRA NAV per share	102.64 pence
Loan-to-value	26.7%
Rental growth	3.3%

PROPERTY PORTFOLIO

Quality, design & brand

The property portfolio is made up of high quality, modern, purpose-built student accommodation focusing on international students, postgraduates and domestic students alike. The living experience forms a mainstay of each student's university life and the Company has put the quality, design, experience and performance of its assets at the heart of its operational strategy. This is achieved through the Company's investment selection and its choice of Asset Managers.

Scape is the Asset Manager for Scape East and Scape Greenwich. The vision of the Scape brand was to create a new kind of student accommodation; one that was affordable but with modern design based in the heart of London. By enlisting the help of leading interior designers and top architects, Scape continues to ensure that high standards of quality finishes and service are met. Years of hard work and listening to student feedback has resulted in some of the best student accommodation in London.

Alongside the striking design features, Scape also offers ample common space for students to socialise and study. High speed internet and wi-fi are available throughout each location. Scape constantly responds to student feedback, which has resulted in the provision of extra facilities and

amenities, such as additional private rooms for group study, ping pong tables and a gym.

The Pad, located in Egham, comprises the remainder of the assets in the portfolio and provided the first private, purpose-built student accommodation in the local vicinity for RHUL's students. CRM is the Asset Manager for The Pad. The property provides high quality studios and en-suite accommodation to meet the needs of the growing international and postgraduate student population at RHUL. Approximately 90% of the residents of The Pad are international students, who are attracted by the large spacious rooms, high specification fixtures and fittings and sociable communal areas spread across the building and the leafy courtyard areas.

Scape East

Scape East is a private student residence, completed in June 2012 under the Scape brand, which seeks to provide affordable and aspirational hotel-style student accommodation in private, purpose-built, high specification buildings.

Scape East is located in Mile End, directly opposite QMUL, which is a Russell Group HEI and one of London's leading universities with approximately 17,000 students. Approximately 75% of all Scape East's direct let students study at QMUL. The impressive building encompasses a double height entrance and floor-to-ceiling glazed reception.

Spiral staircases and an open atrium at Scape East create a spacious and welcoming entrance. Copper and bronze is a recurring theme, from the illuminated canopy on top of the building to the cladding surrounds. The green roof space attracts insects and birds and the ground water provides heat for the 25,000 sq ft of educational space and the communal areas.

Residents have access to a private courtyard garden, free gym, TV and games lounge, communal kitchen, study areas and two on-site restaurants. Most of the studios at Scape East are the exclusively designed "Scape Studio", which feature integrated storage and work space, fully fitted kitchenette, breakfast bar and stunning en-suite shower room. The concept of modern student accommodation came from the Scape partners who enlisted leading interior designer Ab Rogers and design studio Praline to bring their vision to life. The result has yielded a superior alternative to traditional student housing, where striking design goes hand-in-hand with competitive prices and excellent London locations.

Additional rental income is generated through a 30-year FRI lease with annual RPI uplifts of teaching facilities, which has generated 6.5% of total revenues for Scape East for the 2013/14 academic year.

As at 30 June 2014, Scape East was occupied by students from 22 different HEIs and of 65 different nationalities, with c.90% of tenants coming from outside the UK.

Scape Greenwich

Scape Greenwich is a private student residence which was completed in September 2013 on the Greenwich Peninsula. Designed by award-winning architects, AHMM, it comprises 280 studios and approximately 10,000 sq ft of communal facilities, kitchens, study areas and breakout rooms. Scape Greenwich is situated in a prime London student residential location within 30 minutes of c.75% of London's HEIs and in close proximity to Ravensbourne College (with c.1,600 students), a leading specialist digital media HEI, and to the University of Greenwich (with c.26,000 students). Scape Greenwich is a stunning white concrete building with an expansive glazed reception and versatile communal dining, theatre and lounge. Students also enjoy large shared balconies and linked atria study spaces. Big picture windows provide bright, natural light as they extend across the building. The bright white exterior is offset by the colourful hues that cover the corridors.

Scape Greenwich boasts a campus feel with shared study spaces, striking communal areas, designer student studio apartments and an ideal location in London. All student rooms come with a fully-equipped kitchenette, a comfortable double bed with built-in storage, en-suite shower room and large windows. Communal balconies on alternate floors afford stunning views of Canary Wharf, the City and local parks.

As at 30 June 2014, Scape Greenwich was occupied by students from 47 different HEIs and of 48 different nationalities, with c.50% tenants coming from outside the UK.

The Pad

The Pad is a private student residence which was completed in September 2013 under the CRM Students brand and is located adjacent to RHUL, in Egham.

RHUL is ranked in 5th place in the world (1st in the UK) in the Times Higher Education World University Rankings category of `International Outlook'. This category looks at diversity on campus and to what degree academics collaborate with international colleagues on research projects, recognising it as a global university. It is home to more than 9,000 students from over 100 countries, with c.20% from outside the EU.

The building is a modern, purpose-built student accommodation block offering 116 rooms comprising of 15 studios and 101 en-suite rooms. The studios comprise fully furnished rooms with kitchenette and appliances provided and en-suite shower room. En-suites in the main building are in clusters of 3-6 bedrooms in addition to a small "house" of 9 rooms. The clusters share a large fully-fitted

kitchen, living area and include fully-furnished study bedrooms with en-suite shower rooms. The property opens out onto a large leafy courtyard area with patios, outdoor seating and gardens for students to breakout in the summer months.

The Pad is the only purpose-built private student accommodation within five miles of RHUL.

As at 30 June 2014, The Pad was occupied exclusively by students from RHUL, comprising of 36 different nationalities, with c.90% tenants coming from outside the UK.

CORPORATE, SOCIAL AND ENVIRONMENTAL RESPONSIBILTY

Sustainability

The Company's aim is to operate a fully sustainable business model with a low carbon footprint. The Company's environmental sustainability measures include the use of highly-efficient combined heat and power systems, ground source heat pumps and intelligent interior heating and lighting to minimise GHG emissions. The Company's property portfolio incorporates green roof space, rain water harvesting and sustainable waste management, including diverting waste from landfill to generate renewable electricity and via the waste management process. In the period to 30 June 2014, the Asset Manager converted c.80% of property waste from Scape East and Scape Greenwich into renewable energy, with the remaining c.20% into national recycling schemes.

Environmental impact

The Company is committed to being both socially and environmentally responsible and recognises the impact the Company has on the environment. The Company has delegated the day-to-day asset and facilities management to the Asset Managers who are responsible for the provision of energy supplies, including the procurement of renewable energy, managing the Company's waste schemes and raising general awareness of environmental impact and waste reduction amongst the Group's employees and residents.

Details of the Company's GHG emissions are given in the Directors' report in the full annual report and financial statements.

Diversity and equality

The Company is committed to achieving a working environment which provides equality of opportunity and freedom from unlawful discrimination on the grounds of race, sex, pregnancy and maternity, marital or civil partnership status, gender reassignment, disability, religion or beliefs, age or sexual orientation. The Company's policy aims to remove unfair and discriminatory practices and to encourage full contribution from its diverse community. The Company is committed to opposing actively all forms of discrimination and values diversity amongst its workforce.

Further information on the Company's diversity policy is included in the Corporate governance statement in the full annual report and financial statements.

Social and community

The Company is committed to being socially responsible and the Directors consider community involvement to be an important part of that responsibility. The Company is indirectly involved with a number of social and local community initiatives via the Asset Manager, such as local employment schemes and initiatives to give back to the local area via student bursaries, sponsorship and local events.

Human rights

The Company respects human rights and aims to provide assurance to internal and external stakeholders that it will carry out its affairs in accordance with the principles of the Universal Declaration of Human Rights. No human rights concerns have arisen within the Company's operations or its supply chain during the period ended 30 June 2014.

Employees

On 1 April 2014, Scape took over the facilities and property management function from the facilities manager, Grosvenor Facilities Services Limited. It assumed the employment of those individuals providing asset and facilities management services to Scape East and Scape Greenwich at that time, by way of a new subsidiary of the Company, GCP Operations Limited ("GCP Operations").

Scape continues to retain overall responsibility for the supervision and provision of asset management services through oversight and management of the employees of GCP Operations and has taken over responsibility for the procurement and supervision of the facilities management services in connection with Scape East and Scape Greenwich on behalf of the Company. The Board believes that the restructuring of the asset and facilities management services will offer the Group higher service levels, improved brand awareness, greater control over the service provided and cost savings.

Gender breakdown

The gender breakdown of the Group's Directors and employees as at 30 June 2014 is detailed below:

	Male	Female
Directors	3	0
Employees	29	14

RISK MANAGEMENT

Role of the Board

The Board of Directors has overall responsibility for risk management and internal control within the Group. The Board recognises that risk is inherent in the operation of the Company and that effective risk management is key to the success of the organisation. The Board has delegated responsibility for the assurance of the risk management process and the review of mitigating controls to the audit committee.

The Board, when setting the risk management strategy, also determines the nature and extent of the significant risks and its 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 Board undertakes a formal risk review with the assistance of the audit committee at least twice a year in order to assess the effectiveness of the Group's risk management and internal control systems. During the course of such review, the Board has not identified, nor been advised of any failings or weaknesses which it has determined to be of a material nature. The principal risks and uncertainties the Company faces are set out below.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal financial risks, the Company's policies for managing these risks and the policy and practice with regard to financial instruments are summarised in note 26 to the financial statements.

The Board has also identified the following additional risks and uncertainties:

Investment and strategy

There can be no guarantee that the investment objective of the Company will be achieved. The Company is a REIT which invests in student residential accommodation. The Company focuses primarily on accommodation and teaching facilities for students studying at universities and specialist colleges in and around London.

The Company's investment objective includes the aim of providing shareholders with modest capital appreciation over the long term. The amount of any capital appreciation will depend upon, amongst other things, the Company successfully pursuing its investment policy and the performance of the Company's assets. There can be no assurance as to the level of any capital appreciation over the long term.

The Company has already acquired three assets which meet the investment strategy. The Investment Manager and Asset Managers have significant experience in the sector which should provide the Company with access to assets to continue to meet its investment strategy going forward.

General property and investment market conditions

The Company's performance depends to a significant extent on property values in the UK. An overall downturn in the UK property market 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 Company and ultimately upon the net asset value and the ability of the Company to generate revenues.

The Investment Manager 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.

Property valuation

The valuation of the Company's property portfolio is inherently subjective, in part because all 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. This is particularly so where there has been more limited transactional activity in the market against which the Company's property valuations can be benchmarked by the Company's external valuation agents. Valuations of the Company's investments may not reflect actual sale prices, even where any such sales occur shortly after the relevant valuation date.

The Company can invest in properties through investments in various property-owning vehicles, and may in the future utilise a variety of investment structures for the purpose of investing in property. There can be no assurance that the value of investments made through those structures will fully reflect the value of the underlying property.

The Company has entered into a valuation agreement with Knight Frank LLP to provide quarterly valuations. Knight Frank is one of the largest valuers of student accommodation in the UK and therefore has access to the maximum number of data points to support their valuations. In addition to this, the Board of Directors has significant experience of property valuation and its constituent elements.

Portfolio performance

Returns achieved are reliant primarily upon the performance of the property portfolio. The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the Company's operating expenses, occupancy rates, the degree to which the Company encounters competition and general economic and market conditions.

The Company may be subject to concentration risk on its portfolio. Whilst it is the Board's intention for the Company to acquire additional property assets, there can be no certainty that it will be able to do so.

The Investment Manager and Asset Managers provide the Board with quarterly reports on asset performance. The analysis provides both the Investment Manager and Board with the tools to adjust the Company's operational strategy in order to maximise shareholder value.

Rental income and occupancy rates

Rental income and property values may be adversely affected by increased supply of student accommodation and teaching facilities, the failure to collect rents, periodic renovation costs and increased operating costs. A decrease in rental income and/or in property values may materially and adversely impact the net asset value and earnings of the Company.

The value of the Company's properties and, to a significant degree, the Company's turnover, is dependent on the rental rates that can be achieved from the properties that the Company owns. Any failure to maintain or increase the rental rates for the Company's rooms and properties generally may have a material adverse effect on the value of the Company's properties as well as the Company's turnover and its ability to service interest on its debts in the longer term.

The Company may not be able to maintain occupancy rates, which may have a material adverse impact on the Company's revenue performance, margins and asset values.

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 bear the entry of new competitors into the market. In addition, the quality of assets that the Company acquires will be amongst the best in class to minimise occupancy risk.

Dividends

The Company's investment objective includes the aim of providing shareholders with regular, sustainable dividends payable over the long term. The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and its earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time. There is no guarantee that any dividends will be paid in respect of any financial year or period.

Borrowings

The Company's investment strategy may involve securing borrowing facilities to finance additions to the Company's portfolio. It is not certain that the Company will be able to secure such facilities. Lack of access to debt or the utilisation of debt on more expensive terms than anticipated may adversely affect the Company's investment returns.

While the use of borrowings should enhance the total return on the shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per share and the Company's ability to pay dividends to shareholders.

The Company's borrowing policy provides for the Company to have no more than 55% gearing in the short term and 30% in the long term, thereby reducing the volatility that changes in debt rates can have on the Company. In addition to this, the Investment Manager provides the Board with a quarterly update on the state of the senior debt market to ensure debt facilities are renewed well in advance of expiration, and interest rate derivatives are used where required to hedge fluctuations in underlying interest rates.

Taxation

The affairs of the Company are conducted so as to satisfy the conditions of approval as a REIT.

Any change in the Company's tax status or in taxation legislation in the UK (including a change in interpretation of such legislation) could affect the Company's ability to achieve its investment objective or provide favourable returns to shareholders. In particular, an increase in the rates of stamp duty land tax could have a material impact on the value of assets acquired.

If the Company fails to remain a REIT for UK tax purposes, its profits and gains will be subject to UK corporation tax.

The Board has ultimate responsibility for ensuring adherence to the UK REIT regime and monitors the compliance reports provided by the Investment Manager on potential transactions to be undertaken, the Administrator on asset levels and the Registrar on shareholdings.

Compliance with laws or regulations

The Company and its operations are subject to laws and regulations enacted by national and local governments and government policy. Any change in the laws, regulations and/or government policy affecting the Company may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective and on the value of the Company and its shares.

The Company is subject to and will be required to comply with certain regulatory requirements that are applicable to closed-ended investment companies that are admitted to trading on the SFM and the CISEA and listed on the Official List of the CISEA. The Company must comply with the listing rules of the CISEA, the London Stock Exchange Admission and Disclosure Standards and the Disclosure and Transparency Rules. Any failure to comply with any future changes to such rules and regulations may result in the shares being suspended from listing on the CISEA and/or trading on the SFM. The Company is voluntarily complying with certain of the Listing Rules of the UKLA; however, the UKLA does not have the authority to monitor such voluntary compliance or impose sanctions in respect of any failure of such compliance by the Company.

As announced by the Company on 10 September 2014, the Company has applied to be delisted from the Official List of the CISEA. It is anticipated that the delisting will take effect on 10 October 2014.

The Board has appointed Wragge Lawrence Graham & Co LLP as legal counsel, Capita Company Secretarial Services Limited as Company Secretary and Capita Sinclair Henderson Limited as Administrator to ensure compliance with all relevant laws and regulations.

On behalf of the Board

Robert Peto
Chairman
16 September 2014

EXTRACTS FROM THE DIRECTORS' REPORT

Share capital

The Company was incorporated with a share capital of one ordinary share of one pence in the capital of the Company ("ordinary shares") issued at £1.00 (nil paid). On 21 March 2013, 100,001 restricted shares of 50 pence each were issued at par (fully paid) and a further 100,000 ordinary shares were issued at £1.00 per share (nil paid).

On 20 May 2013, 70,000,000 ordinary shares were issued at £1.00 each fully paid pursuant to a placing and offer for subscription. Simultaneous to this issue, the restricted shares were redeemed and cancelled in accordance with the Company's articles of association. On 31 July 2013, the Company's share premium account was cancelled in order to create distributable reserves for the payment of dividends.

Following the result of an open offer, placing and offer for subscription by the Company announced on 22 May 2014, the Company issued 39,810,427 ordinary shares. These shares were admitted to trading on the SFM and CISEA on 28 May 2014. At the general meeting held on 21 March 2013, the Company was granted authority to allot shares up to an aggregate nominal amount of £2,500,000 in accordance with statutory pre-emption rights. Following the issue of new shares in May 2014 and as at the date of this report, the Company may allot shares up to an aggregate nominal amount of £2,101,895.73.

At 30 June 2014, and as at the date of this report, the Company's issued share capital comprised 109,910,428 ordinary shares. No shares were held in treasury at the period end.

At general meetings of the Company, shareholders are entitled to one vote on a show of hands and on a poll, to one vote for every share held. The total voting rights of the Company at 30 June 2014 were 109,910,428.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

In preparing the financial statements, the Directors are required to:

* select suitable accounting policies in accordance with IAS 8: `Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;

* present information, including accounting policies, in a manner that

provides relevant, reliable, comparable and understandable information;

* provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;

* state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and

* make judgements and estimates that are reasonable and prudent.

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 consolidated 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 of the CISEA and the Disclosure and Transparency Rules of the UKLA. The Company is voluntarily complying with certain of the listing rules of the UKLA.

The financial statements are published on the Company's website, www.gcpuk.com/gcp-student-living-plc, which is maintained on behalf of the Company by the Investment Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Under the investment management agreement, the Investment Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Visitors to the website need to be aware that legislation in the UK covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

We confirm that to the best of our knowledge:

* the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group;

* this annual report includes a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that it faces; and

* 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 performance, business model and strategy.

On behalf of the Board

Robert Peto
Chairman
16 September 2014

NON-STATUTORY ACCOUNTS

The financial information set out below does not constitute the Company's statutory accounts for the period 30 June 2014 but is derived from those accounts. Statutory accounts for the period 26 February 2013 to 30 June 2014 will be delivered to the Registrar of Companies 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 Act. The text of the Auditor's report can be found in the Company's full annual report and financial statements at www.gcpuk.com/gcp-student-living-plc.

CONSOLIDATED & COMPANY INCOME STATEMENT
For the period 26 February 2013 to 30 June 2014

		Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Continuing operations	Note		
Revenue	5	9,132	4,461
Property operating expenses	6	(1,664)	(573)
Gross profit		7,468	3,888
Administration expenses	6	(1,646)	(1,466)

Other costs		(711)	-
Operating profit before gains on investment properties		5,111	2,422
Fair value gains on investment properties	3	5,010	1,040
Fair value gains on investments in subsidiary companies	4	-	5,042
Operating profit		10,121	8,504
Finance income	7	6	2
Finance expenses	8	(2,418)	(750)
Profit before tax		7,709	7,756
Tax charge on residual income	12	-	-
Profit for the period		7,709	7,756
Earnings per share (basic and diluted) (pps)	15	10.50	10.56

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

CONSOLIDATED & COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the period 26 February 2013 to 30 June 2014

	Notes	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Profit for the period		7,709	7,756
Other comprehensive income to be reclassified to profit and loss in subsequent periods	21	47	-
Net gains on cash flow hedges			
Total comprehensive income for the period		7,756	7,756

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

CONSOLIDATED & COMPANY STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

Assets	Notes	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Non-current assets			
Investment property	3	151,560	-
Investment in subsidiary companies	4	-	129,020
Retention account		956	-
		152,516	129,020
Current assets			
Cash and cash equivalents	22	3,629	149
Trade and other receivables	19	1,315	3,484
Derivative financial instruments	21	47	-
		4,991	3,633
Total assets		157,507	132,653
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	20	(39,456)	-
Retention account		(956)	-
		(40,412)	-
Current liabilities			

Trade and other payables	18	(2,212)	(19,798)
Deferred income	18	(2,028)	-
		(4,240)	(19,798)
Total liabilities		(44,652)	(19,798)
Net assets		112,855	112,855
Equity			
Share capital	23	1,099	1,099
Share premium	24	39,937	39,937
Hedging reserve		47	-
Retained earnings		71,772	71,819
Total equity		112,855	112,855
Number of shares in issue		109,910,428	109,910,428
EPRA NNNAV per share (pps)	16	102.68	102.68
EPRA NAV per share (pps)	16	102.64	N/A

These financial statements were approved by the Board of Directors of GCP Student Living plc on 16 September 2014 and signed on its behalf by:

Robert Peto
Chairman

Company number: 08420243

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period 26 February 2013 to 30 June 2014

	Share capital £'000	Share premium £'000	Hedging reserve £'000	Retained earnings £'000	Total £'000
Profit for the period	-	-	-	7,709	7,709
Other comprehensive income that may be reclassified subsequently to profit and loss					
Net gains on cash flow hedges	-	-	47	-	47
Total comprehensive income	-	-	47	7,709	7,756
Ordinary shares issued	1,099	111,001	-	-	112,100
Share issue costs	-	(3,706)	-	-	(3,706)
Share premium cancelled on 31 July 2013	-	(67,358)	-	67,358	-
Dividends	-	-	-	(3,295)	(3,295)
Balance at 30 June 2014	1,099	39,937	47	71,772	112,855

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

COMPANY STATEMENT OF CHANGES IN EQUITY
For the period 26 February 2013 to 30 June 2014

	Share capital £'000	Share premium £'000	Hedging reserve £'000	Retained earnings £'000	Total £'000
Profit for the period	-	-	-	7,756	7,756
Total comprehensive income	-	-	-	7,756	7,756
Ordinary shares issued	1,099	111,001	-	-	112,100
Share issue costs	-	(3,706)	-	-	(3,706)
Share premium cancelled on					

31 July 2013	-	(67,358)	-	67,358	-
Dividends	-	-	-	(3,295)	(3,295)
Balance at 30 June 2014	1,099	39,937	-	71,819	112,855

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

CONSOLIDATED & COMPANY STATEMENT OF CASH FLOWS
For the period 26 February 2013 to 30 June 2014

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Cash flows from operating activities		
Operating profit	10,121	8,504
Adjustments to reconcile profit for the period to net cash flows:		
Gain from change in fair value of investment properties	(5,010)	(1,040)
Gain from change in fair value of subsidiary companies	-	(5,042)
Increase in other receivables and prepayments	(641)	(733)
Increase in other payables and accrued expenses	1,473	287
Net cash flow generated from operating activities	5,943	1,976
Cash flows from investing activities		
Acquisition of investment properties	(35,221)	(35,221)
Acquisition of subsidiaries, net of cash acquired	(51,817)	(51,817)
Net cash used in investing activities	(87,038)	(87,038)
Cash flows from financing activities		
Proceeds from issue of ordinary share capital	112,100	112,100
Share issue costs	(3,706)	(3,706)
Loan arrangement fees	(655)	-
Received from subsidiary companies	-	13,386
Loan received for acquisition of subsidiary	14,866	-
Part repayment of initial loan	(32,645)	(32,645)
Finance income	6	2
Finance expenses	(2,066)	(750)
Dividends paid in the period	(3,176)	(3,176)
Net cash flow generated from financing activities	84,724	85,211
Net increase in cash and cash equivalents	3,629	149
Cash and cash equivalents at start of the period	-	-
Cash and cash equivalents at end of the period	3,629	149

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 26 FEBRUARY 2013 TO 30 JUNE 2014

1. General information

GCP Student living plc is a closed-ended investment company incorporated in the UK on 26 February 2013. The registered office of the Company is located at Beaufort House, 51 New North Road, Exeter EX4 4EP. The Company's shares are admitted to trading on the SFM and the CISEA and are listed on the Official List of the CISEA.

Audited initial accounts for the period 26 February 2013 to 30 September 2013 have been filed with the registrar of companies.

2. Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting

Standards Board ("IASB") as adopted by the European Union. The financial statements have been prepared under the historical cost convention, except for investment property, investments in subsidiaries and derivative financial instruments that have been measured at fair value. The audited financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

The Group has chosen to adopt the EPRA best practice guidelines for calculating key metrics such as net asset value and earnings.

2.1 Changes to accounting standards and interpretations

The following accounting standards and their amendments were in issue at the period end but will not be in effect until after this financial period. They are not expected to impact significantly the financial statements.

- IAS 27 Separate Financial Statements (as amended in 2011) - amendments for investment entities (effective for annual periods beginning on or after 1 January 2014).

- IAS 32 Financial Instruments: Presentation - amendments to application guidance on the offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014).

- IFRS 10 Consolidated Financial Statements - amendments for investment entities (effective for annual periods beginning on or after 1 January 2014).

- IFRS 12 Disclosure of Interests in Other Entities - amendments for investment entities (effective for annual periods beginning on or after 1 January 2014).

The following new standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning after 1 January 2014 or later periods, but the group has not decided not to early adopt them.

- IFRS 11 Joint Arrangements - amendments regarding the accounting for acquisitions of an interest in a joint operation (effective for annual periods beginning on or after 1 January 2016).

- IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)

- IFRS 15 Revenue from Contracts (effective for annual periods beginning on or after 1 January 2017).

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018).

The Group does not expect that the adoption of new accounting standards issued but not yet effective to have a significant impact on its financial statements other than IFRS 10 Consolidated Financial Statements on adoption of which the Group may be required to consolidate certain funds that are managed by the Group.

2.2 Significant accounting judgements and estimates

The preparation of these audited 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 accounts for the contracts as operating leases.

Valuation of property

The valuations of the Group's investment property are at fair value as determined by the external valuer on the basis of market value in accordance with the internationally accepted Royal Institution of Chartered Surveyors ("RICS") Valuation - Professional Standards January 2014 (incorporating the International Valuation Standards) and in accordance with IFRS 13.

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. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

2.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2014. 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. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights. In preparing the financial statements, intra-group balances, transactions and unrealised gains or losses have been eliminated in full. Uniform accounting policies are adopted in the financial statements for like transactions and events in similar circumstances.

b. Business combinations

Where property is acquired, via corporate acquisitions 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 either 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 either in profit or loss or as a change to other comprehensive income.

c) Functional and presentation currency
The overall objective of the Group is to generate returns in Sterling and the Group's performance is evaluated in Sterling. Therefore, the Directors consider 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.

d) Investment property

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

Subsequent to initial recognition, investment property is stated at fair value. 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, tenants' profiles, 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.

e) Investment in subsidiary companies

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value. In the Company's financial statements, investments in subsidiary companies which are 100% owned by the Company are valued at net asset value.

Changes in fair value of investments and gains on the sale of investments are

recognised as they arise in the income statement.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

g) Rent and other receivables

Rent and other receivables are recognised at their original invoiced value. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

h) Trade and other payables

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

i) Revenue recognition

i) Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income 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. (Premiums received to terminate or extend leases are recognised in the statement ofcomprehensive income when they arise).

ii) Interest income

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

iii) Deferred income

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.

iv) Service charge income

Service charges are received to cover expenditure on hard and soft facilities management. These are paid to the landlord and then on to the Asset Manager and reimbursed to the Group via the Group's nominations agreement.

v) Operating segments

All of the Group's revenue and results are generated from student accommodation provision operating in the UK.

j) Tenant deposits

Tenant deposits received which create corresponding liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

k) Taxes

Corporation tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. In certain circumstances corporation tax may be recognised in other comprehensive income.

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

Non-qualifying profits and gains of the Company (the residual business) 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.

l) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at cost net of directly attributable transaction costs. All 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.

m) Dividends to shareholders

Dividends due to the Company's shareholders are recognised when they become payable. For interim dividends this will be when they are paid and for final

dividends when approved by shareholders.

n) Derivatives and hedging

The Group uses interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss. Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment occurs.

3. UK investment property

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Acquisitions arising from business combinations	53,550	-
Acquisition of property	93,000	93,000
Fair value gains on revaluation of investment property	5,010	1,040
Investment property transferred to subsidiary company	-	(94,040)
Valuation at the end of the period	151,560	-

The purchase of the property was financed by the payment of cash amounting to £35,221,000 and the novation of an existing loan of £57,779,000.

4. Investments in subsidiary companies

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
At the beginning of the period	-	-
Value of assets transferred down to Subsidiary	-	71,534
Purchases of subsidiary companies	-	52,444
Total acquisitions	-	123,978
Fair value gains on the revaluation of subsidiary companies	-	5,042
Fair value	-	129,020

Purchases of subsidiary companies includes additional incidental purchase costs of £711,000.

5. Revenue

The following table analyses rental income received in the period to 30 June 2014:

	Consolidated 30 June	Company 30 June

	2014 £'000	2014 £'000
Nomination rental income	2,360	1,116
Direct let rental income	6,107	2,525
Teaching space income	503	244
Retail space income	35	10
	9,005	3,895
Income from subsidiary companies	-	566
Sundry income	127	-
Total revenue	9,132	4,461

Rental income in the Company relates to income on the property Scape East, received prior to the transfer of the property down to the subsidiary company.

6. Property operating and administration expenses

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Property operating expenses		
Asset Managers' fees	901	389
Utilities	352	94
Insurance	39	34
Sales and marketing	118	56
Life cycle costs	91	-
Payroll	163	-
	1,664	573
Administration expenses	1,646	1,466
Total	3,310	2,039

Directors' remuneration for the period to 30 June 2014 is shown in note 10 and is included within administration expenses within the income statement.

7. Finance income

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Income from cash and short term deposits	6	2
Total	6	2

8. Finance expenses

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Bank charges	3	1
Swap interest	578	345
Loan interest	1,080	404
Loan arrangement fees amortised	111	-
Swap break fees	646	-
	2,418	750

9. Auditor's remuneration

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Audit fee	26	26
Other services	138	138
Total	164	164

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. The fee for the audit of the annual report and financial statements for the period ended 30 June 2014 was £20,000. An additional fee of £6,000 was paid in relation to the audit of the initial accounts for the period ended 30 September 2013. During the period under review, the Auditor provided non-audit services in relation to the reporting accountant services for the prospectuses at the time of the Company's launch and the acquisition of Scape Greenwich. The aggregate fees for these services were £130,000. These non-audit fees are significantly higher than the statutory audit fees due to the work involved in the Company's IPO and the second capital raise during the period under review. Ernst & Young LLP also provides routine tax compliance services to the Company. The fee for these services in the period under review was £8,300.

10. Directors' remuneration

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Mr Robert Peto	28	28
Mr Malcolm Naish	20	20
Mr Peter Dunscombe	20	20
Total	68	68

11. Staff costs

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Salaries	162	-
Other benefits	1	-
	163	-

With the exception of the Directors, whose remuneration is shown in the Directors' Remuneration Report, as at 30 June 2014 the Group employed 43 members of staff, with an average of 34 employees during the period.

12. Taxation

As a REIT, the Group's UK property rental business (both income and capital gains) is exempt from tax. Any residual income from non-property business is subject to corporation tax at a rate of 22.55%, representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income for the period. No tax charge has arisen on residual income for the period 26 February 2013 to 30 June 2014.

13. Operating leases

The Group has entered into leases on its property portfolio. Leases are typically direct-let agreements with individual students or higher education institutions for the academic year or a shorter period. The Group also has a small number or commercial leases on teaching and retail spaces and a number of nomination agreements whereby blocks of beds are rented out for a set number of years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2014 are as follows:

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Within one year	7,536	-
Between one and five years	5,157	-
More than five years	10,411	-
Total	23,104	-

14. Dividends

Consolidated and Company	Pence per share	30 June 2014 £'000
For the period ended 30 June 2014		
First interim dividend paid on 5 December 2013	2.00	1,403
Second interim dividend paid on 5 March 2014	1.35	946
Third interim dividend paid on 5 June 2014	1.35	946
Dividends paid during the period	4.70	3,295

Fourth interim dividend paid on 5 September 2014	1.40	1,539
Total	6.10	4,834

As a REIT, the Company is required to pay PIDs equal to at least 90% of the Group's exempted income after deduction of withholding tax at the basic rate (currently 20%). The entire £4.8 million cash dividend payable for the period from 26 February 2013 to 30 June 2014 was attributable to PIDs.

15. Earnings per share

Basic earnings per share ("EPS") amounts are calculated by dividing profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	Profit £'000	Weighted average number of shares	30 June 2014 Pence per share
Earnings per share Group	7,709	73,425,688	10.50
Earnings per share Company	7,756	73,425,688	10.56

Weighted average number of shares	Shares in issue	Days	Weighted average
Issue on admission to trading on the SFM on 20 May 2013	70,100,001	373	64,243,981
Following issue to trading on the SFM on 28 May 2014	109,910,428	34	9,181,707
	109,910,428	407	73,425,688

The EPRA EPS may be calculated as:

	30 June 2014 £'000
Group Earnings for basic EPS	7,709
Fair value gains on investment properties	(5,010)
Fair value movement on financial derivatives	(47)
Associated close out fees on financial derivatives	646
Group Earnings for EPRA EPS	3,298
	Pence per share
Group EPRA EPS	4.49

16. Net asset value per share (NAV)

Basic NAV per share amounts are calculated by dividing net assets in the statement of financial position attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted NAV per share are identical. The following reflects the net asset and share data used in the basic and diluted NAV per share computations:

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Net assets attributable to Ordinary shareholders (for calculation of EPRA NNNAV)	112,855	112,855
Financial derivative	(47)	-
Adjusted net assets for calculation of EPRA NAV	112,808	112,855
Number of shares in issue	109,910,428	109,910,428
	Pence per share	Pence per share
EPRA NNNAV	102.68	102.68
EPRA NAV	102.64	N/A

17. Business combinations

The financial statements comprise the financial statements of the Company and its subsidiaries, GCP Scape East Limited, GCP Operations Limited, Ternion Danehurst Limited and Leopard Guernsey Greenwich JV Limited, for the period from 26 February 2013 to 30 June 2014.

All subsidiaries are domiciled in the UK except for Leopard Guernsey Greenwich JV Limited, which is domiciled in Guernsey.

Company and business	Country of registration, incorporation and operation	Number and class of share held by the Group	Group holding	Capital and reserves at 30 June 2014 £'000	Profit after tax for the period ended 30 June 2014 £'000
GCP Scape East Limited	UK	2 Ordinary shares	100%	76,067	4,533
Ternion Danehurst Limited	UK	2 Ordinary shares	100%	12,958	1,411
Leopard Guernsey Greenwich JV Limited	Guernsey	101 Ordinary shares	100%	40,162	603
GCP Operations Limited	UK	2 Ordinary shares	100%	(167)	(167)

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. As at 30 June 2014, the Company owns 100% of the issued share capital of all subsidiaries.

GCP Scape East Limited was incorporated on 15 November 2013, with 2 shares issued to the Company at £1 per share. On 2 December 2013, the Group obtained control of Ternion Danehurst Limited, by acquiring 100% of the issued share capital. On 29 May 2014, the group obtained control of Leopard Guernsey Greenwich JV Limited, by obtaining 100% of the issued share capital. The principal activity of GCP Scape East Limited, Ternion Danehurst Limited and Leopard Guernsey Greenwich JV Limited is the provision of student accommodation in line with the Group's investment strategy. GCP Scape East Limited, Ternion Danehurst Limited and Leopard Guernsey Greenwich JV Limited were acquired in order to provide Group shareholders with sustained long-term distributions with the potential for modest capital appreciation over the long term and RPI inflation-linked income characteristics. GCP Operations Limited was incorporated on 26 March 2014 and holds the employment contracts of the employees engaged in facilities and asset management on behalf of the Company.

The fair value of identifiable assets and liabilities of Ternion Danehurst Limited upon acquisition at 2 December 2013 and of Leopard Greenwich Guernsey JV Limited upon acquisition at 29 May 2014 were:

	Ternion Danehurst Limited £'000	Leopard Greenwich Guernsey JV Limited £'000	Total £'000
Assets			
Investment properties	13,030	40,520	53,550
Trade receivables	-	675	675
	13,030	41,195	54,225
Liabilities			
Trade payables	-	592	592
Deferred rental income	650	522	1,172
Retention account	82	515	597
Corporation tax provision	125	6	131
	857	1,635	2,492
Total identifiable net assets at fair value	12,173	39,560	51,733
Purchase consideration	12,173	39,560	51,733
Analysis of cash flows on acquisition:			
Cash consideration	12,173	39,560	51,733
Less: cash and cash equivalents acquired	-	(1)	(1)
	12,173	39,559	51,732

Ternion Danehurst Limited contributed £700,000 to revenue and £545,000 to the Group's profit for the period between the date of acquisition and the statement of financial position date. Leopard Guernsey Greenwich JV Limited contributed £213,000 to revenue and £154,000 to the Group's profit for the period between the date of acquisition and the statement of financial position date. If the

combinations had taken place at the beginning of the period, the Group's profit for the period would have been £10,558,000 and revenue (rental income) would have been £11,786,000.

Contingent liability

As discussed in note 29, as part of the sale and purchase agreement for Leopard Guernsey Greenwich JV Limited, an amount of contingent consideration has been agreed. An additional cash payment is payable to the previous owners of Leopard Guernsey Greenwich JV Limited of £301,000 provided the property achieves 97% occupancy by 8 September 2014, being the end of the 2013/2014 academic year.

As at 30 June 2014, the key performance indicators of Leopard Guernsey Greenwich JV Limited show that it is not probable that the target will be achieved and therefore no liability has been included in the financial statements.

18. Other payables and accrued expenses

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Deferred income	2,028	-
Property operating expenses payable	802	-
Finance expense payable	241	-
Amounts due to subsidiary companies	-	18,756
Other expenses payable	1,169	1,042
Total	4,240	19,798

19. Trade and other receivables

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Prepayments	219	159
Landscaping cost recovery	284	-
Rent receivable	434	-
Amounts receivable from subsidiary companies	-	3,325
Other receivables	378	-
Total	1,315	3,484

20. Interest bearing loans and borrowings

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Initial loan transferred on the acquisition of Scape East on 20 May 2013	57,779	57,779
Part repayment of initial loan	(32,645)	(32,645)
Loan transferred to subsidiary company	-	(25,134)
Further loan drawn down following acquisition of Ternion Danehurst Limited on 2 December 2013	13,500	-
Further loan drawn down following acquisition of Leopard Guernsey Greenwich JV Limited on 29 May 2014	1,366	-
Total loans drawn down	40,000	-
Loan arrangement fees	(655)	-
Loan arrangement fees amortised to date	111	-
	39,456	-

During the period from 26 February 2013 to 30 June 2014, loans were drawn down under the Group's existing debt facility to the sum of £40 million. An initial loan of £57.7 million was transferred to the company on the acquisition of the property Scape East on 20 May 2013 of which £32.6 million was repaid on 23 May 2013. An additional loan of £13.5 million was drawn down on 2 December 2013 to finance the acquisition of Ternion Danehurst Limited and a further loan of £1.4 million was drawn down on 29 May 2014 to cover the costs of acquisition in relation to Scape Greenwich. The facility is due to be fully repaid on 20 April 2019.

At 30 June 2014, the interest rate on the loans of £25.1 million and £13.5 million was 3.027% with the interest rate on the loan of £1.4 million being 3.004%.

The group uses gearing to enhance returns over the long term. The level of gearing is governed by careful consideration of the cost of borrowing and the Group uses hedging or otherwise seeks 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 less than 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'.

The debt facility includes loan-to-value of and interest cover covenants that are measured at a Group level and the Group has maintained significant headroom against all measures throughout the financial period. The Group is in full compliance with all loan covenants at 30 June 2014.

21. Financial derivatives and hedging

Consolidated only	Hedged amount £'000	Pay fixed rate	Receive 3M LIBOR	Maturity	30 June 2014 Total £'000
Interest rate swap at fair value	20,000	1.440%	0.5090%	02/05/2017	47
Fair value of financial derivatives					47

Cash flow hedges

The Group has entered into interest rate swap contracts with notional amounts of £20m whereby it pays a fixed rate of interest of 1.440% and receives a variable rate based on 3 month LIBOR on the notional amount. The swap is used to hedge the exposure to the variable interest rate payments on the variable rate element of the Company's secured loans.

Cash flows are expected to occur between the reporting date and May 2017 and will be recognised through profit or loss at that time.

The fair value of the interest rate swap at the end of the reporting period was an asset of £47,000.

Derivatives are classified in Level 2 in the fair value hierarchy under IFRS 13.

22. Cash and cash equivalents

	Consolidated 30 June 2014 £'000	Company 30 June 2014 £'000
Cash and cash equivalents	149	149
Subsidiary cash and cash equivalents	3,480	-
	3,629	149

23. Share capital

Consolidated and Company	30 June 2014 £'000
Issued and fully paid:	
At 26 February 2013	
1 ordinary share of £0.01	-
Issued during period	
109,910,427 ordinary shares of £0.01 each	1,099
	1,099

The share capital comprises one class of ordinary shares. At general meetings of the Company, 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.

24. Share premium

Consolidated and Company	30 June 2014 £'000
Issued on admission to trading on the SFM and the CISEA on 20 May 2013	69,399
Share issue costs at 20 May 2013	(1,921)
Share premium cancelled on 31 July 2013	(67,358)
Issued on 28 May 2014	41,602
Share issue costs at 28 May 2014	(1,785)
Balance at 30 June 2014	39,937

25. 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.

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 fair values of the derivative interest rate swap contracts are estimated by discounting expected future cash flows using current market interest rates yield curves and performance risk over the remaining term of the instrument.

Valuation of investment property is 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.

The valuation of the Company's investment property at fair value is determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation - Professional Standards (incorporating the International Valuation Standards).

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, 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.

In the Company's financial statements, investments in subsidiary companies which are 100% owned by the Company are valued at net asset value.

The following tables shows an analysis of the fair values of financial instruments recognised in the balance sheet by level of the fair value hierarchy*:

Consolidated	30 June 2014			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value	£'000	£'000	£'000	£'000
Investment properties	-	-	151,560	151,560
Financial derivatives	-	47	-	47
	-	47	151,560	151,607

Company	30 June 2014			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value	£'000	£'000	£'000	£'000
Investment in subsidiaries	-	-	129,020	129,020
	-	-	129,020	129,020

* 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

Level 3 - use of a model with inputs that are not based on observable market data

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's portfolio of investment property are:

* ERV
* Rental growth
* Long-term vacancy rate
* Discount rate/yield
* Specific to property under development: construction costs, lease up period, construction period and development profit

Significant increases/(decreases) in the ERV (per sqm 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 or yield) in isolation would result in a significantly lower/(higher) fair value measurement.

Generally, a change in the assumption made for the ERV (per sqm p.a.) is

accompanied by:

  * a similar change in the rent growth p.a. and discount rate (and exit yield); and

  * an opposite change in the long term vacancy rate

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
Student Property	£151,560,000	Income Capitalisation	ERV	£180.00-£303.75 per week
			Rental Growth	2.5%-3.0%
			Tenancy Period	51 weeks
			Sundry Income	£100 per bed per annum
			Facilities Management Cost	£1,800-£1,950 per bed per annum
			Initial Yield	5.79%-6.23% blended (5.34%-7.50%)

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to £5,010,000 and are presented in the income statement in line item `fair value gains on investment properties'.

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 assets and liabilities, except for investment properties, is considered to be the same as their fair value.

26. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, are 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 review and agree policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Company are all fixed terms at fixed rates with the floating elements hedged on 50% of total borrowings. The Company's exposure to market risk is limited to the remaining 50% which is not hedged.

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 relates primarily to the Company's long-term debt obligations with floating interest rates. To manage its interest rate risk, the Group enters into interest rate swaps to hedge the exposure to floating rate movements. At 30 June 2014, the floating interest rate receivable on the swap was 0.5090%, whilst the swap interest payable is fixed at a rate of 1.440%. At 30 June 2014, 50% of the Company's floating rate borrowings were hedged.

With all other factors remaining constant, if interest rates were to increase by 1%, profit before tax would decrease by £200,000 p.a. due to the increase in finance costs.

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 and

derivatives.

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

The following table analyses the Group's exposure to credit risk for the period ended 30 June 2014.

	Consolidated 30 June 2014 Total £'000	Company 30 June 2014 Total £'000
Deposit account	956	-
Cash and cash equivalents	3,629	149
Financial derivatives	47	-
Trade and other receivables	1,315	3,484
	5,947	3,633

The deposit account, cash and cash equivalents and the financial derivatives are held with Barclays Bank plc which holds an A credit rating.

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:

Consolidated Period ended 30 June 2014	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Loans	-	303	908	44,614	-	45,825
Deferred income	-	507	1,521	-	-	2,028
Trade and other payables	-	1,714	498	-	-	2,212
Retention account	-	-	-	956	-	956
	-	2,524	2,927	45,570	-	51,021

The disclosed amounts for financial derivatives in the above table are the net undiscounted cash flows.

Company Period ended 30 June 2014	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	-	1,042	-	-	18,756	19,798
	-	1,042	-	-	18,756	19,798

27. Capital management

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. 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 less than 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'. As at the period end, the Group was operating with a property loan to value of 26.7%.

During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

28. Related party transactions

As defined by IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise

significant influence over the other party in making financial or operational decisions.

Subsidiaries

GCP Student Living Plc as at 30 June 2014 owns a 100% controlling stake in GCP Scape East Limited, Ternion Danehurst Limited, GCP Operations Limited and Leopard Guernsey Greenwich JV Limited respectively.

The table below discloses transactions and balances between the Company and subsidiary entities.

	Company 30 June 2014 Total
Transactions during the period	£'000
Assets and liabilities transferred to GCP Scape East Limited	71,533
Income from GCP Scape East Limited	479
Income from Ternion Danehurst Limited	66
Income from Leopard Guernsey Greenwich JV Limited	22
Balances outstanding at the end of the period	
Receivable from GCP Scape East Limited	479
Receivable from Ternion Danehurst Limited	1,617
Receivable from GCP Operations Limited	22
Receivable from Leopard Guernsey Greenwich JV Limited	1,607
Payable to GCP Scape East Limited	(17,833)
Payable to Ternion Danehurst Limited	(923)

Directors

The Directors of the Company and subsidiaries are considered to be the key management personnel of the Group. Directors' remuneration for the period from 26 February 2013 to 30 June 2014 totalled £68,000 and at 30 June 2014, a balance of £6,000 was outstanding. Further information is given in note 10.

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 their respective investment objectives and policies, subject to the overall supervision and direction of the Board of Directors.

For its services to the Company, the Investment Manager receives an annual fee at the rate of 1.0% of the net asset value of the Company (or such lesser amount as may be demanded by the Investment Manager at its own absolute discretion). During the period from 26 February 2013 to 30 June 2014, the Group incurred £828,550 in respect of investment management fees and expenses of which £214,563 was outstanding at the period end.

29. Group contingent liabilities

As part of the sale and purchase agreement for Leopard Guernsey Greenwich JV Limited, an amount of contingent consideration has been agreed. An additional cash payment is payable to the previous owners of Leopard Guernsey Greenwich JV Limited of £301,000 provided the property achieves 97% occupancy by 8 September 2014, being the end of the 2013/2014 academic year.

As at 30 June 2014, the key performance indicators of Leopard Guernsey Greenwich JV Limited show that it is not probable that the target will be achieved and therefore no liability for this item has been included in the financial statements.

30. Events after the reporting period

There were no material events after the reporting period that require disclosure in these financial statements.

31. Ultimate controlling party

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

Annual General Meeting

The Company's Annual General Meeting will be held at the offices of Wragge Lawrence Graham & Co LLP, 4 More London Riverside, London SE1 2AU on Friday, 24 October 2014 at 12.00 noon.

The notice of this meeting can be found in the full annual report and financial statements at www.gcpuk.com/gcp-student-living-plc.

Directors

Robert Peto (Chairman)
Peter Dunscombe
Malcolm Naish

All of the Directors are non-executive and independent of the Investment Manager.

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 www.morningstar.co.uk/uk/NSM.

GLOSSARY OF KEY TERMS

AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
AIFMD	Alternative Investment Fund Managers' Directive
Barclays	Barclays Bank plc
CIL	Community Infrastructure Levy
CISEA	Channel Islands Securities Exchange Authority Limited
Company	GCP Student Living plc
COST OF BORROWING	Cost of borrowing expressed as a percentage weighted according to period drawn down
CRM	Corporate Residential Management Limited - Asset Manager for The Pad
DEBT MATURITY	Weighted average period to expiry of Group borrowings
EPRA	European Public Real Estate Association
EPRA COST RATIO	Total operating costs as a percentage of gross rental income
EPRA EARNINGS PER SHARE	Recurring earnings from core operational activities excluding movements relating to revaluation of investment properties and interest rate swaps and the related tax effects, divided by the number of shares in issue
EPRA NAV PER SHARE	EPRA net asset value - includes all property at market value but excludes the mark to market of interest rate swaps
EPRA NNNAV PER SHARE	As EPRA NAV but includes both debt and interest rate swaps carried at market value
FRI	Full repairing and insuring
GHG	Greenhouse gas
GROUP	GCP Student Living plc
HEI	Higher Education Institution
HMRC	HM Revenue & Customs
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IPO	Initial public offering
LOAN-TO-VALUE	Net debt expressed as a percentage of net assets excluding net debt
NOI Margin	Net operating margin expressed as a percentage and calculated as operating profit less property operating costs
PID	Property Income Distribution
PORTFOLIO TOTAL RETURN	Unleveraged weighted capital and income return of the investment portfolio weighted by net rental income
QMUL	Queen Mary University of London
REIT	Real Estate Investment Trust
RHUL	Royal Holloway University of London
RICS	Royal Institution of Chartered Surveyors
RPI	Retail price index
Scape	Scape Student Living Limited - Asset Manager for Scape

	East and Scape Greenwich
SFM	Specialist Fund Market of the London Stock Exchange
SHAREHOLDER TOTAL RETURN	Share price growth with dividend deemed to be reinvested on the dividend date
UCAS	Universities and Colleges Admissions Service
UKLA	United Kingdom Listing Authority
UK Code	UK Code of Corporate Governance

ENDS

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