

Company registration number: 10044321
Regulator registration number: 4848

Seymour Street Homes Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2018



Seymour Street Homes Limited

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Seymour Street Homes Limited

Strategic Report for the Year Ended 31 March 2018

The directors present their Strategic Report for the year ended 31 March 2018.

Business review and principal activities

Seymour Street Homes Limited ("the company") is a wholly owned subsidiary of The British Land Company PLC and operates as a constituent of The British Land Company PLC group of companies ("the group").

The company's principal activity is to be a for-profit private registered provider of social housing.

The company registered with Homes England as a provider of social housing on 4th April 2017 (registered number 4848). On 20th December 2017, the company was granted a long leasehold for 11 General Needs social housing units, and the associated Affordable and Intermediate tenancies were transferred into the company.

As shown in the company's Profit and Loss Account on page 8, the company's turnover of £34,683 has increased £34,683 compared with turnover of £nil in the prior period, due to the acquisition of its first rental property. The deficit on social housing activities before taxation is £63,994 compared to a deficit on social housing activities before taxation of £97,639 in the prior period.

Dividends of £nil (2017: £nil) were paid in the year.

The Balance Sheet on page 10 shows that the company's financial position at the year end has, in net assets terms, increased compared with the prior period, due to the acquisition of a long leasehold interest and associated rents.

The company's strategy is to be a best practice provider of for-profit private social housing. The Board measures performance against its strategy through Key Performance Indicators ("KPIs") as outlined below.

Qualitative KPIs:

- time taken to carry out repairs. Average days to complete repairs over the year was 8.5 days, compared to a target of 14 days.
- compliance with safety standards. This includes gas safety certification, energy performance certificates, fire and workplace risk assessments, and maintenance of all safety systems in communal areas.
- resident satisfaction with management service, value for money and quality of units. Online resident surveys were circulated every six months, with residents predominantly responding with highly satisfied or satisfied.

Financial KPIs:

- monitoring cost of repairs and services
- monitoring tenant arrears.
- monitoring managing agent costs

Future developments

The expected future developments of the company are determined by the strategy of the group. The company continues to pursue opportunities to expand its operating activities through the acquisition of affordable rented homes.

Value for money

The Company aims to provide excellent homes and services to residents which offer value for money and are sensitive and responsive to both the needs of residents and the community in which we operate. For more information please see www.britishland.com/sustainability

Seymour Street Homes Limited

Strategic Report for the Year Ended 31 March 2018 (continued)

Governance

The company is a wholly owned subsidiary of The British Land Company PLC, a publicly listed entity which is in compliance with the provisions of the UK Corporate Governance Code ("the Code"), and reports in line with the Code. The company complies with the Code in a manner appropriate for its size. The company also complies with the Regulator of Social Housing Governance and Financial Viability Standard.

The Board comprises the Chairman, two independent Non-Executive Directors and three Executive Directors. The Non-Executive Directors are able to offer an external perspective on the business, and to constructively challenge the Executive Directors. The strong mix of skills and experience of all the directors provides for constructive debate and careful decision making.

The Board met 5 times during the year and key areas considered by the Board were regulatory matters, the risk register, the asset and liability register, tenant survey results, financial viability and strategic direction of the company.

During the year an internal evaluation of the Board's performance was undertaken. In line with the Code, the assessment considered the balance of skills, experience, independence and knowledge of the company on the board, its diversity, Board operations and effective communication. The assessment concluded that the Board was operating effectively.

Principal risks and uncertainties

The Board determines the extent and nature of the risks it is prepared to take in order to achieve the company's strategy and has put in place appropriate risk management and controls. In addition, the company maintains a risk register which is reviewed regularly at Board meetings. The key risks identified are listed below with mitigating actions in each case.

- political risk that the government changes its policy in relation to affordable housing which adversely affects the company. The Board includes directors with significant experience of the affordable housing sector, and the company has appointed specialist legal advisers who are able to advise on the impact of any such policy changes;
- the economic risk that there is a lack of available funds to enter into future transactions and settle amounts owed to suppliers. The wider group, of which the company is a part, has committed to providing funding for each of the company's ongoing projects and provide liquidity for day-to-day operations if required;
- the risk that there is a RSH regulatory breach. Prompt fulfilment of all RSH regulatory requirements is a key management priority. Regulatory deadlines are reviewed by the Board at Board meetings, and the company engages professional services firms to assist with regulatory compliance.
- the risk that Health and Safety standards are not met. Periodic inspections are made of all units, and regular communication with residents takes place in order to identify and address any Health and Safety deficiencies. The company works with its managing agent to ensure that all relevant legislative requirements are satisfied, included but not limited to gas safety certification, energy performance certificates, fire and workplace risk assessments, and the implementation and maintenance of an appropriate regime to inspect and service all safety systems present in communal areas.

Approved by the Board on 25 September and signed on its behalf by:
2018

Victoria Cooper

VICTORIA COOPER

British Land Company Secretarial Limited
Company secretary

Seymour Street Homes Limited

Directors' Report for the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors of the company

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

E J Cariaga (Executive Director)

A J Cowan (Independent Non-executive Director)

J F Taylor (Executive Director)

J D T Titchen (Independent Non-executive Director)

V Warr (Executive Director) (appointed 5 April 2017)

M G Youkee (Chairman - Independent Non-executive Director)

C Forshaw (Executive Director) (resigned 5 April 2017)

Directors' responsibilities statement

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS-101'), the Statement of Recommended Practice for Registered Social Providers ("Housing SORP 2014") and the Accounting Direction for Private Registered Providers of Social Housing from April 2015 ("Accounting Direction"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101, the Housing SORP 2014, and the Accounting Direction has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A number of associated companies within the group have indemnified one or more of their current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

Environmental matters

Across the group, The British Land Company PLC recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies. The group's full sustainability report is available online at:

www.britishland.com/sustainability/reports-and-publications/2018

Going concern

The directors consider the company to be a going concern and the accounts are prepared on this basis. Details of this are shown in note 2 of the financial statements.

Seymour Street Homes Limited

Directors' Report for the Year Ended 31 March 2018 (continued)

Subsequent Events

Details of significant events since the Balance Sheet date, if any, are contained in note 17.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

Approved by the Board on 25 September and signed on its behalf by:
2018

Victoria Cooper

VICTORIA COOPER

British Land Company Secretarial Limited
Company secretary

Seymour Street Homes Limited

Independent Auditors' Report to the Members of Seymour Street Homes Limited

Report on the audit of the financial statements

Opinion

In our opinion, Seymour Street Homes Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2015.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2018; the Profit and Loss Account, the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Seymour Street Homes Limited

Independent Auditors' Report to the Members of Seymour Street Homes Limited (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

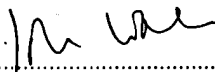
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

Seymour Street Homes Limited

Independent Auditors' Report to the Members of Seymour Street Homes Limited (continued)

We have no exceptions to report arising from this responsibility.


.....
John Waters (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
London

Date: 26 September 2018

Seymour Street Homes Limited

Profit and Loss Account for the Year Ended 31 March 2018

	Note	2018 £	13 months ended 31 March 2017 £
Turnover	4	34,683	-
Cost of sales		<u>(21,587)</u>	<u>-</u>
Gross profit		13,096	-
Administrative expenses		<u>(19,497)</u>	<u>(97,639)</u>
Operating deficit		<u>(6,401)</u>	<u>(97,639)</u>
Revaluation of investment properties	9	<u>(57,584)</u>	<u>-</u>
Deficit on social housing activities before interest and taxation		(63,985)	(97,639)
Interest payable and similar expenses	5	<u>(9)</u>	<u>-</u>
Deficit on social housing activities before taxation		(63,994)	(97,639)
Tax on deficit on social housing activities	8	<u>-</u>	<u>-</u>
Deficit for the year / period		<u><u>(63,994)</u></u>	<u><u>(97,639)</u></u>

Turnover and results were derived from continuing operations within the United Kingdom.

The notes on pages 12 to 20 form an integral part of these financial statements.

Seymour Street Homes Limited

Statement of Comprehensive Income for the Year Ended 31 March 2018

	2018 £	13 months ended 31 March 2017 £
Deficit for the year / period	<u>(63,994)</u>	<u>(97,639)</u>
Total comprehensive expense for the year / period	<u><u>(63,994)</u></u>	<u><u>(97,639)</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements.

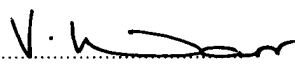
Seymour Street Homes Limited

(Registration number: 10044321)

Balance Sheet as at 31 March 2018

	Note	31 March 2018 £	31 March 2017 £
Fixed assets			
Investment properties	9	<u>2,050,000</u>	<u>-</u>
		<u>2,050,000</u>	<u>-</u>
Current assets			
Debtors	10	122,285	2,361
Cash and cash equivalents	11	<u>95</u>	<u>-</u>
		122,380	2,361
Creditors due within one year	12	<u>(14,013)</u>	<u>-</u>
Net current assets		<u>108,367</u>	<u>2,361</u>
Net assets		<u>2,158,367</u>	<u>2,361</u>
Capital and reserves			
Share capital	13	2,320,000	100,000
Profit and loss account		<u>(161,633)</u>	<u>(97,639)</u>
Shareholders' funds		<u>2,158,367</u>	<u>2,361</u>

Approved by the Board on 25 September and signed on its behalf by:
2018


VIRGINIA WARR
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

Seymour Street Homes Limited

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Profit and loss account £	Total £
Balance at 4 March 2016	-	-	-
Deficit for the period	-	(97,639)	(97,639)
Total comprehensive expense for the period	-	(97,639)	(97,639)
Shares issued	100,000	-	100,000
Balance at 31 March 2017	<u>100,000</u>	<u>(97,639)</u>	<u>2,361</u>
Balance at 1 April 2017	100,000	(97,639)	2,361
Deficit for the year	-	(63,994)	(63,994)
Total comprehensive expense for the year	-	(63,994)	(63,994)
Shares issued	2,220,000	-	2,220,000
Balance at 31 March 2018	<u>2,320,000</u>	<u>(161,633)</u>	<u>2,158,367</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

Seymour Street Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a public benefit for-profit private registered provider of social housing. The company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

York House
45 Seymour Street
London
W1H 7LX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with, and are compliant with, Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Statement of Recommended Practice for Registered Social Housing Providers ("Housing SORP 2014"), and comply with the Accounting Direction for Private Registered Providers of Social Housing from April 2015 ("Accounting Direction").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006, the Housing SORP 2014 and the Accounting Direction, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments properties. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to disclose information on the management of capital;
- (d) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (e) The requirements of IFRS 7 to disclose financial instruments; and
- (f) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group accounts of The British Land Company PLC. The group accounts of The British Land Company PLC are available to the public and can be obtained as set out in note 20.

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

2 Accounting policies (continued)

Going concern

The directors consider that the company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this the directors feel that the company is well placed to manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern basis is an appropriate one.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2017 have had a material effect on the financial statements.

Turnover

Rental income from investment property

Turnover comprises rental income receivable in the year generated from affordable and intermediate units. Rental income is recognised on an accruals basis.

Taxation

Current tax is based on taxable surplus for the year and is calculated using tax rates that have been enacted or substantively enacted. Taxable surplus differs from net surplus as reported in the Profit and Loss Account because it excludes items of income or expense that are not taxable (or tax deductible).

Deferred tax is provided on items that may become taxable at a later date, on the difference between the balance sheet value and tax base value, on an undiscounted basis.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequently to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Any surplus or deficit arising on revaluing investment properties is recognised in the Profit and Loss Account as a fair value movement.

Where properties held for investment are appropriated to trading stock, they are transferred at market value. If properties held for trading are appropriated to investment, they are transferred at book value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 Significant accounting judgements and key sources of estimation uncertainty

The key source of estimation uncertainty relates to the valuation of the property portfolio where an external valuation is obtained. In accounting for net rental income, the group is required to judge the recoverability of any income accrued and provides against the credit risk on these amounts. The potential for management to make judgements or estimates relating to those items which would have a significant impact on the financial statements is considered, by the nature of the group's business, to be limited.

The Company has chosen to classify the social housing property as an investment property under IAS 40, which is consistent with the accounting treatment for property held for the long-term used by the wider British Land group. This is a significant accounting judgement which is reviewed by management at each reporting period.

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2018 £	13 months ended 31 March 2017 £
Rental income from social housing investment property	<u>34,683</u>	<u>-</u>
	<u><u>34,683</u></u>	<u><u>-</u></u>

5 Interest payable and similar expenses

	2018 £	13 months ended 31 March 2017 £
Other finance costs	<u>9</u>	<u>-</u>
	<u><u>9</u></u>	<u><u>-</u></u>

6 Auditors' remuneration

A notional charge of £4,000 (2017: £1,030) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2018. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by The British Land Company PLC.

No non-audit fees (2017: £nil) were paid to PricewaterhouseCoopers LLP.

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

7 Staff costs

The director's aggregate remuneration in respect of qualifying services was:

	2018	13 months ended 31 March 2017
	£	£
Remuneration	<u>10,000</u>	<u>5,000</u>

The remuneration of Michael Youkee, Andrew Cowan and Jeremy Titchen totalled £10,000 (2017: £5,000). This was the total remuneration of all key management personnel. The remuneration paid to the highest paid director totalled £5,000 (2017: £2,500).

Average number of employees, excluding directors, of the company during the year was nil (2017: nil)

8 Tax on deficit on social housing activities

	2018	13 months ended 31 March 2017
	£	£
Current taxation		
UK corporation tax	-	-
Tax charge/(credit) in the profit and loss account	<u>-</u>	<u>-</u>
	2018	2017
	£	£
Tax reconciliation		
Deficit on social housing activities	<u>(63,994)</u>	<u>(97,369)</u>
Tax on profit on social housing activities at UK corporation tax rate of 19% (2017 : 20%)	(12,159)	(19,474)
Effects of:		
REIT exempt income and gains	1,218	-
Decrease in fair value of property & investments	10,941	-
Group Relief	-	<u>19,474</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

8 Tax on deficit on social housing activities (continued)

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. This rate reduction has been reflected in the calculation of deferred tax on the Balance Sheet date, where relevant.

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

9 Investment properties

	£
Fair value	
1 April 2017	-
Additions	2,107,584
Revaluation	<u>(57,584)</u>
31 March 2018	<u>2,050,000</u>
Fair value	
1 April 2016	<u>-</u>
31 March 2017	<u>-</u>
Analysis of cost and valuation	
31 March 2018	
Cost	<u>2,050,000</u>
Net book value	<u>2,050,000</u>
31 March 2017	
Net book value	<u>-</u>

At 31 March 2018 the book value of leasehold investment properties owned by the company was £2,050,000 (2017: £nil).

Investment properties are valued by adopting the "investment method" of valuation. This approach involves applying capitalisation yields to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable property and leasing transactions in the market, using the valuers' professional judgement and market observation, and taking into account the continued use of the property for social housing. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Properties were valued to fair value at 31 March 2018 by Cushman & Wakefield, independent valuers not connected with the company, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

The company leases out all of its investment properties under shorthold tenancy agreements. The future aggregate minimum rentals receivable under non-cancellable agreements are as follows:

	31 March 2018 £	31 March 2017 £
Leases less than one year	<u>124,861</u>	<u>-</u>

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

9 Investment properties (continued)

Units owned and managed

	2018 Units	2017 Units
Affordable rent	6	-
Intermediate rent	5	-
General needs	11	-

10 Debtors

	31 March 2018 £	31 March 2017 £
Trade debtors	1,323	-
Amounts due from related parties	120,962	2,361
	<u>122,285</u>	<u>2,361</u>

Debtors from related parties relate to amounts due from group companies which are repayable on demand. There is no interest charged on these balances.

11 Cash and cash equivalents

	31 March 2018 £	31 March 2017 £
Cash at bank	95	-

12 Creditors due within one year

	31 March 2018 £	31 March 2017 £
Trade creditors	6,300	-
Accrued expenses	7,713	-
	<u>14,013</u>	<u>-</u>

Amounts due to related parties relate to amounts owed to group companies which are repayable on demand. Interest is charged on these balances in accordance with the group policy on intercompany loan accounts.

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

13 Share capital

Allotted, called up and fully paid shares

	No.	31 March 2018 £	No.	31 March 2017 £
Ordinary shares of £1 each	2,320,000	2,320,000	100,000	100,000

During the period, the company allotted 2,220,000 shares with a nominal value of £1 each for intercompany debt.

14 Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2017: £nil)

15 Contingent liabilities

The company had no contingent liabilities as at 31 March 2018.

16 Related party transactions

At the year end the company was due an amount from BL Intermediate Holding Company Limited of £120,962 (2017: £2,361). There is no interest charged on amounts due from group companies which are repayable on demand.

During the year, the company entered into an arms length transaction with Piccadilly Residential Limited and acquired a property for £2,050,000.

Neither BL Intermediate Holding Company Limited nor Piccadilly Residential Limited are for-profit registered providers of social housing. Both companies are wholly owned subsidiaries of The British Land Company PLC.

17 Subsequent events

There have been no significant events since the year end.

18 Recycled Capital Grant Fund (RCGF)

From incorporation to the balance sheet date the Company has received no capital grants. Therefore there are no balances to disclose in respect of capital grant funds in accordance with the Accounting Direction for Private Registered Providers of Social Housing, issued by Homes England.

19 Disposal Proceeds Fund (DPF)

From incorporation to the balance sheet date the Company has made no disposals of property. Therefore there are no balances to disclose in respect of disposal proceeds in accordance with the Accounting Direction for Private Registered Providers of Social Housing, issued by the Homes England.

Seymour Street Homes Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

20 Parent and ultimate parent undertaking

The immediate parent company is BL Intermediate Holding Company Limited.

The British Land Company PLC is the smallest and largest group for which group accounts are available and which include the company. No other entities within the group are for-profit private registered providers of social housing. The ultimate holding company and controlling party is The British Land Company PLC. Group accounts for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.