

GS Woodland Court Management GP Limited

Directors' Report and Financial Statements

For the year ended 31 December 2016



27-9-17

GS Woodland Court Management GP Limited
Company Information

Directors	Mark Allnutt	(appointed 8 September 2017)
	Joshua Carper	
	Wesley Fuller	
	Jeff Manno	(appointed 5 February 2016, resigned 8 September 2017)
	Isabel Peacock	(appointed 8 September 2017)
	Derek Ramsey	(appointed 24 March 2017)
	Angela Russell	(appointed 23 August 2016)

Company number 08999021

Registered office Asticus Building
2nd Floor, 21 Palmer Street
London
SW1H 0AD

GS Woodland Court Management GP Limited
Contents

	Page
Directors' Report	1
Income Statement	2
Balance Sheet	3
Notes to the financial statements	4 to 5

GS Woodland Court Management GP Limited

Directors' Report

The Directors present their report and financial statements for GS Woodland Court Management GP Limited (the "Company") for the year ended 31 December 2016.

Principal activities

The principal activity of the Company is that of a General Partner in the GS Woodland Court Management Limited Partnership, a UK registered Limited Partnership. The Limited Partnership manages Chapter Islington, a well located, direct let student accommodation property. The Directors do not recommend the payment of a dividend for the year.

Directors

The following Directors have held office or been appointed since 1 January 2016:

Mark Allnutt	Appointed 8 September 2017
Joshua Carper	
Wesley Fuller	
Jeff Manno	Appointed 5 February 2016, resigned 8 September 2017
Isabel Peacock	Appointed 8 September 2017
Derek Ramsey	Appointed 24 March 2017
Angela Russell	Appointed 23 August 2016
Brett Lashley	Appointed 15 May 2014, resigned 5 February 2016

Events since the balance sheet date

There have been no significant events since the balance sheet date.

Statement of Directors' responsibilities in respect of the Director's Report and the financial statements

The Directors are responsible for preparing the Directors' 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 Financial Reporting Standard 102 Section 1A Small Entities Regime. 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 for the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable Financial Reporting Standard 102 Section 1A Small Entities Regime 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.

Approved by the Board of Directors and signed on behalf of the Board



Angela Russell
Director
26 September 2017

GS Woodland Court Management GP Limited
Income Statement
For the year ended 31 December 2016

During the current and comparative years there were no income or expense items and therefore a detailed income statement has not been prepared.

All of the activities of the Company are classed as continuing.

There were no recognised gains or losses other than those included in the Income Statement and as a result no separate Statement of Comprehensive Income is disclosed.

GS Woodland Court Management GP Limited
Balance Sheet
At 31 December 2016

	Notes	2016 £	2015 £
Non-current assets			
Investments in associates		1	1
Current assets			
Trade and other receivables	3	1	1
Current liabilities			
Trade and other payables	4	(1)	(1)
Net current assets		-	-
Net assets		1	1
Equity			
Share capital	5	1	1
Retained earnings		-	-
Total equity attributable to the owners of the Company		1	1

For the financial year ending 31 December 2016, the Company was entitled to an exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No members have required the Company to obtain an audit of its accounts for the year ending 31 December 2016 in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

Approved by the Board and authorised for issue on 26 September 2017.



Angela Russell
Director

Company Registration No. 08999021

GS Woodland Court Management GP Limited
Notes to the financial statements
For the year ended 31 December 2016

1. Accounting policies

1.1 General information

The Company is a company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The principal activity of the Company is that of a General Partner in the GS Woodland Court Management Limited Partnership, a UK registered Limited Partnership. The Limited Partnership manages Chapter Islington, a well located, direct let student accommodation property.

The principal accounting policies adopted by the Company are set out below.

1.2 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A Small Entities, as issued by the Financial Reporting Council, and under the historical cost convention.

As a General Partner of GS Woodland Court Management Limited Partnership, the Company manages, on a day to day basis (along with its joint General Partner, GS Woodland Court Management Nominee Limited), the Limited Partnership.

The Company has taken advantage of the exemption in FRS 102 from the requirement to produce a cash flow statement.

1.3 Going concern

After making inquiries, and based on the fact that Company has net assets, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the year end date.

2. Employees

During the year £nil was paid to the Directors of the Company (2015: £nil).

During the year there were no direct employees of the Company (2015: none).

3. Trade and other receivables

	2016 £	2015 £
Amounts owed by group undertakings	<u>1</u>	<u>1</u>

GS Woodland Court Management GP Limited
Notes to the financial statements
For the year ended 31 December 2016

4. Trade and other payables

	2016 £	2015 £
Amounts due to group undertakings	<u>1</u>	<u>1</u>

5. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 (2015: 1) ordinary share of £1 each	<u>1</u>	<u>1</u>

6. Related parties

The Company has taken advantage of the disclosure exemption available under FRS 102 and has not disclosed related party transactions between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

7. Contingent liabilities

On 8 May 2014 a credit agreement was executed providing GS Woodland Court Limited Partnership, GS Great Suffolk Street Unit Trust and GS Wedgwood Court Unit Trust (the "Borrowers") a loan facility of £122.85 million. The debt has a maturity date of 8 May 2019 and as of 31 December 2016 and 31 December 2015, the balance of the debt was £117.98 million. The debt is held with Metropolitan Life Insurance Company and is secured through fixed and floating charges over the assets of the Borrowers and their subsidiaries, including the Company.

8. Parent and ultimate controlling party

The Company's immediate parent undertaking is Greystar London Limited, a company incorporated in England and Wales. The Company's ultimate parent undertaking is Greystar Real Estate Partners, LLC, a Delaware registered company.

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Greystar Real Estate Partners, LLC.

GS Woodland Court Management Limited Partnership

Report and Audited Financial Statements
Registration No. LP013539

For the year ended 31 December 2016

GS Woodland Court Management Limited Partnership

Officers and Professional Advisers

Limited Partner

GS Woodland Court Management Limited Partnership

General Partner

GS Woodland Court Management GP Limited

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Property Manager

Greystar Europe Holdings Limited
15 Finsbury Circus
Finsbury Circus
London
EC2M 7EB

Registered Office

15 Finsbury Circus House
Finsbury Circus
London
EC2M 7EB

GS Woodland Court Management Limited Partnership

Contents

General Partner's Report	1
Statement of General Partner's Responsibilities	3
Independent Auditor's Report	4
Income Statement	6
Statement of Financial Position	7
Statement of Changes in Equity	8
<i>Cash Flow Statement</i>	9
Notes to the Financial Statements	10

GS Woodland Court Management Limited Partnership

General Partner's Report

The General Partner presents its report for the year ended 31 December 2016.

GS Woodland Court Management Limited Partnership (the "Partnership") was established on the 9 July 2009 and was registered as a Limited Partnership under the Limited Partnership Act 1907.

Principal activity

The principal activity of the Partnership during the year was the operation of student accommodation. The Partnership commenced activity in September 2010. The results for the year are shown on the Income Statement. The Partnership leases Chapter Islington, a well located direct let property, from a related party and in turn leases the accommodation to university students.

Review of the business

The Partnership's key financial and other performance indicators during the year were as follows:

	2016 £000	2015 £000
Rental income	6,470	5,534
Operating profit	647	30
Net assets	<u>664</u>	<u>17</u>

Results and Distributions

The results of the year are set out in the accompanying Income Statement which shows an operating profit for the year ended 31 December 2016 of £647,000 (2015: £30,000).

No distributions were paid during the year (2015: £291,000) to the Limited Partner.

Going concern

Note 2 sets out the basis upon which the General Partner believes that it remains appropriate to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

The management of the business and execution of the strategy are subject to a number of risks. The principal risks affecting the Partnership are provided in Note 11.

General Partner

The General Partner during the year and up to the date of this report is GS Woodland Court Management GP Limited.

Future developments

The General Partner anticipate that the activity of the Partnership will continue for the foreseeable future.

Events since the statement of financial position date

There have been no significant events since the statement of financial position date.

Strategic Report

The Partnership has taken the exemption under section 414B of the Companies Act 2006 for the requirement to prepare a Strategic Report for the financial year.

GS Woodland Court Management Limited Partnership

General Partner's Report

General Partner and indemnity

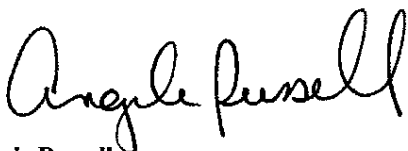
Each Director of the General Partner shall be indemnified by the General Partner against all liabilities, costs and expenses incurred in the execution and discharge of their duties.

Disclosure of information to the auditor

So far as the General Partner at the date of approving the report is aware, there is no relevant audit information being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. The General Partner has taken all the steps that they are obliged to take as a General Partner in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Ernst & Young LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Signed on behalf of the General Partner of GS Woodland Court Management Limited Partnership.



Angela Russell
Director, GS Woodland Court Management GP Limited

29 June 2017

GS Woodland Court Management Limited Partnership

Statement of General Partner's Responsibilities

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

The Partnership (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year. Under that law, the General Partner has elected to prepare financial statements under International Financial Reporting Standards as adopted by the European Union.

The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership at the end of the financial year and of the profit or loss for that year. In preparing those financial statements the General Partner is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable International Financial Reporting Standards as adopted by the European Union have 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 Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Partnerships (Accounts) Regulations 2008. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner is responsible for the maintenance and integrity of the corporate and financial information included on the Partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GS Woodland Court Management Limited Partnership

Independent Auditor's Report to the Members of GS Woodland Court Management Limited Partnership

We have audited the financial statements of GS Great Suffolk Street Management Limited Partnership for the period ended 31 December 2016, which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the General Partner's Responsibilities Statement set out on page 2, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Audited Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to the qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by The Partnership (Accounts) Regulations

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the General Partner's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the General Partner's Report has been prepared in accordance with applicable legal requirements.

GS Woodland Court Management Limited Partnership

Independent Auditor's Report to the Members of GS Woodland Court Management Limited Partnership

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the General Partner's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to take advantage of the small companies' exemption in preparing the General Partner's report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Ernst & Young LLP

Daniel Saunders (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

29 June 2017

GS Woodland Court Management Limited Partnership

Income Statement

for the year ended 31 December 2016

	Notes	2016 £000	2015 £000
Revenue	3	6,470	5,534
Other operating charges		<u>(5,823)</u>	<u>(5,504)</u>
Operating Profit	5	<u>647</u>	<u>30</u>
Profit for the year		<u>647</u>	<u>30</u>

All activities derive from continuing operations.

There were no recognised gains or losses other than those included in the Income Statement and as a result no separate *Statement of Comprehensive Income* is disclosed.

The notes on pages 10 to 20 form part of these financial statements.

GS Woodland Court Management Limited Partnership

Statement of Financial Position

As at 31 December 2016

	Notes	31 December 2016 £000	31 December 2015 £000
ASSETS			
<i>Current assets</i>			
Trade and other receivables	7	77	479
Cash and cash equivalents		3,853	2,366
Restricted cash	6	106	167
Total assets		4,036	3,012
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	8	3,372	2,995
Total liabilities		3,372	2,995
Net assets		664	17
Represented by:			
Partners' capital account	9	-	-
Partners' current accounts	9	664	17
Total Partner's accounts		664	17

The notes on pages 10 to 20 form part of these financial statements.

The financial statements of GS Woodland Court Management Limited Partnership, were approved by the General Partner and authorised for issue on their behalf on 2nd June 2017.

Signed on behalf of the General Partner



Angela Russell
Director, GS Woodland Court Management GP Limited

GS Woodland Court Management Limited Partnership

Statement of Changes in Equity

As at 31 December 2016

	Partners' capital Account £000	Partners' current Account £000	Total £000
At 1 January 2015	-	278	278
Profit for the period	-	30	30
Distribution during the year	-	(291)	(291)
At 31 December 2015	-	17	17
Profit for the year	-	647	647
At 31 December 2016	-	664	664

The notes on pages 10 to 20 form part of these financial statements.

GS Woodland Court Management Limited Partnership

Cash Flow Statement

For the year ended 31 December 2016

	2016 £000	2015 £000
Cash flow from operating activities		
Profit for the year	647	30
	<u>647</u>	<u>30</u>
Decrease in restricted cash	61	-
Decrease in trade and other receivables	402	217
Increase in trade and other payables	377	157
Cash generated from operating activities	<u>1,487</u>	<u>404</u>
Net cash flow generated from operating activities	<u>1,487</u>	<u>404</u>
Cash Flows From Financing Activities		
Distributions	-	(291)
Net cash flow used in financing activities	<u>-</u>	<u>(291)</u>
Increase in cash and cash equivalents	1,487	124
Cash and cash equivalents at beginning of year	<u>2,366</u>	<u>2,242</u>
Cash and cash equivalents at end of year	<u><u>3,853</u></u>	<u><u>2,366</u></u>

The notes on pages 10 to 20 form part of these financial statements.

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

1. General information

The principal accounting policies adopted by the Partnership during the year ended 31 December 2016 are set out in Note 2. The Partnership is incorporated and domiciled in the England and Wales. The registered office of the Partnership is 15 Finsbury Circus House, Finsbury Circus, London, EC2M 7EB.

The principal activity of the Partnership is the operation of student accommodation.

2. Accounting policies

Statement of compliance

The Partnership has adopted International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and Regulation 4 of the Partnerships (Accounts) Regulations 2008 and in accordance with the Limited Partnership Agreement dated 11 March 2016. The financial statements have been prepared in accordance with IFRS-EU interpretations issued by the International Financial Reporting Interpretation Committee (IFRICs), as they apply to the financial statements of the Partnership for the year ended 31 December 2016.

Basis of preparation

The financial statements are prepared on the historical cost basis. The financial statements are presented in British Pounds.

New and amended standards and interpretations

The accounting policies adopted are consistent with IFRS-EU. During the year, there were no new or amended standards or interpretations adopted by the Partnership.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Partnership intends to adopt these standards, if applicable, when they become effective.

		<i>Effective for years commencing</i>
IFRS 7	Statement of Cash Flows — Disclosure Initiative*	1 January 2017
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS	Annual Improvements to IFRSs 2014 – 2016 Cycle	1 January 2017

*Refers to an amendment to the existing standard

The above standards and interpretations are expected to be adopted in accordance with their effective dates and have not been adopted in these financial statements. The General Partner is currently considering the impact on the financial statements in the year of initial application.

Going concern

The General Partner is required to make an assessment of the Partnership's ability to continue as a going concern for the foreseeable future and has assessed the Partnership's debt and cash position, including the Partnership's ability to meet its day to day working capital requirements and forecast cash flow requirements. At the balance sheet date the Limited Partnership has a net current asset position and the General Partner considers the Partnership to have sufficient funds to meet its liabilities as and when they fall due. Accordingly, the General Partner has concluded it is appropriate to prepare the financial statements on a going concern basis.

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

2. Accounting policies (continued)

Accordingly, the General Partner has concluded it is appropriate to prepare the financial statements on a going concern basis.

Partners' accounts

Under the Limited Partnership Agreement the Limited Partner shall be entitled to all of the profits of the Partnership. The General Partner determines the timing and amount of the distribution. Under IAS 32, the Partner's accounts are classified as equity. Distributions are recognised in the statement of changes in equity.

Partners' accounts comprise the following:

- Partners' capital accounts represent the nominal value of capital; and
- Partners' current accounts represent all Partnership income attributable to Partners.

Financial instruments

Financial instruments recognised on the statement of financial position include trade and other receivables, prepayments and accrued income, cash and cash equivalents, restricted cash and trade and other payables.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the statement of financial position when the Partnership becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Partnership commits to purchase or sell the financial asset.

De-recognition of financial assets and liabilities

A financial asset, or a portion of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Partnership retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Partnership has transferred the rights to receive cash flows from the asset and either:
 - (i) has transferred substantially all the risks and rewards of the asset; or
 - (ii) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

Trade and other receivables

Trade and other receivables are recognised at their original invoiced value, deemed to be fair value. When the time value of money is material, trade and other receivables are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the receivables are derecognised or impaired, as well as through the amortisation process.

A provision is made when there is objective evidence that the Partnership will not recover balances in full. As of 31 December 2016 no provision has been recorded in the Statement of Financial Position (2015: £nil).

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

2. Accounting policies (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the Partnership after deducting all liabilities. Any instrument that includes a repayment obligation is classified as a liability.

Trade and other accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in the income statement when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Where the contractual liabilities of financial instruments are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities, and are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Cash and cash equivalents

Cash and cash equivalents include cash at banks with an original maturity of three months or less.

Tenant deposits

Tenant deposits are recognised at their original invoiced amounts. Tenant deposits are included within trade and other payables in the statement of financial position.

Revenue recognition

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and is included in revenue in the Income Statement. There are different types of rental agreements and related income:

- Direct let income agreements are directly made with an individual resident; the lessor assumes the leasing risk.
- Nomination agreements are agreements with a university or other institution for a group of rooms, whereby the lessee assumes the leasing risk for the associated rooms.

Revenue is recognised on an accruals basis, as amounts are contractually earned from the tenants.

Finance income and expense

Interest income and expense are recognised within 'finance income' and 'finance costs', and are recognised on an accruals basis in the Income Statement in the year in which they are incurred.

Impairment of financial assets

The Partnership's assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

2. Accounting policies (continued)

Assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred, it is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of income statement.

The Partnership first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS-EU requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting policies and estimates in determining the financial condition and results of the Partnership are those requiring a greater degree of subjective or complete judgement.

Operating Lease contracts — the Partnership as a lessor

The Partnership has entered into residential property leases. The Partnership has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments, that it retains all the significant risks of ownership of these properties and so accounts for the leases as operating leases.

Operating Lease contracts – lessee

The Partnership has an operating lease agreement with its Parent Company, GS Woodland Court Unit Trust, in relation to land and buildings for an amount which is dependent on the performance of the business. The amount is calculated in accordance with the lease agreement.

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

3. Revenue

	2016	2015
	£000	£000
Rental income	<u>6,470</u>	<u>5,534</u>

4. Operating leases — Partnership as lessor

The Partnership has entered into leases on its property portfolio.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	31 December 2016	31 December 2015
	£000	£000
Less than one year	2,267	2,266
After one year but not more than five years	-	-
More than five years	-	-
	<u>2,267</u>	<u>2,266</u>

5. Operating Profit

Operating Profit for the year ended 31 December is stated after charging:

	2016	2015
	£000	£000
Auditors remuneration - audit service	15	10
Operating lease payments - land and building	<u>4,081</u>	<u>3,510</u>

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

6. Restricted cash

At 31 December 2016 the Partnership holds restricted cash totalling £106,000 on behalf of tenants (2015: £167,000). The tenant deposits are held as security in respect of rental income in arrears and dilapidations caused by tenants.

7. Trade and other receivables

	31 December 2016 £000	31 December 2015 £000
Trade receivables	17	330
Amounts due from related entities	42	42
Other receivables	-	63
Prepayments and accrued income	18	44
	<u>77</u>	<u>479</u>

Trade and other receivables are presented net of an allowance for doubtful accounts, which totalled £70,241 as at 31 December 2016 (2015: £nil). The short term carrying values are considered to be a reasonable approximation of fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. Tenant deposits are held which provide security against rental arrears and property dilapidations caused by the tenant. The Partnership does not hold any other collateral as security.

8. Trade and other payables

	31 December 2016 £000	31 December 2015 £000
Trade payables	53	253
Amounts due to related entities	1,202	783
Accruals and deferred income	1,855	265
Other payables	262	1,694
	<u>3,372</u>	<u>2,995</u>

The short term carrying values are considered to be a reasonable approximation of fair value.

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

9. Partners' accounts

	GS Woodland Court Unit Trust £000	GS Woodland Court Management GP Limited £000	Total £000
Capital Accounts			
At 1 January 2016 and 31 December 2016	-	-	-
Current Accounts			
At 1 January 2015	278	-	278
Distributions in the year	(291)	-	(291)
Contributions in the year	-	-	-
Share of profit in the year	30	-	30
At 31 December 2015	17	-	17
At 1 January 2016	17	-	17
Distributions in the year	-	-	-
Contributions in the year	-	-	-
Share of profit in the year	647	-	647
At 31 December 2016	664	-	664
Total Partners Accounts			
at 31 December 2016	664	-	664
at 31 December 2015	17	-	17

No interest is charged on the Partners' capital or current accounts.

The Limited Partnership Agreement specifies the provisions for capital contributions, distributions and allocations of profit and loss among the Partners. The Limited Partnership profit is distributed to the Limited Partner in accordance with the provisions of the Limited Partnership Agreement. The General Partner Shall not be entitled to any share of the profits of the Partnership.

All profits of the Partnership shall be distributed in accordance with the Limited Partnership Agreement at such times and in such amounts as the General Partner shall determine.

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

10. Related parties

Related Party	Relationship
Public Sector Pension Investment Board	Ultimate Controlling Party
GS London Portfolio 1 Unit Trust	Intermediate parent
GS London Portfolio 1 Minority Holder, LLC	Investor
GS Woodland Court Management GP Limited	General Partner
GS Woodland Court Limited Partnership	Limited Partner
GS Woodland Court Unit Trust	Intermediate parent
GS Woodland Court Management Nominee Limited	Fellow subsidiary
GS Woodland Court GP 1 Limited	Fellow subsidiary
GS Woodland Court GP 2 Limited	Fellow subsidiary
GS Great Suffolk Street Management Nominee Limited	Fellow subsidiary
GS Great Suffolk Street Management GP Limited	Fellow subsidiary
GS Great Suffolk Street Limited	Fellow subsidiary
GS Great Suffolk Street Unit Trust	Fellow subsidiary
GS Great Suffolk Street Management Limited Partnership	Fellow subsidiary
GS Wedgwood Court Management Limited Partnership	Fellow subsidiary
GS Wedgwood Court Unit Trust	Fellow subsidiary
GS Wedgwood Court Limited	Fellow subsidiary
GS Wedgwood Court Management GP Limited	Fellow subsidiary
GS Wedgwood Court Management Nominee Limited	Fellow subsidiary

Related party transactions

The Partnership had the following transactions with related parties.

Year ended 31 December 2016

Description	Related Party	Fees charged £000	Due from related party at year end £000	Due to related party at year end £000
Payroll costs	Greystar Europe Holdings Limited	88	-	-
Payroll costs	Greystar London Limited	272	-	-
Property management fees and reimbursable expenses	Greystar Europe Holdings Limited	151	-	-
Property management fees and reimbursable expenses	Greystar London Limited	207	-	-
Net turnover rent	GS Woodland Court Unit Trust	4,081	-	1,202
Intercompany receivable	GS Woodland Court Unit Trust	-	42	-
		4,799	42	1,202

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

10. Related parties (continued)

Year ended 31 December 2015

Description	Related Party	Fees charged £000	Due from related party at year end £000	Due to related party at year end £000
Payroll costs	Greystar Europe Holdings Limited	217	-	-
Property management fees and reimbursable expenses	Greystar Europe Holdings Limited	321	-	6
Net turnover rent	GS Woodland Court Unit Trust	853	42	777
		<u>1,391</u>	<u>42</u>	<u>783</u>

Property Management Fees

On 15 May 2014, the General Partners appointed Greystar London Limited as the Partnership's Property Manager, with the agreement novated to Greystar Europe Holdings Limited on 14 November 2016. The Property Manager is entitled to a Property Management Fee of 4.5% of the aggregate gross revenues collected from the investment property. The total fee charged for the year ended 31 December 2016 amounted to £350,000 (2015: £249,000). Reimbursable expenses charged for the year ended 31 December 2016 amounted to £9,000 (2015: £8,000).

11. Financial risk management

Risk management objectives and policies

The Partnership's principal financial assets comprise cash and cash equivalents, trade and other receivables and amounts due from related companies. The principal financial liabilities comprise trade and other payables and amounts due to related companies.

The Partnership's business activities expose it to various financial risks, in particular credit risk and liquidity risk. The Partnership establishes rules for managing each of these types of risk; the rules are briefly discussed below.

Credit risk

Credit risk is the risk of financial loss to the Partnership if a counterparty fails to meet its obligations under a financial instrument. The Partnership is exposed to credit risk through its holding of cash and cash equivalent balances, and through trade receivable balances due to the Partnership.

The Partnership's cash and cash equivalents are held with reputable UK banks. Cash is held either on current account or on short-term deposit at fixed rates of interest. The fair value of cash and cash equivalents at 31 December 2016 and 2015 did not differ materially from their carrying value. Counterparty credit risk is mitigated by using only counterparties with an A or A2 approved rating with Standard & Poor's or Moody's rating agency.

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

11. Financial risk management (continued)

Trade receivables, primarily tenant rentals, are presented in the statement of financial position net of allowances for doubtful receivables. Impairment provisions are recorded where there is objective evidence that the Partnership will not be able to recover amounts due to it. Credit risk is managed by requiring tenants to pay deposits on rented units, and paying rentals in advance.

Liquidity risk

Liquidity risk is the risk that the Partnership is unable to meet its obligations as they fall due.

The Partnership manages liquidity risk by monitoring budgets of the Partnership's operations and by forecasting operating cash flows. All amounts are due within one year.

Market risk

Market risk is the risk that the fair value of the Partnership's financial instruments fluctuate because of changes in interest rate, foreign exchange or other price risk.

Set out below is a comparison by class of the carrying amounts and fair value of the Partnership's financial instruments that are carried in the financial statements.

31 December 2016	Carrying Amount £000	Fair Value £000
Financial Assets		
Trade and other receivables	77	77
Cash and cash equivalents	3,853	3,853
Restricted cash	106	106
Financial Liabilities		
Trade and other payables	3,372	3,372
31 December 2015	Carrying Amount £000	Fair Value £000
Financial Assets		
Trade and other receivables	479	479
Cash and cash equivalents	2,366	2,366
Restricted cash	167	167
Financial Liabilities		
Trade and other payables	2,995	2,995

GS Woodland Court Management Limited Partnership

Notes to the Financial Statements

For the year ended 31 December 2016

12. Controlling party

The Partnership is managed on a day to day basis by GS Woodland Court Management GP Limited as the General Partner to the Partnership. The Partnership is ultimately controlled and consolidated into the Public Sector Pension Investment Board, a Canadian Crown Corporation.

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Partnership is a member is the Public Sector Pension Investment Board.

13. Contingencies

On 8 May 2014 a credit agreement was executed providing GS Woodland Court Limited Partnership, GS Great Suffolk Street Unit Trust and GS Wedgwood Court Unit Trust (the "Borrowers") a loan facility of £122.85 million. The debt has a maturity date of 8 May 2019 and as of 31 December 2016 and 31 December 2015, the balance of the debt was £117.98 million. The debt is held with Metropolitan Life Insurance Company and is secured through fixed and floating charges over the assets of the Borrowers and their subsidiaries, including the Partnership.

14. Capital Management

The primary objective of the Partnership's capital management is to ensure that it maintains a positive net asset value and has net current assets, which will allow the Partnership to meet its liabilities as they fall due. The Partnership does this by not distributing funds to the Partners unless the Partnership has sufficient cash to meet its ongoing obligations and commitments. The Partnership has no external capital requirements or obligations.

15. Subsequent events

The Limited Partnership has evaluated all material subsequent events through the date the financial statements were issued and no material events have occurred subsequent to 31 December 2016.