Schroders

Annual Report and Accounts 2020

Social Supported Housing CIP LLP

Year Ended 31 December 2020

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Registered Number: OC427310

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Members and professional advisers

Members

CHA SSH GP Limited
Schroder Real Estate (CIP) GP S.à r.l. (from 21 April 2021)
Schroder Investment Company Limited (up to 21 April 2021)

Registered office

1 London Wall Place
London
EC2Y 5AU

Independent auditors

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Members' report

The Members present their report and the audited financial statements of Social Supported Housing CIP LLP ('the Partnership') for the year ended 31 December 2020.

The information in the Members' report and the Statement of Members' responsibilities forms part of this Members' report.

Results and review of the business

The profit for the year was £nil (period ended 31 December 2019: £nil).

The principal activity of the Partnership is to act as the carried interest partner of Social Supported Housing LP ('the Fund Partnership') and to receive distributions of carried interest from the Fund Partnership.

The Partnership's operating principles are expected to remain unchanged during the next financial year.

The Members consider the results and the Partnership's financial position at 31 December 2020 to be satisfactory.

Covid-19 had an impact on nearly every aspect of people's lives with the pandemic impacting investor sentiment and leading to market volatility. Due to the nature of the Partnership there has been a minimal impact.

The UK left the European Union (EU) on 31 January 2020 and entered a 'transition period' while the UK Government negotiated its future relationship with the EU. On 24 December 2020, both parties announced that they had reached consensus on a free trade agreement, the UK-EU Trade and Cooperation Agreement ('Agreement'), with its terms taking effect immediately after the transition period concluded on 31 December 2020. As widely anticipated, the agreement does not make provision for financial services firms in the UK to continue to access the EU single market and, as a result, those firms lost their passporting rights.

The Partnership remains well positioned for the loss of passporting rights for financial services without making significant changes to its operating models. The Partnership continues to closely monitor future negotiations and regulatory developments with respect to financial services including any frameworks for regulatory cooperation between the UK and the EU that might affect its business or clients. The Partnership is well placed to weather these challenges and adapt to ongoing changes in the political, economic and regulatory environment.

Principal risks and uncertainties

The main business risk of the Partnership is a decline in value of the Fund Partnership. The Members regularly review the financial and operational performance to ensure that any deterioration in performance is highlighted and any necessary action taken.

Key performance indicators

The Members of the Partnership consider a number of key performance indicators ('KPIs') for the Partnership. The KPIs are assessed by considering the Partnership's performance and position against the strategic objectives of the Fund Partnership, including assets under management, revenue and expenses.

Members' report (continued)

General information

The Partnership was established on 10 May 2019 and registered as a limited liability partnership in England and Wales under the Limited Liability Partnership Act 2000.

Future developments

Commentary on the future developments of the Partnership is disclosed within the Results and review of the business section of the Members' report.

Distributions

No distributions were made to members during the year ended 31 December 2020 (31 December 2019: £nil).

Risk management and use of financial instruments

The Partnership's specific risk exposures to financial instruments are explained in note 9 to the financial statements.

Going Concern

Taking all the above factors into consideration, including the nature of the Partnership and its business, the Members are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that the Partnership has adequate resources to continue in operational existence for a period of 12 months from the date the Annual Report and Accounts is signed. For this reason the Members continue to adopt the going concern basis in preparing the financial statements.

Management

Under the terms of the Members' Agreement dated 11 July 2019, the Members are responsible for the management of the Partnership.

Political contributions

The Partnership did not make any political donations nor incur any political expenditure during the period.

Employment policy

The Partnership had no employees during the period (2019: none).

Independent auditors and disclosure of information to independent auditors

In accordance with Section 487(2) of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and in the absence of a notice proposing that the appointment be terminated at a general meeting, the current auditors, Ernst & Young LLP, are deemed to be reappointed for the next financial year.

To the best of the Members' knowledge there is no relevant audit information of which the Partnership's auditors are unaware. Each of the Members has taken all reasonable steps that ought to have been taken by him or her as a Member in order to make himself or herself aware of any relevant audit information and to establish that the Partnership's auditors are aware of such information.

Members' report (continued)

Statement of Members' responsibilities

The Members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Regulations requires the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice); including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland ('FRS 102'). Under company law as applied to limited liability partnerships the Members 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 partnership and of the profit or loss of the partnership for that period. In preparing the financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Members are 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 Companies Act 2006 as applied to limited liability partnerships by the Regulations.

The Members 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.

Approved by the Members and signed on its behalf by:

Sonia Jenkins, Authorised signatory for and on behalf of:
Schroder Real Estate (CIP) GP S.à r.l.

Bruno Lance, Authorised signatory for and on behalf of:
Schroder Real Estate (CIP) GP S.à r.l.

Registered Office:
1 London Wall Place
London. EC2Y 5AU
Registered in England and Wales No: OC427310

29 September 2021

Independent auditor's report to the members of Social Supported Housing CIP LLP

Opinion

We have audited the financial statements of Social Supported Housing CIP LLP (the 'limited liability partnership') for the year ended Social Supported Housing CIP LLP which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in Members' interests, the cash flow statement and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The corresponding amounts for the year ended 31 December 2019 are unaudited.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for twelve months from the date the Annual Report and Accounts is signed.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

Independent auditor's report to the members of Social Supported Housing CIP LLP (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability 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
- we have not received all the information and explanations we require for our audit

Responsibilities of members

As explained more fully in the Statement of Members' responsibilities set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Social Supported Housing CIP LLP (continued)

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are those that relate to the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable to the UK and Republic of Ireland and relevant tax compliance regulations.
- We understood how the limited liability partnership is complying with those frameworks by making enquiries of management. We corroborated our understanding through our review of the minutes from meetings between the Members of the limited liability partnership.
- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the controls that the limited liability partnership has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment; and how management monitors these controls.
- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the controls that the limited liability partnership has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment; and how management monitors these controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Social Supported Housing CIP LLP (continued)

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julian Young (Senior Statutory Auditor)
For and on behalf of Ernst and Young LLP
Statutory Auditor
London

30 September 2020

Income statement

for the year ended 31 December 2020

	Notes	2020 £	Unaudited Period ended 31 December 2019 £
Revenue	2	4	-
Net losses on financial instruments and other income	3	(4)	-
Profit for the period available for distribution amongst members		**-**	**-**

Statement of comprehensive income

for the year ended 31 December 2020

	2020 £	Unaudited Period ended 31 December 2019 £
Profit for the period	-	-
Total comprehensive income for the period	**-**	**-**

Statement of financial position

as at 31 December 2020

	Notes	2020 £	Unaudited Period ended 31 December 2019 £
Assets			
Trade and other receivables	6	105	101
Financial assets	7	97	101
Total assets		**202**	202
Liabilities			
Trade and other payables	8	101	101
Total liabilities		**101**	101
Net assets		**101**	101
Total Members' equity		**101**	101

The financial statements on pages 9 to 19 were approved by the Members' on 29 September 2021 and were signed on its behalf by:

andrew dawber

Andrew Dawber
Member
For and on behalf of
CHA SSH GP Limited

Sonia Jenkins
Member
For and on behalf of
Schroder Real Estate (CIP) GP S.à r.l.

Bruno Lance
Member
For and on behalf of
Schroder Real Estate (CIP) GP S.à r.l.

Registered Number: OC427310

Statement of changes in Members' interests

for the year ended 31 December 2020

	Members' capital £	Total £
At 1 January 2020	101	101
At 31 December 2020	**101**	**101**

for the period ended 31 December 2019 (unaudited)

	Members' capital £	Total £
At 10 May 2019	101	101
At 31 December 2019	101	101

Cash flow statement

for the year ended 31 December 2020

	2020 £	Unaudited Period ended 31 December 2019 £
Operating activities		
Operating profit	-	-
Adjustments for statement of financial position movements:		
Unrealised losses on financial assets	4	-
Increase in trade and other receivables	(4)	(101)
Increase in trade and other payables	-	101
Net cash used in operating activities	-	-
Net increase in cash and cash equivalents	-	-
Opening cash and cash equivalents	-	-
Net increase in cash and cash equivalents	-	-
Closing cash and cash equivalents	-	-

Notes to the financial statements

for the year ended 31 December 2020

1. Presentation of financial statements

Social Supported Housing CIP LLP ('the Partnership') acts as the carried interest partner of Social Supported Housing LP ('the Fund Partnership'). The Partnership was established on 10 May 2019 and registered as a limited liability partnership in England and Wales under the Limited Liability Act 2000, registration number OC427310. The address of its registered office is 1 London Wall Place, London, EC2Y 5AU.

The individual financial statements of Social Supported Housing CIP LLP have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standards 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis of preparation

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

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and applicable United Kingdom accounting standards. The presentation currency is pound sterling.

The financial information presented within these financial statements is in conformity with the Limited Liability Partnerships Statement of Recommended Practice (SORP) issued by the Consultative Committee of Accountancy Bodies for periods commencing on or after 1 January 2019.

Having assessed the risks to the Partnership's Equity and liquidity, the Members have a reasonable expectation, based on the information available to them at the date of signing, that the Partnership will be able to continue in operation and meet its liabilities as they fall due for a period of 12 months from the date the Annual Report and Accounts is signed. Accordingly, the financial information presented within these financial statements has been prepared on the going concern basis as described in the Members' report. The Members will provide support to the Partnership to meet its liabilities as they fall due.

New accounting standards and interpretations

The Partnership did not implement the requirements of any Standards or Interpretations that were in issue but were not required to be adopted by the Partnership at the year-end date. No Standards or Interpretations have been issued that are expected to have an impact on the Partnership's financial statements.

Estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management of the Partnership to exercise its judgement in the process of applying the Partnership's accounting policies. Estimates and judgements used in preparing the financial statements are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will seldom equal the related actual results.

There were no estimates and assumptions that were expected to have a significant effect on the carrying amounts of assets and liabilities.

Notes to the financial statements

for the year ended 31 December 2020

2. Revenue

The Partnership's source of revenue was a cost subsidy from the Fund Partnership. The Fund Partnership covers any costs and unrealised losses incurred by the Partnership.

	2020	Unaudited Period ended 31 December 2019
	£	£
Other income	4	-
Revenue	**4**	-

3. Net gains/(losses) on financial instruments

A fair value assessment is undertaken periodically on the Partnership's investments in financial assets. Any movements in fair value are recognised within net gains/(losses) on financial instruments.

	2020	Unaudited Period ended 31 December 2019
	£	£
Fair value losses on financial assets	(4)	-
Net losses on financial instruments and other income	**(4)**	-

4. Tax on profit on ordinary activities

The nature of a limited liability partnership is that there will be no tax incurred by the Partnership and the tax charge or credit is borne individually by the Members. Therefore there is no tax charge or credit in the Partnership's financial statements.

5. Information in relation to the Members

The average number of Members during the period was 2 (2019: 2).

On 21 April 2021, Schroder Investment Company Limited transferred its membership interest to Schroder Real Estate (CIP) GP S.à r.l.

Notes to the financial statements

for the year ended 31 December 2020

6. Trade and other receivables

Trade receivables are recorded initially at fair value and subsequently at amortised cost.

This represents amounts the Partnership is due to receive from third parties, including related parties, in the normal course of business. These receivables are derecognised on receipt of cash or on recognition of a provision if the receivable is in doubt. Trade and other receivables are stated after the deduction of provisions for bad and doubtful debts.

	2020 £	Unaudited Period ended 31 December 2019 £
Amounts owed by related parties (see note 11)	105	101
	105	101

Trade and other receivables are all current.

The carrying amount of interest and non-interest bearing trade and other receivables approximate their fair value.

Recoverability of the Partnership's debtors is set out in note 9 (Financial risk management).

7. Financial assets

The Partnership holds financial assets that are held at amortised cost, less any reduction for impairment and irrecoverability.

The financial asset is an investment in Social Supported Housing LP

	2020 £	Unaudited Period ended 31 December 2019 £
Financial assets	97	101
	97	101

Notes to the financial statements

for the year ended 31 December 2020

8. Trade and other payables

Trade payables are recorded initially at fair value and subsequently at amortised cost.

	2020 £	Unaudited 2019 £
Financial liabilities held at amortised cost:		
Amounts owed to related parties (see note 11)	101	101
	101	101

Trade and other payables are all current. The carrying amount of the financial liabilities held at amortised cost approximates their fair value.

Notes to the financial statements

for the year ended 31 December 2020

9. Financial risk management

The Partnership's operations expose it to a variety of financial risks. Sensitivities are measured against market risk, movements which the Partnership believes could reasonably occur within the next calendar year. The Partnership's specific risk exposures are explained below.

Credit risk

Credit risk is the risk that the Partnership's counterparty to a financial instrument will cause the Partnership financial loss by failing to discharge an obligation.

The Partnership has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due. The Partnership's counterparties include its related parties and therefore there is no credit risk exposure on these balances. The balances are monitored regularly and historically, default levels have been nil.

The Partnership's exposure to credit risk is represented by the carrying amount of the assets. There were no receivables past due or impaired at 31 December 2020 (2019: £nil).

Liquidity risk

Liquidity risk is the risk that the Partnership cannot meet its obligations as they fall due or can only do so at a cost. In the event that the Partnership cannot meet its obligations as they fall due any cash flow requirements will be requested from the Fund Partnership or Members.

Market risk

(a) Interest rate risk

Interest rate risk is the market risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. Since the value of cash and cash equivalents and other interest bearing assets and liabilities held by the Partnership is nil, there is no interest rate risk.

(b) Foreign exchange risk

The Partnership is not exposed to foreign exchange risk as the functional currency of both the Partnership and the Fund Partnership is sterling, and the Partnership has no balances or transactions in foreign currencies.

(c) Pricing risk

The Partnership is subject to the effect of market price fluctuations in respect of revenue from the Fund Partnership. This revenue is dependent on the value of the Fund Partnership's net asset value. The Fund Partnership primarily invests in Real Estate and the values of this illiquid asset class will move with fluctuations in interest rates and other general market movements. Adherence by the Fund Partnership to its stated investment guidelines and to investment and borrowing limits set out in the Limited Partnership Agreement mitigates the market and credit risks of the Partnership.

Capital management

The Partnership's policy is to have adequate capital for all activities undertaken in the normal course of business.

Notes to the financial statements

for the year ended 31 December 2020

10. Members' capital

Members' capital represents the capital contributions to the partnership

	£
At 1 January and 31 December 2020	**101**
At 10 May and 31 December 2019 (unaudited)	101

11. Related party transactions

Transactions between the Partnership and related parties are disclosed below.

	2020	
	Amounts owed by related parties	**Amounts owed to related parties**
	£	**£**
Other related parties	105	(101)
Total	**105**	**(101)**

	Period ended 31 December 2019 (Unaudited)	
	Amounts owed by related parties	Amounts owed to related parties
	£	£
Other related parties	101	(101)
Total	101	(101)

Transactions with related parties were made at market rates. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense for bad or doubtful debts has been recognised in the period in respect of the amounts owed by related parties.

Fees payable for the audit of the Partnership of £14,000 are borne by Social Supported Housing LP, a related party, and are included in the annual results of that entity.

Notes to the financial statements

for the year ended 31 December 2020

12. Ultimate and immediate parent company

During the period under review the Partnership was under the joint control of CHA SSH GP Limited (incorporated in the Isle of Man) and Schroder Real Estate (CIP) GP S.à r.l. (incorporated in Luxembourg).

There is no ultimate parent or controlling party.