Schroders

Annual Report and Accounts 2022

Social Supported Housing CIP LLP

Year Ended 31 December 2022



Registered Number: OC427310

Social Supported Housing CIP LLP
Annual Report and Accounts 2022

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Schroders

Members and professional advisers

Members

CHA SSH GP Limited
SRE SOHO (CIP) SCSP

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 2022.

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 2021: £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 any 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 2022 to be satisfactory.

The uncertainty driven by geopolitical shifts on the world economy has caused volatility in financial markets and continues to impact investor sentiment. The Partnership and the Schroders plc Group (the "Group") have remained resilient and there has been no significant impact on business operations. The Partnership remains well placed to weather future challenges.

Principal risks and uncertainties

The main business risk is a decline in value of the Fund Partnership, from which the Partnership generates it's revenue. 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

There are no changes planned in the business operations of the Company.

Distributions

No distributions were made to members during the year ended 31 December 2022 (31 December 2021: £nil).

Risk management and use of financial instruments

The Partnership's specific risk exposures to financial instruments are explained in note 11 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 (2021: 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 ("the Regulations") 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:

Thomas Roger

Thomas Roger, Authorised signatory for and on behalf of:
SRE SOHO (CIP) SCSP

Bruno Lance, Authorised signatory for and on behalf of:
SRE SOHO (CIP) SCSP

Andrew Dawber, Authorised signatory for and on behalf of:
CHA SSH GP Limited

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

14 September 2023

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 31 December 2022 which comprise the Income statement, Statement of comprehensive income, Statement of financial position, Statement of changes in Members' interest, the Cash flow statement and the related notes 1 to 14, 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 2022 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.

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 a period of twelve months from when the financial statements are authorised for issue.

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 this gives rise to 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 Members' Responsibilities Statement 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 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 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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; and how management monitors these controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business and enquiries of management.

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.

DocuSigned by:
Ernst & Young LLP
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Sarah Langston (Senior Statutory Auditor)
For and on behalf of Ernst and Young LLP
Statutory Auditor
London

15 September 2023

Income statement

for the year ended 31 December 2022

	Notes	2022 £	2021 £
Revenue	2	205	(154)
Net gains/(losses) on financial instruments and other income	3	19	293
Operating expenses	4	(224)	(139)
Profit for the period available for distribution amongst members		-	-

Statement of comprehensive income

for the year ended 31 December 2022

	2022 £	2021 £
Profit for the period	-	-
Total comprehensive income for the period	-	-

Statement of financial position

as at 31 December 2022

	Notes	2022 £	2021 £
Assets			
Cash and cash equivalents	5	1,252	1,859
Trade and other receivables	8	103	103
Financial assets	9	409	390
Total assets		**1,764**	**2,352**
Liabilities			
Trade and other payables	10	1,663	2,251
Total liabilities		**1,663**	**2,251**
Net assets		**101**	**101**
Total Members' equity		**101**	**101**

The financial statements on pages 9 to 19 were approved by the Members' on 14 September 2023 and were signed on its behalf by:

Thomas Roger

Andrew Dawber	**Thomas Roger**	**Bruno Lance**
Member	Member	Member
For and on behalf of	For and on behalf of	For and on behalf of
CHA SSH GP Limited	SRE SOHO (CIP) SCSP	SRE SOHO (CIP) SCSP

Registered Number: OC427310

Statement of changes in Members' interests

for the year ended 31 December 2022

	Members' capital £	Total £
At 1 January 2022	101	101
At 31 December 2022	**101**	**101**

for the year ended 31 December 2021

	Members' capital £	Total £
At 1 January 2021	101	101
At 31 December 2021	101	101

Cash flow statement

for the year ended 31 December 2022

	2022 £	2021 £
Operating activities		
Operating profit	-	-
Adjustments for statement of financial position movements:		
Decrease / (increase) in trade and other receivables	-	2
Decrease / (increase) in financial assets	(19)	(293)
(Decrease) / Increase in trade and other payables	(588)	2,150
Net cash from/(used in) operating activities	**(607)**	**1,859**
Net increase / (decrease) in cash and cash equivalents	**(607)**	**1,859**
Opening cash and cash equivalents	1,859	-
Net increase / (decrease) in cash and cash equivalents	(607)	1,859
Closing cash and cash equivalents	**1,252**	**1,859**

Notes to the financial statements

for the year ended 31 December 2022

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 Standard 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 Partnership's functional currency is the same as presentation currency.

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 2022

2. Revenue

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

	2022 £	2021 £
Other income	205	(154)
Revenue	**205**	**(154)**

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.

	2022 £	2021 £
Fair value gain / (losses) on financial assets	19	293
Net losses on financial instruments and other income	**19**	**293**

4. Operating expenses

Operating expenses comprises of bank charges.

Fees payable for the audit of the Partnership of £7,441 (2021: £7,000) 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 2022

5. Cash and cash equivalents

Cash and cash equivalents include cash at bank and any highly liquid investments with a contractual maturity less than three months.

The book value of cash and cash equivalents approximates their fair value.

	2022	2021
	£	£
Cash at bank	**1,252**	1,859

6. 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.

7. Information in relation to the Members

The average number of Members during the period was 2 (2021: 2).

8. 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.

	2022	2021
	£	£
Amounts owed by related parties (see note 13)	103	103
	103	103

Trade and other receivables are all current. The carrying amount of trade and other receivables approximate their fair value. Recoverability of the Partnership's debtors is set out in note 11 (Financial risk management).

Notes to the financial statements

for the year ended 31 December 2022

9. Financial assets

The Partnership holds financial assets that are held at fair value. The Partnerships' financial assets have been categorised using a fair value hierarchy that reflects the extent of judgements used in the valuation. These levels are based on the degree to which the fair value is observable and are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from prices that are not traded in an active market but are determined using valuation techniques, which make maximum use of observable market data; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The financial asset represents the Partnerships' investment in Social Supported Housing LP, and has been categorised as level 3.

	2022 £	2021 £
Financial assets	409	390
	409	390

Valuation of financial assets

To determine the fair value, the partnership's portion of the growth in net asset value of the underlying investment has been evaluated. Assessing the net asset value requires significant judgement, particularly in determining whether changes in fair value have occurred since the last formal valuation by the fund manager or advisor. In making this judgement the Partnership evaluates amongst other factors the effect of cash distributions and changes in the business outlook.

10. Trade and other payables

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

	2022 £	2021 £
Financial liabilities held at amortised cost:		
Amounts owed to related parties (see note 13)	1,663	2,251
	1,663	2,251

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 2022

11. 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 2022 (2021: £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 Partnership holds no interest bearing assets or liabilities, 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 2022

12. Members' capital

Members' capital represents the capital contributions to the partnership

	£
At 1 January and 31 December 2022	**101**
At 1 January and 31 December 2021	101

13. Related party transactions

Transactions between the Partnership and related parties are disclosed below.

	2022		
	Revenues	**Amounts owed by related parties**	**Amounts owed to related parties**
	£	**£**	**£**
Other related parties	205	103	(1,663)
Total	**205**	**103**	**(1,663)**

	2021		
	Revenues	Amounts owed by related parties	Amounts owed to related parties
	£	£	£
Other related parties	(154)	103	(2,251)
Total	(154)	103	(2,251)

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.

Notes to the financial statements

for the year ended 31 December 2022

14. 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 SRE SOHO (CIP) SCSP. (incorporated in Luxembourg).

There is no ultimate parent or controlling party.