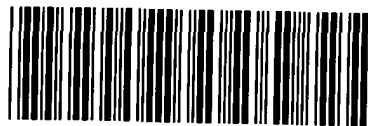


Report of the Directors and  
Financial Statements for the Year Ended 30 September 2018  
for  
Falmer Student Brighton Limited

WEDNESDAY



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for the Year Ended 30 September 2018

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Falmer Student Brighton Limited

Company Information  
for the Year Ended 30 September 2018

**DIRECTORS:**

G Watkin Jones  
M Watkin Jones  
J N T Browne

**SECRETARY:**

J N T Browne

**REGISTERED OFFICE:**

c/o Heritage Holdings (North Wales) Ltd  
Unit 6, Llys Castan  
Parc Menai Business Park  
Bangor  
Gwynedd  
LL57 4FH

**REGISTERED NUMBER:**

02847505 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants and Statutory  
Auditor  
Royal Liver Building  
Liverpool  
L3 1PS

**BANKERS:**

KBC Bank N.V.  
111 Old Broad Street  
London  
EC2N 1BR

The directors present their report with the financial statements of the company for the year ended 30 September 2018.

## **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property investment.

## **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2017 to the date of this report.

G Watkin Jones  
M Watkin Jones  
J N T Browne

## **DERIVATIVE FINANCIAL INSTRUMENTS**

The requirement by FRS102 to recognise derivative financial instruments on the Statement of Financial Position has resulted in the company recognising the fair value of its interest rate swap in these financial statements. The fair value of the swap is a financial liability of £9,450,310 at 30 September 2018 (30 September 2017: £9,855,465); and the deferred tax asset carried forward at 30 September 2018 is £1,115,777 (30 September 2017: £1,675,429). The first year in which the derivative was recognised on the Statement of Financial Position was the year ended 30 September 2015, and the effect of the new accounting treatment resulted in the company's net assets and equity at 30 September 2015 decreasing by £7,782,311; however, the company's net assets and equity will be restored when the swap is derecognised, which will occur in the period up to when the swap expires on 17 July 2027.

## **QUALIFYING INDEMNITY PROVISION**

The company has arranged a qualifying third party indemnity for all of its directors.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

## **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **AUDITORS**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment in accordance with section 487(2) of the Companies Act 2006.

Falmer Student Brighton Limited

Report of the Directors  
for the Year Ended 30 September 2018

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'M Watkin Jones', with a stylized, wavy line for the first part and a loop for the last part.

M Watkin Jones - Director

5 March 2019

### **Opinion**

We have audited the financial statements of Falmer Student Brighton Limited (the 'company') for the year ended 30 September 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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**

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors and Financial Statements, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

Report of the Independent Auditors to the Members of  
Falmer Student Brighton Limited

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the Report of the Directors in accordance with the small companies regime and to the exemption from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors 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 directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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



Emma Stoddart (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants and Statutory  
Auditor  
Royal Liver Building  
Liverpool  
L3 1PS

5 March 2019

Falmer Student Brighton Limited

Statement of Comprehensive Income  
for the Year Ended 30 September 2018

	Notes	30.9.18 £	30.9.17 £
<b>TURNOVER</b>	3	1,965,350	1,899,346
Administrative expenses		325,067	324,975
<b>OPERATING PROFIT</b>	5	1,640,283	1,574,371
Profit on revaluation of derivatives	6	405,155	667,517
		2,045,438	2,241,888
Interest receivable and similar income	7	290	-
		2,045,728	2,241,888
Interest payable and similar expenses	8	864,202	802,039
<b>PROFIT BEFORE TAXATION</b>		1,181,526	1,439,849
Tax on profit	9	601,659	2,966
<b>PROFIT FOR THE FINANCIAL YEAR</b>		579,867	1,436,883
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		579,867	1,436,883

The notes on pages 9 to 17 form part of these financial statements



Statement of Financial Position  
30 September 2018

	Notes	30.9.18 £	30.9.17 £
<b>FIXED ASSETS</b>			
Investment property	10	18,696,791	18,696,791
<b>CURRENT ASSETS</b>			
Debtors	11	1,163,716	1,716,618
Cash at bank		504,018	476,849
		1,667,734	2,193,467
<b>CREDITORS</b>			
Amounts falling due within one year	12	2,919,237	2,501,060
<b>NET CURRENT LIABILITIES</b>		(1,251,503)	(307,593)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		17,445,288	18,389,198
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(17,250,310)	(18,630,465)
<b>PROVISIONS FOR LIABILITIES</b>	18	(1,615,215)	(1,758,837)
<b>NET LIABILITIES</b>		(1,420,237)	(2,000,104)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	2	2
Retained earnings	20	(1,420,239)	(2,000,106)
<b>SHAREHOLDERS' FUNDS</b>		(1,420,237)	(2,000,104)

The financial statements were approved by the Board of Directors on 5 March 2019 and were signed on its behalf by:



M Watkin Jones - Director

Statement of Changes in Equity  
for the Year Ended 30 September 2018

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 October 2016</b>	2	(3,436,989)	(3,436,987)
<b>Changes in equity</b>			
Profit for the year	-	1,436,883	1,436,883
Total comprehensive income	-	1,436,883	1,436,883
<b>Balance at 30 September 2017</b>	2	(2,000,106)	(2,000,104)
<b>Changes in equity</b>			
Profit for the year	-	579,867	579,867
Total comprehensive income	-	579,867	579,867
<b>Balance at 30 September 2018</b>	2	(1,420,239)	(1,420,237)

**1. STATUTORY INFORMATION**

Falmer Student Brighton Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The nature of the company's operations and its principal activity is given in the Report of the Directors.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies and these are outlined below.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

This information is included in the consolidated financial statements of Heritage Holdings (North Wales) Limited and these financial statements may be obtained from Companies House.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Significant judgements and estimates**

Other key sources of estimation uncertainty

**Investment property**

Investment property is held at open market value which is assessed annually and can vary depending on a number of factors such as occupancy levels, length of leases, quality of tenant and proposed refurbishments.

**Lifecycle maintenance costs**

Estimation of the lifecycle maintenance costs on the property, to be incurred over the period of the lease with the tenant, which is based on the directors' knowledge and experience of the construction sector.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rental income is recognised in the period in which it falls due.

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2018

2. **ACCOUNTING POLICIES - continued**

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

The valuation is derived by the directors following a detailed review of the property portfolio. The directors are assisted in this assessment by the sales of similar properties. The directors will also consider occupancy levels, length of leases, terms of the lease, quality of tenant, proposed refurbishments and any other significant factors in forming an appropriate valuation.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Derivative financial instruments**

The company uses derivative financial instruments to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date and the resulting gain or loss is recognised in profit or loss.

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2018

2. **ACCOUNTING POLICIES - continued**

**Financial instruments**

**Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and amounts due from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

**Financial liabilities**

Basic financial liabilities, including trade and other payables, bank and other loans and amounts due to fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost using the effective interest method.

**Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

**Going concern**

The company's business activities are set out in the Report of the Directors. The company meets its funding requirements through intra-group borrowings and bank borrowings as set out in the notes to the financial statements. The current economic conditions create uncertainty particularly over the level of demand for the company's property portfolio. At 30 September 2018, the company has net current liabilities of £1,251,503 and net liabilities of £1,420,237. The company has received confirmation from its parent undertaking that it will provide support for a period of at least one year from the date of approval of these financial statements. The directors have prepared cash flow forecasts for the company that confirm that the company is able to continue to meet its liabilities as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company. All turnover arises within the United Kingdom. All activities of the company are classed as continuing.

4. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 30 September 2018 nor for the year ended 30 September 2017.

	30.9.18	30.9.17
	£	£
Directors' remuneration	-	-

The average number of employees for the year is 3 (2017: 3) being the directors of the company.

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2018

5. **OPERATING PROFIT**

Fees payable to the company's auditor for the audit of the company's annual accounts have been met by the immediate parent, Carlton (North Wales) Limited. In the directors' opinion, a reasonable allocation of the audit fee to this company would be £4,100 (2017: £4,000).

6. **PROFIT ON REVALUATION OF DERIVATIVES**

	30.9.18	30.9.17
	£	£
Profit on revaluation of derivatives	405,155	667,517

The profit on revaluation of derivatives relates to the annual movement in fair value of the company's derivative financial instrument (see note 17 for further information).

7. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	30.9.18	30.9.17
	£	£
Other interest income	290	-

8. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.9.18	30.9.17
	£	£
Bank loan interest	864,003	801,758
Bank charges	199	168
Other interest costs	-	113
	864,202	802,039

9. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	30.9.18	30.9.17
	£	£
Current tax:		
UK corporation tax	42,982	24,129
Adjustments to tax charge in respect of previous periods	(975)	(134,641)
Total current tax	42,007	(110,512)
Deferred tax	559,652	113,478
Tax on profit	601,659	2,966

UK corporation tax has been charged at 19% (2017 - 19.50%).

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2018

9. **TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.9.18 £	30.9.17 £
Profit before tax	<u>1,181,526</u>	<u>1,439,849</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.500%)	224,490	280,771
Effects of:		
Expenses not deductible for tax purposes	-	975
Utilisation of tax losses	-	(72,803)
Adjustments to tax charge in respect of previous periods	(975)	(134,641)
Transfer pricing adjustment	(2,409)	(1,974)
Other	(950)	(3)
Deferred tax	559,652	113,478
Derivatives adjustment	<u>(178,149)</u>	<u>(182,837)</u>
Total tax charge	<u>601,659</u>	<u>2,966</u>

**Factors that may affect future tax charges**

There was a reduction in the main rate of corporation tax to 19% from 1 April 2017, and following budget 2016 announcements, the rate will fall to 17% in 2020.

10. **INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 October 2017 and 30 September 2018	<u>18,696,791</u>
<b>NET BOOK VALUE</b>	
At 30 September 2018	<u>18,696,791</u>
At 30 September 2017	<u>18,696,791</u>

The 2018 and 2017 valuations were made by the Directors, on an open market value for existing use basis.

11. **DEBTORS**

	30.9.18 £	30.9.17 £
Amounts falling due within one year:		
Trade debtors	22,871	22,151
Corporation tax	5,231	-
Prepayments and accrued income	<u>19,837</u>	<u>19,038</u>
	<u>47,939</u>	<u>41,189</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2018

**11. DEBTORS - continued**

	30.9.18	30.9.17
	£	£
Amounts falling due after more than one year:		
Deferred tax asset		
Other timing differences	1,115,777	1,675,429
	<u>1,115,777</u>	<u>1,675,429</u>
Aggregate amounts	<u>1,163,716</u>	<u>1,716,618</u>

The deferred tax asset is recoverable after one year in the period up to when the derivative financial instrument is settled in the period up to 2027.

An impairment loss of £Nil (2017: £Nil) has been recognised against debtors.

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.18	30.9.17
	£	£
Bank loans and overdrafts (see note 14)	975,000	975,000
Amounts owed to group undertakings	1,054,234	720,593
Corporation tax	-	24,130
Other creditors	2,037	2,036
Amounts owed to related undertakings	195,681	115,681
Accruals and deferred income	692,285	663,620
	<u>2,919,237</u>	<u>2,501,060</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.9.18	30.9.17
	£	£
Bank loans (see note 14)	7,800,000	8,775,000
Derivative financial instruments	9,450,310	9,855,465
	<u>17,250,310</u>	<u>18,630,465</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	30.9.18	30.9.17
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>975,000</u>	<u>975,000</u>
Amounts falling due between one and two years:		
Bank loans	<u>975,000</u>	<u>975,000</u>
Amounts falling due between two and five years:		
Bank loans	<u>2,925,000</u>	<u>2,925,000</u>



Notes to the Financial Statements - continued  
for the Year Ended 30 September 2018

14. **LOANS - continued**

	30.9.18	30.9.17
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>3,900,000</u>	<u>4,875,000</u>

The loan due after five years is repayable in quarterly instalments of £243,750. Interest is payable at 1.2% above LIBOR.

15. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.9.18	30.9.17
	£	£
Within one year	1,959,737	1,893,466
Between one and five years	7,838,948	7,573,864
In more than five years	<u>37,106,144</u>	<u>37,744,818</u>
	<u>46,904,829</u>	<u>47,212,148</u>

The minimum lease payments are receivable by the company in capacity as lessor.

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.9.18	30.9.17
	£	£
Bank loans	<u>8,775,000</u>	<u>9,750,000</u>

The bank borrowings are secured by a fixed and floating charge on the company's assets and a legal charge on investment property. The company has a cross guarantee provided by its parent, Carlton (North Wales) Limited.

17. **DERIVATIVE FINANCIAL INSTRUMENTS**

The company has financial liabilities measured at fair value through profit or loss of £9,450,310 (2017: £9,855,465) in relation to derivative financial instruments. The company has an amortising interest rate swap arrangement in place in respect of a bank loan totalling £8,775,000. The arrangement is based on the outstanding loan of £8,775,000 (2017: £9,750,000) at a rate of 1.2% above LIBOR. The arrangement is in relation to the specified loan and spans the life of the loan which expires on 17 July 2027. The amount recognised as a credit in the profit and loss was £405,155 (2017: £667,517).

18. **PROVISIONS FOR LIABILITIES**

	30.9.18	30.9.17
	£	£
Other provisions	<u>1,615,215</u>	<u>1,758,837</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2018

18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Other provisions £
Balance at 1 October 2017	(1,675,429)	1,758,837
Charge/(credit) to Statement of Comprehensive Income during year	559,652	(143,622)
Balance at 30 September 2018	<u>(1,115,777)</u>	<u>1,615,215</u>

Other provisions relate to lifecycle maintenance costs on the property, which management accrue over the life of the lease, in accordance with the lease agreement with the tenant.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.9.18 £	30.9.17 £
Number:	Class:	£1		
2	Ordinary		<u>2</u>	<u>2</u>

20. RESERVES

	Retained earnings £
At 1 October 2017	(2,000,106)
Profit for the year	579,867
At 30 September 2018	<u>(1,420,239)</u>

Retained earnings represent the cumulative profits or losses, net of dividends paid and other adjustments.

21. IMMEDIATE AND ULTIMATE PARENT COMPANY

Carlton (North Wales) Limited is regarded by the directors as being the company's immediate parent company. Heritage Holdings (North Wales) Limited is regarded by the directors as being the company's ultimate parent company.

The company is a subsidiary of Heritage Holdings (North Wales) Limited which is the ultimate parent company and a company incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Heritage Holdings (North Wales) Limited. The consolidated accounts of Heritage Holdings (North Wales) Limited are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.

22. RELATED PARTY DISCLOSURES

At the financial position date, amounts owed to related undertakings totalled £195,681 (2017: £115,681) in respect of a loan provided by Planehouse Limited, a company related by common control. The loan is unsecured and no interest has been charged.

During the year, the company incurred management charges from Fresh Student Living Limited, a company related by common control, amounting to £48,348 (2017: £48,348).

No key management received any remuneration from the company during the year or the prior year.

**23. ULTIMATE CONTROLLING PARTY**

The company is controlled by the directors.

Falmer Student Brighton Limited

Detailed Profit and Loss Account  
for the Year Ended 30 September 2018

	30.9.18		30.9.17	
	£	£	£	£
<b>Turnover</b>				
Rental income		1,965,350		1,899,346
<b>Other income</b>				
Other interest income		290		-
		<u>1,965,640</u>		<u>1,899,346</u>
<b>Expenditure</b>				
Insurance	26,707		26,003	
Other property costs	250,000		250,000	
Information technology	-		597	
Sundry expenses	12		27	
Asset management consultancy	48,348		48,348	
	<u>48,348</u>	<u>325,067</u>	<u>48,348</u>	<u>324,975</u>
		1,640,573		1,574,371
<b>Finance costs</b>				
Bank loan interest	864,003		801,758	
Bank charges	199		168	
Other interest costs	-		113	
	<u>-</u>	<u>864,202</u>	<u>113</u>	<u>802,039</u>
		776,371		772,332
<b>Exceptional items</b>				
Profit on revaluation of derivatives		405,155		667,517
<b>NET PROFIT</b>		<u><u>1,181,526</u></u>		<u><u>1,439,849</u></u>