REGISTERED NUMBER: 06604874 (England and Wales)

Strategic Report, Directors' Report and

Audited Financial Statements for the Year Ended 30 June 2019

for

Campus Living Villages UK Limited

Contents of the Financial Statements for the Year Ended 30 June 2019

Campus Living Villages UK Limited

Company Information
for the Year Ended 30 June 2019

DIRECTORS:	J K Chadwick L M Mclean M J Panopoulos
REGISTERED OFFICE:	7th Floor Digital World Centre 1 Lowry Plaza, Salford Quays Manchester United Kingdom M50 3UB
REGISTERED NUMBER:	06604874 (England and Wales)
INDEPENDENT AUDITOR:	KPMG LLP 1 St Peter's Square Manchester M2 3AE
BANKER:	Barclays Bank Level 25 1 Churchill Place London E14 5HP

Strategic Report
for the Year Ended 30 June 2019

The directors present their strategic report for the year ended 30 June 2019.

REVIEW OF BUSINESS

The principal business activities of Campus Living Villages UK Limited ("CLV UK") are to provide head office management services for the UK-based, CLV student accommodation entities and to enter into tenders for any future acquisition, development and management of new student accommodation properties.

CLV UK continued to provide services outlined in the Operator Agreements for the management of operations at the student villages of the following related entities:

- Campus Living Villages (Salford) UK Limited ("CLV Salford");
- CLV (Bournemouth 1) UK LLP ("CLV Bournemouth 1");
- Campus Living Villages (Bedfordshire) UK Limited ("CLV Bedford");
- Campus Living Villages (City Portfolio) UK Limited ("CLV City Portfolio");
- Campus Living Villages (Sutton Bonington) UK Limited ("CLV Sutton Bonington");
- CLV (St Andrews) UK LLP ("CLV St Andrews");
- CLV (St Andrews) UK 2 LLP ("CLV St Andrews 2");
- CLV (St Andrews) UK 3 LLP ("CLV St Andrews 3");
- Campus Living Villages (RCM2) UK LLP ("CLV RCM2");
- Salford Village Limited ("SVL")
- Campus Living Villages (Goldsmiths) UK Limited ("CLV Goldsmiths");
- Signpost Homes Limited ("Signpost");
- Arlington Student Holdings (No.3) Limited ("ASH No.3");
- European Property (Walworth Road) Lettings LP ("Lettings LP"); and
- Campus Living Villages (Cranborne) UK Limited ("CLV Cranborne");
- Campus Living Villages (Durham) Member UK Limited ("CLV Durham");

The company operates four management contracts which total 2,542 beds. These contracts manage sites based at the University of Bedfordshire (860 beds), the University of Gloucestershire (1,231 beds), the University of Exeter (219 beds) and the University of London (232 beds).

At 30 June 2019, CLV UK owned and managed 12,979 rooms (30 June 2018: 11,317 rooms) under operator's agreements and management contracts.

The company has otherwise been engaged in the identification and tendering for the acquisition, development and management of other student accommodation facilities across the United Kingdom. One new village consisting of Whitehorn Hall and Powell all at St Andrews University was opened during the year. This village operates through CLV St Andrews 3.

RESULTS

For the year ended 30 June 2019, CLV UK has recognised a loss after taxation of £4,668,198 (30 June 2018: loss of £2,237,663) and has net liabilities of £14,403,993 30 June 2019 (30 June 2018: £9,735,795).

KEY PERFORMANCE INDICATORS

Given the nature of the company's activities described above, the directors use two principal measures of overall performance: profit/loss for the year and net assets/liabilities, details of which are shown above.

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the Company's strategy are subject to a number of risks:

- Underperforming assets meaning debt obligations cannot be met
- Student numbers being lower than expected.
- Credit risk
- Viability of UK Universities
- COVID-19 impact on future occupancy and intake levels

Credit risk
Credit risk arises from exposure to students and universities, including outstanding receivables and committed transactions. Nomination agreements are held with most Universities to mitigate the risk of rental voids. Key relationships are also maintained with Universities to ensure any potential issues can be discussed early. Student deposits are used as security and applied against outstanding amounts.

Liquidity risk
Management monitors rolling forecasts of the company's liquidity position on the basis of expected and projected cash flow.

Market risk
Changes in Government policy (such as higher education funding and immigration) and Brexit may negatively affect student numbers, which in turn would affect profitability and asset values. Risks are mitigated by ongoing monitoring of changes and their implications to international students studying in UK. The outlook for the student accommodation section remains positive despite the uncertainty around Brexit. Student numbers continue to increase year on year which is supported by average rental increases of 3% on sites close to a University Campus such as the sites held by the related parties. Student numbers typically increase in the event of any economic downturn, as people look to up-skill or stay in higher education. Although we anticipate seeing a reduction in new EU students post Brexit, Universities expect to see an increase in Non-EU students with the current weakness of the pound expected to continue.

Occupancy risk
With the COVID-19 pandemic there is a risk that occupancy levels may decrease, with there being little summer revenue expected and a possible reduction in student intake for the next academic year which starts in September 2020. The Global CLV Group have confirmed they will continue to support the UK region as it is viewed as a long-term investment. In addition funds are also available to all regions within the Global CLV Group to drawdown on an investor loan facility if required.

ON BEHALF OF THE BOARD:

....
J K Chadwick - Director

Date: 27 March 2020

7th Floor Digital World Centre
1 Lowry Plaza
Salford Quays
Manchester
United Kingdom
M50 3UB

Directors' Report
for the Year Ended 30 June 2019

The directors present their report with the financial statements of the company for the year ended 30 June 2019.

DIVIDENDS
The directors have not recommended payment of a dividend for the current or prior year.

FUTURE DEVELOPMENTS
The directors expect the general level of activity, in the forthcoming year, to remain consistent with the year ended 30 June 2019. This is consistent with the long-term strategy of the company.

DIRECTORS
The directors who have held office during the period from 1 July 2018 to the date of this report are as follows:

P J Berry - resigned 18 July 2018
L J Brown - appointed 18 July 2018 - resigned 7 March 2019
J K Chadwick - appointed 6 March 2019
A Goldspring - appointed 18 July 2018 - resigned 7 March 2019
M P Hadland - resigned 18 July 2018
L M Mclean - appointed 6 March 2019
M J Panopoulos - appointed 18 July 2018
S Worden - resigned 18 July 2018

POLITICAL DONATIONS AND EXPENDITURE
No donations were made to any political party during the year (30 June 2018: £nil).

GOING CONCERN
Notwithstanding net current liabilities of £18,131,617 as at 30 June 2019 and a loss for the year then ended of £4,688,198, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 27 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, including a 100% reduction in management fee income between April 2020 to August 2020 (inclusive) due to the COVID-19 pandemic the company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's related parties, CLV Finance UK Limited, CLV (St Andrews) UK Limited, CLV Bedford and CLV Salford not seeking repayment of the amounts currently due to the company, which at 30 June 2019 amounted to CLV Finance UK Limited (£14,647,717), CLV (St Andrews) UK Limited (£1,984,151), CLV Bedford (£623,125) and CLV Salford (£2,296,820). These related parties have indicated that they do not intend to seek repayment of these amounts for the period of at least twelve months from the date of signing these financial statements. In addition CLV UK Accommodation Holdings PTY Limited have indicated its intention to provide additional financial support through the current COVID-19 pandemic should the company need them.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR
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 auditor 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 auditor are aware of that information.

AUDITOR
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:

....
J K Chadwick - Director

Date: 27 March 2020

7th Floor Digital World Centre
1 Lowry Plaza
Salford Quays
Manchester
United Kingdom
M50 3UB

Statement of Directors' Responsibilities for the Year Ended 30 June 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent;

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of
Campus Living Villages UK Limited

Opinion
We have audited the financial statements of Campus Living Villages UK Limited ("the company") for the year ended 30 June 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report
The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required 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;

We have nothing to report in these respects.

Directors' responsibilities
As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
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 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rehman Minshall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

Date: 27 March 2020

Campus Living Villages UK Limited

Income Statement
for the Year Ended 30 June 2019

	Notes	2019 £	2018 £
CONTINUING OPERATIONS			
TURNOVER	3	4,197,514	5,692,175
Administrative expenses		(9,001,854)	(8,095,388)
OPERATING LOSS		(4,804,340)	(2,403,213)
Other finance income		-	48,862
		(4,804,340)	(2,354,351)
Interest payable and similar expenses	6	(471,985)	(272,483)
LOSS BEFORE TAXATION	7	(5,276,325)	(2,626,834)
Tax on loss	8	608,127	389,171
LOSS FOR THE FINANCIAL YEAR		(4,668,198)	(2,237,663)

The notes on pages 13 to 29 form part of these financial statements

Campus Living Villages UK Limited

Other Comprehensive Income
for the Year Ended 30 June 2019

	2019 £	2018 £
LOSS FOR THE YEAR	(4,668,198)	(2,237,663)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(4,668,198)	(2,237,663)

The notes on pages 13 to 29 form part of these financial statements

Balance Sheet
30 June 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	10	3,767,331	2,794,424
CURRENT ASSETS			
Debtors	11	4,762,552	3,191,339
Cash at bank and in hand	12	387,762	706,056
		5,150,314	3,897,395
CREDITORS			
Amounts falling due within one year	13	(23,281,931)	(16,396,118)
NET CURRENT LIABILITIES		(18,131,617)	(12,498,723)
TOTAL ASSETS LESS CURRENT LIABILITIES		(14,364,286)	(9,704,299)
PROVISIONS FOR LIABILITIES	16	(39,707)	(31,496)
NET LIABILITIES		(14,403,993)	(9,735,795)
CAPITAL AND RESERVES			
Called up share capital	17	55,793	55,793
Retained earnings	18	(14,459,786)	(9,791,588)
SHAREHOLDERS' DEFICIT		(14,403,993)	(9,735,795)

The financial statements were approved by the Board of Directors on 27 March 2020 and were signed on its behalf by:

....
J K Chadwick - Director

Campus Living Villages UK Limited

Statement of Changes in Equity
for the Year Ended 30 June 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2017	55,793	(7,553,925)	(7,498,132)
Changes in equity			
Total comprehensive income	-	(2,237,663)	(2,237,663)
Balance at 30 June 2018	55,793	(9,791,588)	(9,735,795)
Changes in equity			
Total comprehensive income	-	(4,668,198)	(4,668,198)
Balance at 30 June 2019	55,793	(14,459,786)	(14,403,993)

The notes on pages 13 to 29 form part of these financial statements

1. **STATUTORY INFORMATION**

Campus Living Villages UK 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.

2. **ACCOUNTING POLICIES**

Basis of preparation
These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis, except for revaluation of certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The accounting policies have been applied consistently throughout the current period.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006.

The Company's ultimate parent undertaking, Campus Living UK Trust, includes the Company in its consolidated financial statements. The consolidated financial statements of Campus Living UK Trust are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Triniti II, Level 6, 39 Delhi Road, North Ryde, NSW 2113, Australia.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1; and
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

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2. **ACCOUNTING POLICIES - continued**

Functional and presentation currency
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in 'Pounds Sterling' (£).

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the directors there are no critical accounting judgements or key sources of estimation uncertainty in the preparation of these accounts.

Going concern
Notwithstanding net current liabilities of £18,131,617 as at 30 June 2019 and a loss for the year then ended of £4,688,198, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 27 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, including a 100% reduction in management fee income between April 2020 to August 2020 (inclusive) due to the COVID-19 pandemic the company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's related parties, CLV Finance UK Limited, CLV (St Andrews) UK Limited, CLV Bedford and CLV Salford not seeking repayment of the amounts currently due to the company, which at 30 June 2019 amounted to CLV Finance UK Limited (£14,647,717), CLV (St Andrews) UK Limited (£1,984,151), CLV Bedford (£623,125) and CLV Salford (£2,296,820). These related parties have indicated that they do not intend to seek repayment of these amounts for the period of at least twelve months from the date of signing these financial statements. In addition CLV UK Accommodation Holdings PTY Limited have indicated its intention to provide additional financial support through the current COVID-19 pandemic should the company need them.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

continued...

2. **ACCOUNTING POLICIES - continued**

Changes in accounting policies

IFRS 15 'Revenue from Contracts with Customers':

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgement.

The standard introduces a new revenue recognition model that recognised revenue either at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. It has been determined that no changes are required to our current revenue recognition methods as these are still within material adherence of IFRS 15 and therefore there have been no measurement or recognition adjustments made to the current or prior period financial statements.

IFRS 9 'Financial Instruments':

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The main financial statement caption effected is receivables. As a result of the adoption of IFRS 9, the new single expected credit loss impairment model is now applied in calculating the provision for credit losses. Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial assets (including intercompany balances) or financial liabilities and therefore there have been no measurement or recognition adjustments made to the current or prior period financial statements.

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover
Turnover is generated through management and development fees. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and it can be reliably measured. All such turnover is reported net of discounts and value added and other sales taxes.

The company has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated.

Interest payable
Interest payable is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that assets or liabilities net carrying amount.

Tangible fixed assets
Tangible fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting year in which they are incurred.

Capital work-in-progress is not depreciated.

Depreciation on other tangible fixed assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Fixtures and fittings	3 - 8 years
Property, plant and equipment	3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account. When revalued assets are sold, it is the company's policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

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2. **ACCOUNTING POLICIES - continued**

Financial instruments
(policy applicable from 30th June 2018)

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in joint ventures are carried at cost less impairment.

(b) Subsequent measurement and gains and losses

continued...

2. **ACCOUNTING POLICIES - continued**

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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2. **ACCOUNTING POLICIES - continued**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk. Measurement of ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Policy applicable prior to 30th June 2018:

(i) Classification of financial instruments issued by the Company
Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

(ii) Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

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2. ACCOUNTING POLICIES - continued

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised

Deferred tax is determined using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Restricted cash is classified with cash and cash equivalents. This related to cash set aside for fire works projects.

Trade and other debtors

Trade and other debtors are recognised by the company and carried at original invoice amount less an allowance for any uncollectible or impaired amounts.

Provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are specifically identified as being bad. The Company reviews the recoverability of debtors to assess whether the receivable balances remain collectible at each reporting period end.

Other debtors are recognised at fair value.

Trade and other creditors

Trade and other creditors are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Intercompany loans

The intercompany loans and receivables are measured at amortised cost. The Company reviews the recoverability of intercompany loans to assess whether the receivable balances remain collectible at each reporting period end and annually for any impairment that may be required. The company's loans and receivables comprise intercompany receivables and payables in the balance sheet.

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2. ACCOUNTING POLICIES - continued

Operating lease commitments
Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on that basis.

Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Related parties
For the purposes of these financial statements, a party is considered to be related to the company if the party:
(i) has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
(ii) and the company are subject to common control;
(iv) is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
(v) is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. TURNOVER

In the below table, turnover is disaggregated by type:

	2019 £	2018 £
Management fees	3,630,354	3,638,457
Development fees	567,160	2,053,718
	4,197,514	5,692,175

Turnover arises entirely in the United Kingdom.

The company has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated.

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4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	3,378,478	3,817,284
Social security costs	397,500	448,289
Other pension costs	121,738	224,219
Other staff costs	88,709	267,166
	3,986,425	4,756,958

The average monthly number of employees during the current and prior year was made up as follows:

	2019	2018
	No.	No.
Administration	65	66
Property management	257	203
	322	269

The above numbers include employees that are provided to related parties under Operator Agreements.

5. DIRECTORS' EMOLUMENTS

	2019	2018
	£	£
Emoluments	205,119	1,021,076
Company contributions to money purchase pension schemes	7,919	6,696
Compensation for loss of office	-	33,000
	213,038	1,060,772

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £151,410 (30 June 2018: £443,792) and company pension contributions of £5,775 (30 June 2018: £3,445).

Retirement benefits are accruing to the following number of directors under:

	2019	2018
	No.	No.
Money purchase pension schemes	2	2
	2	2

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6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Related party interest expense	449,884	260,914
External interest expense	8,861	11,569
Foreign exchange loss	13,240	-
	471,985	272,483

7. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

	2019	2018
	£	£
Included in administrative expenses:		
Audit fees	8,106	5,250
Depreciation	216,549	236,231
Intercompany balances written off	172,649	115,979
Work in progress written off	875,549	-
Operating lease rentals	216,585	216,585
Staff costs	3,986,425	4,756,958

Fees payable to KPMG LLP and its associates for non-audit services to the company during the period were £nil (30 June 2018: £nil).

Work in progress written off in the year related to development costs on projects CLV have not continued with.

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8. TAXATION

Analysis of tax income

	2019	2018
	£	£
Current tax	(577,336)	(399,128)
Deferred tax	(30,791)	9,957
Total tax income in income statement	(608,127)	(389,171)

The differences are explained below:

	2019	2018
	£	£
Loss on ordinary activities before taxation	(5,276,325)	(2,626,834)
Tax at the UK tax rate of 19% (30 June 2018: 19%)	(1,002,502)	(499,098)
Effects of:		
Expenses not deductible for tax purposes	164,841	99,970
Deferred tax movement	(30,791)	9,957
Losses not recognised	290,636	-
Adjustments to prior periods	(30,311)	-
Total taxation charge	(608,127)	(389,171)

Corporation tax is computed at the main rate of 19% (30 June 2018 19%).

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax liability as at 30 June 2019 has been calculated based on this rate. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax liability would have increased by £83.

9. OTHER FINANCE COSTS/(INCOME)

	2019	2018
	£	£
Foreign exchange loss/(gain)	13,240	(48,862)
	13,240	(48,862)

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10. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Capital work-in-progress	Totals
	£	£	£	£
COST				
At 1 July 2018	882,675	208,474	2,384,931	3,476,080
Additions	106,516	12,663	1,970,351	2,089,530
Disposals	(24,525)	-	-	(24,525)
Written off	-	-	(875,549)	(875,549)
At 30 June 2019	964,666	221,137	3,479,733	4,665,536
DEPRECIATION				
At 1 July 2018	499,409	182,247	-	681,656
Charge for year	210,175	6,374	-	216,549
At 30 June 2019	709,584	188,621	-	898,205
NET BOOK VALUE				
At 30 June 2019	255,084	32,514	3,479,733	3,767,331
At 30 June 2018	383,266	26,225	2,384,931	2,794,422

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	277,266	166,677
Amounts owed by group undertakings	3,788,000	2,336,154
Other debtors	478,982	206,307
Corporation tax receivable	-	78,972
Prepayments and accrued income	218,304	403,229
	4,762,552	3,191,339

12. CASH AT BANK AND IN HAND

	2019	2018
	£	£
Restricted cash	-	500,524
Cash at bank	387,762	205,532
	387,762	706,056

Restricted cash in the prior year related to cash set aside for fire safety work which was carried out at villages within two related parties, Campus Living Villages (City Portfolio) UK Limited and Campus Living Villages (Sutton Bonington) UK Limited. This work was completed in the year.

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13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	486,083	243,183
Amounts owed to group undertakings	6,033,225	5,855,305
Loans owed to group undertakings	14,828,537	9,878,545
VAT	-	78,688
Other creditors	282,888	44,516
Accruals and deferred income	1,651,198	295,881
	23,281,931	16,396,118

14. LEASING AGREEMENTS

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

	2019	2018
	£	£
Within one year	216,585	216,585
Between one and five years	453,739	552,405
In more than five years	18,158	127,108
	688,482	896,098

The company leases two offices under operating leases. These leases are payable quarterly in advance. During the year £216,585 was recognised as an expense in the profit and loss account in respect of operating leases (30 June 2018: £216,585).

15. AMOUNTS/LOANS PAYABLE TO RELATED PARTIES

Due within one year:

	2019	2018
	£	£
Amounts payable to related parties (see note 22)	5,410,100	5,855,305
Loans payable to related parties (see note 22)	15,451,662	9,878,545
	20,861,762	15,733,850

The loans payable to related parties are due to CLV Finance, CLV Salford and CLV Bedford and are all repayable on 30 April 2030. The loan agreements state that these three loans can be recalled at any time, and therefore they have been classified as due within one year.

The CLV Finance facility is a principal commitment of £8.6 million at an interest rate of LIBOR + 5.01%.

The CLV Salford facility is a principal commitment of £3.0 million at an interest rate of LIBOR + 4%.

The CLV Bedford facility is a principal commitment of £2.0 million at an interest rate of LIBOR + 4%.

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16. **PROVISIONS FOR LIABILITIES**

Deferred tax liability

	2019 £	2018 £
Balance brought forward	31,496	21,539
Movement in the year	(30,791)	9,957
	705	31,496

The movement in the deferred tax is due to temporary timing differences of accelerated capital allowances. Deferred tax balances have been stated at 17% (30 June 2018: 19%).

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax liability as at 30 June 2019 has been calculated based on this rate. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax liability would have increased by £83.

Deferred tax is calculated at 17%. There are no unrecognised deferred tax assets or liabilities at 30 June 2019 (30 June 2018: £nil).

Dilapidation provision

	2019 £	2018 £
Dilapidation provision	39,002	-
	39,002	-

A provision for dilapidations for the London office has been provided for. This property was vacated by CLV in January 2019 and is subsequently being sub-let to a new tenant. The lease on this property expires in July 2020.

17. **CALLED UP SHARE CAPITAL**

Allotted and issued:

Number:	Class:	Nominal value:	2019 £	2018 £
100,000	Share capital	£1	55,793	55,793

18. **RESERVES**

	Retained earnings £
At 1 July 2018	(9,791,588)
Loss for the year	(4,668,198)
At 30 June 2019	(14,459,786)

continued...

19. ULTIMATE PARENT COMPANY

The company's ultimate controlling party is Campus Living UK Trust (formerly named Campus Living Overseas Trust). The largest and smallest group in which the results of the Company are consolidated is that headed by Campus Living UK Trust, a trust company domiciled in Australia. The registered office address is Triniti II, Level 6, 39 Delhi Road, North Ryde, NSW 2113, Australia.

20. CONTINGENT LIABILITIES

Management have not identified any contingent liabilities at 30 June 2019 (30 June 2018: £nil).

21. CAPITAL COMMITMENTS

There are no capital commitments at 30 June 2019 (30 June 2018: £nil).

22. RELATED PARTY DISCLOSURES

The transactions during the period with related parties and balances outstanding at the period end are as follows:

	Balance due (to)/ from at 30 June 2019	Balance due (to)/ from at 30 June 2018
Receivables from related parties	£	£
Amounts due from CLV (Salford) UK Ltd	392,416	123,094
Amounts due from CLV (Bedford) UK Ltd	375,319	300,823
Amounts due from CLV (Goldsmiths) Investments	3,929	1,308
Amounts due from CLV (Portfolio Finance)	1,775,722	1,022,721
Amounts due from CLV Investments UK Ltd	48,271	47,896
Amounts due from CLV (Cranborne) UK Ltd	85,281	4,024
Amounts due from CLV (St Andrews) UK Ltd	-	261,719
Amounts due from CLV (Goldsmiths) UK Ltd	120,000	3,023
Amounts due from CLV (City Portfolio) UK Ltd	230,000	454,629
Amounts due from Signpost Homes Ltd	35,000	1,719
Amounts due from Arlington Student Holdings No.3 Ltd	210,702	39,118
Amounts due from CLV (RCM 2) LLP	70,231	6,125
Amounts due from CLV (St Andrews) UK 2 LLP	-	221
Amounts due from CLV (Sutton Bonington) UK Ltd	106,580	63,081
Amounts due from CLV (Bournemouth 1) UK LLP	-	6,653
Amounts due from CLV UK Accommodation Holdings Pty Ltd	16,274	-
Amounts due from CLV (Peel Park) Holdings UK	318,275	-
	3,788,000	2,336,154

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22. RELATED PARTY DISCLOSURES - continued

	Balance due (to)/ from at 30 June 2019	Balance due (to)/ from at 30 June 2018
Payables to related parties	£	£
Amounts due to CLV (Bournemouth 1) UK LLP	(325,000)	(257,713)
Amounts due to CLV (Bournemouth) II UK Ltd	(143,499)	(138,440)
Amounts due to St Andrews Ltd	(1,984,151)	(770,900)
Amounts due to CLV (St Andrews) UK 3 LLP	(747,865)	-
Amounts due to CLV Finance UK Ltd	(2,116,000)	(3,258,164)
Amounts due to CLV (City Portfolio) UK Ltd	-	(1,149,002)
Amounts due to CLV (Sutton Bonington) UK Ltd	-	(274,684)
Amounts due to CLV (Dashwood London) Ltd	-	(6,402)
Amounts due to Salford Village Ltd	(16,701)	-
Amounts due to CLV (RCM 2) LLP	(16,823)	-
Amounts due to Arlington Student Holdings No.3 Ltd	(60,061)	-
	(5,410,100)	(5,855,305)
Loans due to CLV Finance UK Ltd	(12,531,717)	(7,055,073)
Loans due to CLV (Bedford) UK Ltd	(623,125)	(632,640)
Loans due to CLV (Salford) UK Ltd	(2,296,820)	(2,190,832)
	(15,451,662)	(9,878,545)
	(20,861,762)	(15,733,850)

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