REGISTERED NUMBER: 06604874 (England and Wales)

Strategic Report, Directors' Report and

Audited Financial Statements for the Year Ended 30 June 2020

for

Campus Living Villages UK Limited

Campus Living Villages UK Limited

Contents of the Financial Statements for the Year Ended 30 June 2020

Campus Living Villages UK Limited

Company Information
for the Year Ended 30 June 2020

DIRECTORS:	L M McLean P J Hicken
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 2020

The directors present their strategic report for the year ended 30 June 2020.

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 2020, CLV UK owned and managed 12,979 rooms (30 June 2019: 12,979 rooms) under operator's agreements and management contracts.

In 6 August 2020 the company ceased to operate the sites at University of Gloucestershire, University of Exeter, and Dashwood Studios.

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.

RESULTS
For the year ended 30 June 2020, CLV UK has recognised a loss after taxation of £1,370,389 (30 June 2019: loss of £4,668,198) and has net liabilities of £15,774,382 at 30 June 2020 (30 June 2019: £14,403,993).

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. Although we anticipate Brexit will see a reduction in new EU students, Universities expect to see an increase in Non-EU student with the weakening of the pound expected to continue.

There have been income shortfalls over the summer period for 2020/2021 year with summer stays ceasing in July 2020 and August 2020 due to COVID-19. There were also shortfalls in terms 1 and 2 of the 2020/2021 academic year across most sites.

Given the third UK lockdown that has been put in place by the Government in January 2021 and with Universities lectures being conducted online for this period, there remains a risk that student numbers and demand for student accommodation could be impacted. In addition, there is uncertainty over international student numbers, given travel restrictions.

However, with the roll out of the vaccine programme is expected to be completed by the end of summer, there is increased optimism of a return to normality for the 2021/22 academic year.

The Government has taken significant steps to support Universities' cash flow for the 2020/2021 academic year, by bringing forward £2.6 billion in tuition fee income and £100 million in research funding, as well as making available £280 million through extensions of research grants. In addition, the Government will cover up to 80% of a University's income losses from international students for 2020/21, reflecting the importance of tuition fees from international students in helping to fund University research activity.

Based on the sector Student Index, an analysis historic Total Returns for purpose built student accommodation shows the sector has a history of low volatility. Coupled with historic strong capital and rental growth, this shows there continues to be an investment case for student accommodation. This is reinforced by existing investors in the market publicly supporting the long-term fundamentals of the sector in the UK.

ON BEHALF OF THE BOARD:

....
L M McLean - Director

Date: 25 August 2021

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

Directors' Report for the Year Ended 30 June 2020

The directors present their report with the financial statements of the company for the year ended 30 June 2020.

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 2020. This is consistent with the long-term strategy of the company.

DIRECTORS

The directors who have held office during the period from 1 July 2019 to the date of this report are as follows:

L M Mclean
P J Hicken (appointed 31 May 2021)
J K Chadwick (resigned 31 May 2021)
M J Panopoulos (resigned 1 May 2020)

POLITICAL DONATIONS AND EXPENDITURE

No donations were made to any political party during the year (30 June 2019: £nil).

GOING CONCERN

See basis of preparation wording in accounting policies section.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

AUDITOR

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
L M McLean - Director

Date: 25 August 2021

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 2020

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 2020 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 2020 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.

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

Date: 25 August 2021

Campus Living Villages UK Limited

Income Statement
for the Year Ended 30 June 2020

	Notes	2020 £	2019 £
CONTINUING OPERATIONS			
TURNOVER	3	3,251,915	4,197,514
Administrative expenses		(4,689,627)	(9,001,854)
OPERATING LOSS		(1,437,712)	(4,804,340)
Interest payable and similar expenses	6	(583,303)	(471,985)
LOSS BEFORE TAXATION	7	(2,021,015)	(5,276,325)
Tax on loss	8	650,626	608,127
LOSS FOR THE FINANCIAL YEAR		(1,370,389)	(4,668,198)

The notes on pages 13 to 28 form part of these financial statements

Other Comprehensive Income
for the Year Ended 30 June 2020

	2020 £	2019 £
LOSS FOR THE YEAR	(1,370,389)	(4,668,198)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(1,370,389)	(4,668,198)

The notes on pages 13 to 28 form part of these financial statements

Balance Sheet
30 June 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	9	6,436,231	3,767,331
CURRENT ASSETS			
Debtors	10	4,615,443	4,762,552
Cash at bank and in hand	11	1,055,316	387,762
		5,670,759	5,150,314
CREDITORS			
Amounts falling due within one year	12	(27,410,101)	(23,281,931)
NET CURRENT LIABILITIES		(21,739,342)	(18,131,617)
TOTAL ASSETS LESS CURRENT LIABILITIES		(15,303,111)	(14,364,286)
CREDITORS			
Amounts falling due after one year	13	(470,566)	-
Provisions	14	(705)	(39,707)
		(471,271)	(39,707)
NET LIABILITIES		(15,774,382)	(14,403,993)
CAPITAL AND RESERVES			
Called up share capital	16	55,793	55,793
Retained earnings	17	(15,830,175)	(14,459,786)
SHAREHOLDERS' DEFICIT		(15,774,382)	(14,403,993)

The financial statements were approved by the Board of Directors on 25 August 2021 and were signed on its behalf by:

....

L M McLean - Director

Campus Living Villages UK Limited

Statement of Changes in Equity for the Year Ended 30 June 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 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)
Changes in equity			
Total comprehensive income	-	(1,370,389)	(1,370,389)
Balance at 30 June 2020	55,793	(15,830,175)	(15,774,382)

The notes on pages 13 to 28 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 £21,739,342 as at 30 June 2020 and a loss for the year then ended of £1,370,389, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

In assessing the going concern position of the Company, the directors have considered the potential impact of COVID-19 on the cash flow and liquidity of the Company, over the next 12 months from the date of signing these accounts.

The current economic conditions resulting from the COVID-19 pandemic have had a significant impact on the Company's activity levels from March 2020 onwards and particularly the occupancy levels in the property portfolio owned by fellow subsidiary undertakings. The impacts upon the general economy and the student accommodation industry specifically have continued into the current financial year FY21.

The directors have prepared cash flow forecasts for a period of 22 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, including a 25% reduction in distributions to the company from the trading entities within the CLV UK Group from FY22 onwards, the company will have sufficient funds, through funding from its parent, CLV UK Accommodation Holdings PTY Limited, to meet its liabilities as they fall due for that period. CLV Accommodation Holdings PTY Limited has indicated its intention to continue to make available such funds as are needed by the company, for at least 12 months from the date of approval of the financial statements

Those forecasts are dependent on the company's fellow subsidiaries, CLV Finance UK Limited, CLV (St Andrews) UK Limited, and CLV Salford not seeking repayment of the amounts currently due to them by the company, which at 30 June 2020 amounted to CLV Finance UK Limited £18,397,761 , CLV (St Andrews) UK Limited £2,120,298, and CLV Salford £2,380,521. They 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. 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.

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2. **ACCOUNTING POLICIES - continued**

Changes in accounting policies

The Company has adopted the following standards, amendments and interpretations which have not had a significant impact on the Company's results:

IFRS 16
The Company applied IFRS 16 with a date of initial recognition of 1 July 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. The details of the changes in accounting policies are disclosed below:

A) Definition of a lease
Previously the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of lease.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases.

Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July 2019.

B) As a lessee
As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the ease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset. Under IFSR 16, the Company recognises right-of-use assets and lease liabilities for most leases.

Turnover
Turnover is generated through management and development fees and is recognised on a straight line basis over the term of the contact. 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.

continued...

2. **ACCOUNTING POLICIES - continued**

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.

Financial instruments

(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.

2. **ACCOUNTING POLICIES - continued**

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

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.

continued...

2. **ACCOUNTING POLICIES - continued**

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.

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.

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2. **ACCOUNTING POLICIES - continued**

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.

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.

2. ACCOUNTING POLICIES - continued

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.

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.

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3. TURNOVER

In the below table, turnover is disaggregated by type:

	2020	2019
	£	£
Management fees	3,251,915	3,630,354
Development fees	-	567,160
	3,251,915	4,197,514

Turnover arises entirely in the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	2,970,760	3,378,478
Social security costs	344,594	397,500
Other pension costs	103,764	121,738
Other staff costs	56,572	88,709
	3,475,690	3,986,425

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

	2020	2019
	No.	No.
Administration	49	65
Property management	254	257
	302	322

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

5. DIRECTORS' EMOLUMENTS

	2020	2019
	£	£
Emoluments	353,626	205,119
Company contributions to money purchase pension schemes	23,567	7,919
	377,193	213,038

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £218,959 (30 June 2019: £151,140) and company pension contributions of £14,700 (30 June 2019: £5,775).

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5. DIRECTORS' EMOLUMENTS - continued

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

	2020 No.	2019 No.
Money purchase pension schemes	2	2
	2	2

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Related party interest expense	525,803	449,884
External interest expense	33,837	8,861
Foreign exchange loss	23,663	13,240
	583,303	471,985

7. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

	2020 £	2019 £
Included in administrative expenses:		
Audit fees	20,000	8,106
Depreciation	213,864	216,549
Intercompany balances written off	64,933	172,649
Work in progress written off	273,338	875,549
Staff costs	3,475,690	3,986,425

Fees payable to KPMG LLP and its associates for non-audit services to the company during the period were £nil (30 June 2019: £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

	2020	2019
	£	£
Current tax	(650,626)	(577,336)
Deferred tax	-	(30,791)
Total tax income in income statement	(650,626)	(608,127)

The differences are explained below:

	2020	2019
	£	£
Loss on ordinary activities before taxation	(2,021,015)	(5,276,325)
Tax at the UK tax rate of 19% (30 June 2019: 19%)	(383,993)	(1,002,502)
Effects of:		
Expenses not deductible for tax purposes	125,943	164,841
Utilisation of loss brought forward	(355,765)	-
Deferred tax movement	-	(30,791)
Losses not recognised	-	290,636
Adjustments to prior periods	(36,811)	(30,311)
Total taxation charge	(650,626)	(608,127)

Corporation tax is computed at the main rate of 19% (30 June 2019 19%).

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Company's future current tax charge accordingly.

continued...

9. TANGIBLE FIXED ASSETS

	Property, plant and equipment £	Fixtures and fittings £	Capital work-in-progress £	Total £
COST				
At 1 July 2019	964,666	221,137	3,479,733	4,665,536
Additions	49,381	-	2,404,194	2,453,575
Recognition of right-of-use assets on initial application of IFRS 16	659,408	-	-	659,408
Transferred	-	-	(230,219)	(230,219)
At 30 June 2020	1,673,455	221,137	5,653,708	7,548,300
DEPRECIATION				
At 1 July 2019	709,584	188,621	-	898,205
Charge for year	111,516	8,157	-	119,673
Recognition of right-of -use assets on Initial application of IFRS 16	94,191	-	-	94,191
At 30 June 2020	915,291	196,778	-	1,112,069
NET BOOK VALUE				
At 30 June 2020	758,164	24,359	5,653,708	6,436,231
At 30 June 2019	255,084	32,514	3,479,733	3,767,331

Right of use asset

At 30 June 2020 property, plant and equipment includes right-of-use assets as follows:

	Property, plant and equipment £	Total £
At 30 June 2020	565,217	565,217
	565,217	565,217

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	57,041	277,266
Amounts owed by group undertakings (see note 21)	4,299,340	3,788,000
Other debtors	65,305	478,982
Prepayments and accrued income	193,757	218,304
	4,615,443	4,762,552

11. CASH AT BANK AND IN HAND

	2020 £	2019 £
Cash at bank	1,055,316	387,762
	1,055,316	387,762

continued...

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	631,737	486,083
Amounts owed to group undertakings (see note 21)	6,406,204	6,033,225
Loans owed to group undertakings (see note 14)	19,303,017	14,828,537
Lease creditor	108,950	-
Other creditors	264,492	282,888
Accruals and deferred income	695,701	1,651,198
	27,410,101	23,281,931

13. LEASING AGREEMENTS

Right-of-use asset:
Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented in property, plant and equipment.

	Property, plant and equipment	Total
	£	£
Balance at 1 July 2019	-	-
Additions to right-of-use assets	659,408	659,408
Depreciation charge for the year	(94,191)	(94,191)
	565,217	565,217

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	£
2020 - Leases under IFRS 16	
Interest expense on lease liabilities	31,143

	£
2019 - Operating leases under IAS 17	
Lease expense	216,585

14. AMOUNTS/LOANS PAYABLE TO RELATED PARTIES

Due within one year:

	2020	2019
	£	£
Amounts payable to related parties (see note 22)	6,406,204	5,410,100
Loans payable to related parties (see note 22)	19,303,017	15,451,662
	25,709,221	20,861,762

The loans payable to related parties are due to CLV Finance, CLV Salford and CLV Bedford. The loan with CLV Finance is repayable on 1 May 2030 and the loans with CLV Salford and CLV Bedford are both 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.

continued...

14. **AMOUNTS/LOANS PAYABLE TO RELATED PARTIES - continued**

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%.

15. **PROVISIONS FOR LIABILITIES**

Deferred tax liability

	2020 £	2019 £
Balance brought forward	705	31,496
Movement in the year	-	(30,791)
	705	705

Deferred tax balances have been stated at 19% (30 June 2019: 17%).

The company did not have any unrecognised deferred tax assets or liabilities at 30 June 2020 (30 June 2019: none).

Dilapidation provision

	2020 £	2019 £
Dilapidation provision	-	39,002
	-	39,002

A provision for dilapidations for the London office was provided for in the prior year. This provision was released in the year as it was no longer required. The lease on this property expired in July 2020.

16. **CALLED UP SHARE CAPITAL**

Allotted and issued:

Number:	Class:	Nominal value:	2020 £	2019 £
100,000	Share capital	£1	55,793	55,793

17. **RESERVES**

	Retained earnings £
At 1 July 2019	(14,459,786)
Loss for the year	(1,370,389)
At 30 June 2020	(15,830,175)

continued...

18. 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.

19. CONTINGENT LIABILITIES

Management have not identified any contingent liabilities at 30 June 2020 (30 June 2019: £nil).

20. CAPITAL COMMITMENTS

There are no capital commitments at 30 June 2020 (30 June 2019: £nil).

21. 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 2020	Balance due (to)/ from at 30 June 2019
Receivables from related parties	£	£
Amounts due from CLV (Salford) UK Ltd	241,837	392,416
Amounts due from CLV (Bedfordshire) UK Ltd	211,323	375,319
Amounts due from CLV (Goldsmiths) Investments UK Ltd	1,309	3,929
Amounts due from CLV (Portfolio Finance) UK Ltd	1,374,159	1,775,722
Amounts due from CLV Investments UK Ltd	53,076	48,271
Amounts due from CLV (Cranborne) UK Ltd	256,116	85,281
Amounts due from CLV (Goldsmiths) UK Ltd	106,216	120,000
Amounts due from CLV (City Portfolio) UK Ltd	344,565	230,000
Amounts due from Signpost Homes Ltd	9,683	35,000
Amounts due from Arlington No.3 Bond Issuer Plc	196,500	-
Amounts due from Arlington Student Holdings No.3 Ltd	89,528	210,702
Amounts due from CLV (RCM 2) LLP	57,652	70,231
Amounts due from Dashwood London Ltd	249,540	-
Amounts due from CLV (Sutton Bonington) UK Ltd	20,460	106,580
Amounts due from CLV (Bournemouth) UK Ltd	6,699	-
Amounts due from CLV (Bournemouth 1) UK LLP	56,239	-
Amounts due from CLV Finance UK Ltd	368	-
Amounts due from Salford Village Ltd	117,540	-
Amounts due from CLV (Holte) UK Ltd	40,487	-
Amounts due from CLV (Durham) Member UK Ltd	230,219	-
Amounts due from CLV (Durham) Operations UK Ltd	44,909	-
Amounts due from CLV UK Accommodation Holdings Pty Ltd	192,648	16,274
Amounts due from CLV (Peel Park) Holdings UK Ltd	397,907	318,275
	4,299,340	3,788,000

continued...

21. RELATED PARTY DISCLOSURES - continued

	Balance due (to)/ from at 30 June 2020	Balance due (to)/ from at 30 June 2019
Payables to related parties	£	£
Amounts due to CLV (Bournemouth 1) UK LLP	(368,143)	(325,000)
Amounts due to CLV (Bournemouth) II UK Ltd	(143,499)	(143,499)
Amounts due to St Andrews Ltd	(2,120,298)	(1,984,151)
Amounts due to CLV (St Andrews) UK 3 LLP	(668,942)	(747,865)
Amounts due to CLV Finance UK Ltd	(2,103,013)	(2,116,000)
Amounts due to Salford Village Ltd	(215,103)	(16,701)
Amounts due to CLV (RCM 2) LLP	(14,828)	(16,823)
Amounts due to Arlington Student Holdings No.3 Ltd	-	(60,061)
Amounts due to CLV (St Andrews) UK LLP	(8,649)	-
Amounts due to CLV (St Andrews) UK 2 LLP	(6,648)	-
Amounts due to CLV (Portfolio Finance) UK Ltd	(209)	-
Amounts due to CLV (Bond Issuer) Plc	(218,432)	-
Amounts due to CLV Communities Ltd	(938)	-
Amounts due to CLV (Goldsmiths) UK Ltd	(35,446)	-
Amounts due to Signpost Homes Ltd	(53,063)	-
Amounts due to CLV (Goldsmiths) UK Ltd	(41,503)	-
Amounts due to CLV UK Accommodation Holdings Pty Ltd	(151,712)	-
Amounts due to CLV (Durham) Operations UK Ltd	(200,000)	-
Amounts due to CLV Fund Management Pty	(54,223)	-
Amounts due to CLV (Operations) UK Ltd	(1,555)	-
	(6,406,204)	5,410,100)
Loans due to CLV Finance UK Ltd	(16,294,748)	(12,531,717)
Loans due to CLV (Bedford) UK Ltd	(627,748)	(623,125)
Loans due to CLV (Salford) UK Ltd	(2,380,521)	(2,296,820)
	(19,303,017)	(15,451,662)
	(25,709,221)	(20,861,762)