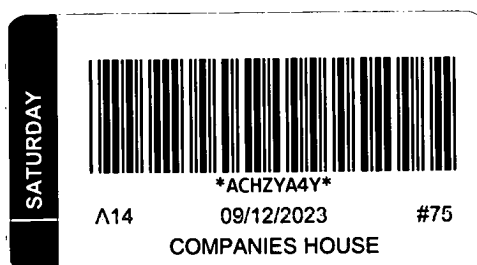


**STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED**

**COMPANY NUMBER 07119911 (ENGLAND AND WALES)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022**



# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr Chua Chi Boon (Appointed on 6 July 2022) Mr Foong Seong Khong (Appointed on 1 March 2022) Ms Koh Mui Leng (Appointed on 1 March 2022) Mr Chua Hwee Song (Resigned on 6 July 2022) Mr Jaspal Singh (Resigned on 9 June 2022) Mr David Mathewson (Resigned on 1 March 2022)
<b>Company number</b>	07119911
<b>Registered office</b>	Kintyre House 70 High Street Fareham Hampshire PO16 7BB United Kingdom
<b>Independent auditor</b>	KPMG Channel Islands Limited Statutory Auditor 37 Esplanade St. Helier Jersey
<b>Business address</b>	16 D'Arblay Street London W1F 8EA
<b>Solicitor</b>	Bryan Cave Leighton Paisner LLP Governors House 5 Laurence Pountney Hill London EC4R 0BR
<b>Bankers</b>	HSBC Bank Plc 8 Canada Square London E14 5HQ

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# **STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 – 2
Directors' report	3 – 4
Independent auditor's report	5 – 8
Statement of income and retained earnings	9
Balance sheet	10
Notes to the financial statements	11 – 22

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# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## STRATEGIC REPORT

**FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022**

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The directors present their Strategic report on the affairs of the Company for the period ended 31 December 2022. The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

### Principal activities

The principal activity of the Company continued to be that of holding investments and managing student accommodation assets. The principal activity of the wider Student Castle group ("the Group") is the building, development and rental of land and student accommodation.

### Review of the business

The directors report turnover of £4,610,950 (2021: £1,172,787) and a loss before tax of £4,637,742 (2021: profit of £2,209).

The Company continues to operate as the management company for the group which is involved in the development and rental of student accommodation.

The Company has net liabilities of £6,069,864 (2021: £2,304,176), including cash of £4,521,647 (2021: £4,892,198). The increase in net liabilities during the period, is due to losses incurred for the period.

### Key performance indicators

The key performance indicators of the Company include its net assets position, profitability and cash flow. The Company's net liabilities position has increased in the current period, due to losses incurred for the period. The Company has seen an increase in losses before tax for the period of £4,639,951 which is attributable to an increase of administrative expenses and interest payable and similar charges of £5,244,602 and £476,167 respectively and a decrease of £2,357,345 in interest receivables from group company loans due to the restructure in the prior period which novated the loans due from subsidiary companies to the parent company; Student Castle Investments Holdco Limited. This has been offset by an increase in income from management charges to group companies of £3,438,163.

### Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the Company to be equivalent to those facing the group, Student Castle Investments Holdco Limited, as outlined within the Strategic report accompanying those consolidated financial statements for the period ended 31 December 2022, which are publicly available, see note 18.

### Going concern

The Group has seen good progress on bookings for the 2023/24 academic year, with booking occupancy at 76% across the portfolio as at 27 February 2023, compared to 60% at the same point a year ago for the 2022/23 academic year. With the stronger occupancies, revenues are expected to exceed pre-COVID 19 levels for Academic Year and the Company continues to be supported by Student Castle Investments Holdco Limited, an intermediate parent company of the Company.

As at 31 December 2022, the Company is in a net liability position of £6,069,864 (31 August 2021: £2,304,176). This is due to the loss incurred for the period of £3,765,688. The Company also has amounts owing to group undertakings of £23,171,783. The parent company of the Company, Student Castle Investments Holdco Limited has provided a letter of undertaking stating that the amounts owed will not be recalled within the next 12 months from the signing date of the financial statements and has provided a letter of undertaking stating that they will continue to provide financial support to the Company.

Due to the above factors, the Directors do not believe there to be uncertainty over the going concern of the Company.

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022**

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### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including liquidity risk and credit risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives. The Company does not currently have any derivative financial instruments. The Company does not use derivative financial instruments for speculative purposes.

### **Liquidity risk**

The parent company, Student Castle Investments Holdco Limited has provided a letter of undertaking stating that the amounts owed will not be recalled within the next 12 months. The Directors do not believe there to be uncertainty over the going concern of the Company.

### **Credit risk**

The Company's principal financial assets are cash and intercompany loans. The Company's credit risk is primarily attributable to its intercompany loans. The amounts presented in the Balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### **Future developments**

The Directors expect the general level of activity to increase in the next few years, on the assumption that there is no further disruption to universities opening due to recent COVID-19 pandemic.

Approved by the Board of Directors and signed on its behalf by



Mr Chua Chi Boon

Director

Date: 4th December 2023

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## DIRECTORS' REPORT

**FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022**

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The directors present their Directors' report and audited financial statements for the period ended 31 December 2022.

### **Directors**

The following directors have held office since 1 September 2021 to the date of signing:

Mr Chua Chi Boon (Appointed on 6 July 2022)  
Mr Foong Seong Khong (Appointed on 1 March 2022)  
Ms Koh Mui Leng (Appointed on 1 March 2022)  
Mr Chua Hwee Song (Resigned on 6 July 2022)  
Mr Jaspal Singh (Resigned on 9 June 2022)  
Mr David Mathewson (Resigned on 1 March 2022)

### **Dividends**

No interim dividends were paid during the period (2021: £137,926,400 by way of dividend in specie) and the directors do not recommend payment of a final dividend (2021: £Nil).

### **Post balance sheet events**

Details of post balance sheet events are contained in note 20 to the financial statements.

### **Directors' responsibilities statement**

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

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

# **STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022**

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### **Going concern**

Details of going concern can be found in the Strategic Report on page 1.

### **Financial risk management objectives and policies**

Details of financial risk management objectives and policies can be found in the Strategic Report on page 2.

### **Future Developments**

Details of future developments can be found in the Strategic Report on page 2.

### **Statement of disclosure to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S418 of Companies Act 2006.

### **Auditors**

The auditor, KPMG Channel Islands Limited is deemed to be reappointed in accordance with Section 487 of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by



.....  
**Mr Chua Chi Boon**

**Director**

Date: 4th December 2023

# Independent Auditor's Report to the Member of Student Castle Property Management Services Limited

## Our opinion

We have audited the financial statements of Student Castle Property Management Services Limited (the "Company"), which comprise the balance sheet as at 31 December 2022, the statement of income and retained earnings for the period from 1 September 2021 to 31 December 2022, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the Company's loss for the period from 1 September 2021 to 31 December 2022;
- are properly prepared in accordance with United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; 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 FRC Ethical Standards. 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.



# Independent Auditor's Report to the Member of Student Castle Property Management Services Limited (continued)

## Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

### We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of litigation or impacts on the Company's ability to operate. We identified company law as being the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

# Independent Auditor's Report to the Member of Student Castle Property Management Services Limited (continued)

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## The directors' report and strategic 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 period 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 parent Company 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.

## Respective responsibilities

### Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements including 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

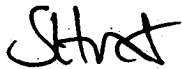
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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](http://www.frc.org.uk/auditorsresponsibilities).

# Independent Auditor's Report to the Member of Student Castle Property Management Services Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's member, 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 member 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 its member, as a body, for our audit work, for this report, or for the opinions we have formed.



**Steven Hunt (Senior Statutory Auditor)**

**For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)**

Chartered Accountants

Jersey

6 December 2023

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

		1 September 2021 to 31 December 2022 £	1 September 2020 to 31 August 2021 £
	Note		
Turnover	3	4,610,950	1,172,787
Gross profit		4,610,950	1,172,787
Administrative expenses		(8,762,336)	(3,517,734)
Operating loss		(4,151,386)	(2,344,947)
Other interest receivable and similar income	6	-	2,357,345
Interest payable and similar charges	7	(486,356)	(10,189)
(Loss) / profit before tax		(4,637,742)	2,209
Tax credit / (charge)	8	872,054	(2,274,147)
Loss after tax		(3,765,688)	(2,271,938)
Retained (losses) / earnings at the beginning of the period / year		(2,304,188)	137,894,162
Loss for the period		(3,765,688)	(2,271,938)
Less: dividends		-	(137,926,412)
Retained (losses) at end of the period / year		(6,069,876)	(2,304,188)

The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

		As at 31 December 2022		As at 31 August 2021	
	Note	£	£	£	£
<b>Non-current assets</b>					
Tangible assets	9		385,546		337,981
<b>Current assets</b>					
Debtors falling due within one year	10	13,608,475		5,451,910	
Cash at bank and in hand		4,521,637		4,892,198	
		18,130,112		10,344,108	
<b>Creditors: amounts falling due within one year</b>	11	(24,532,229)		(12,954,368)	
<b>Net current liabilities</b>			(6,402,117)		(2,610,260)
<b>Total assets less current liabilities</b>			(6,016,571)		(2,272,279)
<b>Creditors: amounts falling due after more than one year</b>	12		(53,293)		(31,897)
<b>Net liabilities</b>			(6,069,864)		(2,304,176)
<b>Capital and reserves</b>					
Called up share capital	14		12		12
Profit and loss account	15		(6,069,876)		(2,304,188)
<b>Shareholders' deficits</b>			(6,069,864)		(2,304,176)

The financial statements of Student Castle Property Management Services Limited, registered number: 07119911, were approved and authorised for issue by the Board on 4th December 2023.

Signed on behalf of the Board



Mr Chua Chi Boon  
Director

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022**

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### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current period and preceding year.

#### **1.1. Standards in issue but not yet effective**

The Directors have considered new standards and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Company or that they would not have a material impact on the Company's financial statements.

There have been no new standards adopted in the year which have a significant impact on the Company's financial statements.

#### **1.2. Basis of accounting**

Student Castle Property Management Services Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown at the beginning of these accounts.

The principal activities of the Company are set out in the Strategic Report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102), and with the Companies Act 2006. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The functional currency of Student Castle Property Management Services Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

Student Castle Property Management Services Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments disclosures, presentation of a cash flow statement and remuneration of key management personnel. Student Castle Property Management Services Limited is consolidated in the financial statements of its parent company, Student Castle Investments Holdco Limited, whose financial statements may be obtained at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB or from company house website.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

#### **1.4. Going concern**

The Group has seen good progress on bookings for the 2023/24 academic year, with booking occupancy at 76% across the portfolio as at 27 February 2023, compared to 60% at the same point a year ago for the 2022/23 academic year. With the stronger occupancies, revenues are expected to exceed pre-COVID 19 levels for Academic Year and the Company continues to be supported by Student Castle Investments Holdco Limited, an intermediate parent company of the Company.

As at 31 December 2022, the Company is in a net liability position of £6,069,864 (31 August 2021: £2,304,176). This is due to the loss incurred for the period of £3,765,688. The Company also has amounts owing to group undertakings of £23,171,783. The parent company of the Company, Student Castle Investments Holdco Limited has provided a letter of undertaking stating that the amounts owed will not be recalled within the next 12 months from the signing date of the financial statements and has provided a letter of undertaking stating that they will continue to provide financial support to the Company.

Due to the above factors, the Directors do not believe there to be uncertainty over the going concern of the Company.

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

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### 1. Accounting policies (continued)

#### 1.5. Tangible fixed assets

Tangible fixed assets, other than investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets, as follows:

Computer equipment	33% per annum
Leasehold improvements	Over the term of the lease
Furniture, fittings & equipment	15% per annum
Website development costs	33% per annum

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of income and retained earnings when the changes arise.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of income and retained earnings.

#### 1.6. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. For non-financial assets, an asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022**

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### **1. Accounting policies (continued)**

#### **1.7. Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the Balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **1.8. Turnover**

Turnover represents management charges received during the course of the year from group undertakings. Management charges are recognised as they are receivable. Other operating income is recognised on an accruals basis as it falls due. Turnover is stated net of VAT and is wholly derived from the United Kingdom.

#### **1.9. Administrative expenses**

Administrative expenses comprise mainly of staff costs, property management expenses, office expenses, marketing expenses, legal and professional fees and tangible assets depreciation. Expenses are accounted for on an accruals basis and recognised in the statement of income and retained earnings.

#### **1.10. Leases**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

#### **1.11. Wages and Directors' remuneration**

Wages costs comprises gross salary, bonuses and employers' national insurance contributions. Wages are recognised as an expense in the period in which the service is received. Directors are remunerated by subsidiaries of Cuscaden Peak Investments Pte Ltd that are outside the Student Castle Group, and they do not receive remuneration specific to services rendered to Student Castle Property Management Services Limited.

#### **1.12. Pensions**

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Profit and loss account in the period they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.



# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

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### 1. Accounting policies (continued)

#### 1.13. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

##### *(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a. The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b. The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

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### 1. Accounting policies (continued)

#### 1.13. Financial instruments (continued)

##### (ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

### 2. Critical accounting judgements and key sources of estimation uncertainty

#### Critical accounting judgements

In the application of the Company's accounting policies, which are described in note 1, 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.

#### Going concern

As at 31 December 2022, the Company is in a net liability position of £6,069,864 (31 August 2021: £2,304,176). This is due to the loss incurred for the period of £3,765,688. The Company also has amounts owing to group undertakings of £23,171,783. The parent company of the Company, Student Castle Investments Holdco Limited has provided a letter of undertaking stating that the amounts owed will not be recalled within the next 12 months from the signing date of the financial statements and has provided a letter of undertaking stating that they will continue to provide financial support to the Company.

Due to the above factors, the Directors do not believe there to be uncertainty over the going concern of the Company and has therefore made the judgement to prepare these financial statements under the going concern basis.

There are no other critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

#### Key sources of estimation uncertainty

The Directors are of the opinion that there are no key sources of estimation uncertainty during the current period.

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

3. Turnover	1 September 2021 to 31 December 2022 £	1 September 2020 to 31 August 2021 £
Management charges	4,610,950	1,172,787
	<u>4,610,950</u>	<u>1,172,787</u>

During the year, new agreements were put in place with the companies under the management of Student Castle Property Management Services Limited which changed the basis of the management fees from 2% of revenue and 3.5% of net profit to 3% of revenue and 4.5% of net profit.

### 4. Loss / profit before taxation

Loss / profit before taxation is stated after charging:

	1 September 2021 to 31 December 2022 £	1 September 2020 to 31 August 2021 £
Depreciation of tangible assets	177,222	135,839
Operating lease rentals	139,625	83,022
	<u>139,625</u>	<u>83,022</u>

The analysis of the auditor's remuneration is as follows:

Fees payable to the Company's auditor for the audit of the Company's annual financial statements	11,681	14,208
<b>Total audit fees</b>	<u>11,681</u>	<u>14,208</u>

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of Student Castle Investments Holdco Limited, an intermediate parent company of the Company (note 18).

### 5. Employees

#### Number of employees

The average monthly number of employees (including directors) during the period / year was:

	1 September 2021 to 31 December 2022 Number	1 September 2020 to 31 August 2021 Number
Administration staff	<u>40</u>	<u>47</u>

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

### 5. Employees (continued)

#### Employment costs

The employment costs (including directors) for the Company during the period / year was:

	1 September 2021 to 31 December 2022 £	1 September 2020 to 31 August 2021 £
Wages and salaries	5,343,663	2,023,076
Social security costs	340,253	248,964
Other pension costs	104,081	39,966
	<u>5,787,997</u>	<u>2,312,006</u>

The Company operates defined contribution retirement benefit scheme for all qualifying employees.

Included in accruals at 31 December 2022 were £10,480 (31 August 2021: £7,044) relating to pension and other post-retirement benefit commitments.

### 6. Other interest receivable and similar income

	1 September 2021 to 31 December 2022 £	1 September 2020 to 31 August 2021 £
Interest receivable on amounts owed by group undertakings	-	2,357,345
	<u>-</u>	<u>2,357,345</u>

### 7. Interest payable and similar charges

	1 September 2021 to 31 December 2022 £	1 September 2020 to 31 August 2021 £
Bank charges	486,356	10,189
	<u>486,356</u>	<u>10,189</u>

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

8. Tax (credit) / charge	1 September 2021 to 31 December 2022	1 September 2020 to 31 August 2021
	£	£
The tax (credit) / charge comprises:		
<b>Current tax:</b>		
UK corporation tax on profits for the period	(897,663)	15,403
Adjustment in respect of previous periods	2,959	2,264,381
<b>Total current tax (credit) / charge</b>	<b>(894,704)</b>	<b>2,279,784</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	18,528	(13,080)
Adjustments in respect of prior periods	(1,505)	(214)
Effect of changes in tax rates	5,627	7,657
<b>Total deferred tax credit (see note 13)</b>	<b>22,650</b>	<b>(5,637)</b>
<b>Total tax (credit) / charge</b>	<b>(872,054)</b>	<b>2,274,147</b>
The total tax (credit) / charge for the period can be reconciled to the (loss) / profit per the income statement as follows:		
(Loss) / profit before tax	(4,637,742)	2,209
Tax on loss / profit at standard UK corporation tax rate of 19.00% (2021: 19.00%)	(881,171)	420
Effects of:		
Expenses not deductible for tax purposes	2,035	1,904
Adjustments in respect of prior periods	1,454	2,264,167
Effect of changes in tax rates	5,628	7,656
<b>Total tax charge for the period</b>	<b>(872,054)</b>	<b>2,274,147</b>

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

### 9. Tangible fixed assets,

	Leasehold improvements £	Computer equipment £	Furniture, fittings and equipment £	Website development costs £	Total £
<b>Cost or valuation</b>					
At 1 September 2021	107,461	442,138	79,082	629,320	1,258,001
Additions	-	74,681	5,600	144,506	224,787
At 31 December 2022	107,461	516,819	84,682	773,826	1,482,788
<b>Depreciation</b>					
At 1 September 2020	70,993	314,731	61,400	472,896	920,020
Charge for the year	15,991	99,556	1,969	59,706	177,222
At 31 December 2022	86,984	414,287	63,369	532,602	1,097,242
<b>Net book value</b>					
At 31 December 2022	20,477	102,532	21,313	241,224	385,546
At 31 August 2021	36,468	127,407	17,682	156,424	337,981

### 10. Debtors

Amounts falling due within one year

	As at 31 December 2022 £	As at 31 August 2021 £
Amounts owed by group undertakings	13,045,686	5,009,015
Other debtors	192,378	120,362
Prepayments and accrued income	245,500	202,580
Other taxes and social security	123,979	1,182
Deferred tax asset	932	2,186
Corporation tax	-	116,585
	13,608,475	5,451,910

Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

### 11. Creditors: amounts falling due within one year

	As at 31 December 2022 £	As at 31 August 2021 £
Trade creditors	41,278	27,810
Amounts owed to group undertakings	23,171,783	12,365,336
Other creditors	322,798	138,834
Accruals	995,920	422,388
	<u>24,532,229</u>	<u>12,954,368</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 12. Creditors: amounts falling due after more than one year

	As at 31 December 2022 £	As at 31 August 2021 £
Deferred tax liability	53,293	31,897
	<u>53,293</u>	<u>31,897</u>

### 13. Deferred taxation

	Deferred tax £
Movement in deferred tax (assets) / liabilities are as follows:	
At 1 September 2021	29,711
Charged to statement of income and retained earnings during the period	22,649
Balance at 31 December 2022	<u>52,360</u>

	As at 31 December 2022 £	As at 31 August 2021 £
Total deferred tax (assets) / liabilities is made up as follows:		
Fixed asset timing differences	53,293	31,897
Short term timing differences	(933)	(2,186)
	<u>52,360</u>	<u>29,711</u>

The deferred tax asset is expected to be utilised against foreseeable profits and is therefore appropriate to recognise.

The net deferred tax liability amounts expected to reverse in 2023 is £nil.

In the March 2021 budget, the UK Government announced that from 1 April 2023, the corporation tax rate would increase to 25% from 19%. This was substantively enacted on 10 June 2021, therefore deferred tax has been measured at the rate of 25%.

# STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

### 14. Called-up share capital

	As at 31 December 2022	As at 31 August 2021
	£	£
<b>Allotted, called-up and fully-paid</b>		
12 Ordinary shares of £1 each	12	12
	<u>12</u>	<u>12</u>

The ordinary shares carry equal voting rights.

### 15. Reserves

Profit and loss account – this reserve records retained earnings and accumulated losses.

### 16. Financial Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31 December 2022 £	As at 31 August 2021 £
Within one year	108,000	108,000
Between one and five years	74,100	216,000
	<u>182,100</u>	<u>324,000</u>

### 17. Contingent liabilities

In Year ended 31 August 2021, the Company entered into contracts with 3 employees for retention bonuses amounting to £185,962 which will be paid in instalments every 6 months over 3 years if the employees continue in their employment.

3 instalments amounting to £38,484, £26,756 and £20,482 respectively were paid on 28 September 2021, 28 March 2022 and 28 September 2022 (2021: one instalment of £26,756 paid on 28 March 2021) and have been recognised as an expense in the statement of income and retained earnings. Included in accruals are instalments totaling £18,255 for the period 1 March 2023 to 30 September 2023

The Directors have used historical data to assess the probability that the employees will remain in employment and have concluded that the probability is lower than 50%, therefore a provision for the remaining £55,229 has not been recognised in the financial statements.

### 18. Control

The direct parent entity is Student Castle Investments Holdco Limited, whose registered address is stated below. The immediate holding company is Cuscaden Peak Investments Pte Ltd (formerly known as Singapore Press Holdings Limited, a company incorporated in Singapore listed on the Singapore stock exchange). The ultimate holding company is Cuscaden Peak Pte Ltd.

The Company's results are included in the consolidated financial statements of Student Castle Investments Holdco Limited, whose financial statements can be obtained from their registered address at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB or from company house website. This is the smallest group into which the results of the Company are consolidated.



# **STUDENT CASTLE PROPERTY MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

***FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022***

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**19. Related party relationships and transactions**

The Company has taken advantage of the exemption available under FRS 102, Section 33: Related Party Disclosures whereby it has not disclosed transactions with the ultimate parent company, Cuscaden Peak Pte Ltd or any wholly owned subsidiary undertakings of the group.

**20. Post balance sheet events**

There were no post balance sheet events identified that require adjustment to the financial statements.

**21. Change of year end**

The financial year end of the Company was changed from 31 August to 31 December so as to coterminous with the year end of its ultimate holding company. Accordingly, the current financial statements are prepared for 16 months from 1 September 2021 to 31 December 2022 and as a result, the comparative figures stated in the statement of income and retained earnings and related notes are not comparable.