

Registered number: 11086205

Parent company financial statements for filing alongside the financial statements of

Company name: *ASH8 UK HOLD CO PLC*

Company number: *07380468*

in respect of the audit exemption S479A of Companies Act 2006, see note 14, page 29

**ASH8 UK HOLD CO PLC AND
SUBSIDIARY UNDERTAKINGS**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022



**LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

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ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

COMPANY INFORMATION

DIRECTORS	S McKeown G Shweiry
COMPANY SECRETARY	S McKeown
REGISTERED NUMBER	11086205
REGISTERED OFFICE	3rd Floor Paternoster House 65 St Paul's Churchyard London EC4M 8AB
INDEPENDENT AUDITORS	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
BANKERS	U.S. Bank 5th Floor 125 Old Broad Street London EC2N 1AR

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report and the financial statements for the year ended 31 December 2022.

BUSINESS REVIEW

The principal activity of the Group during the year was that of operating serviced student accommodation.

The results for the year and the financial position of the Group are shown in the financial statements. The Group has produced a loss after tax in the year of £13,462,360 (2021 - loss of £29,555,764).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to the Group are as follows:

Student accommodation sector

Despite UK political uncertainty, there is still strong interest from investors in the student accommodation sector with 2022 proving to be a record year for UK student accommodation transactions.

Key structural trends in the UK continue to point to favourable demand for the sector in the medium term. The continued demographic growth of 18-year-olds over the next ten years coupled with a commitment from the government to increase international student numbers to 600,000 by 2030, suggests a positive outlook for the UK PBSA market.

The number of accepted applicants into UK higher education for the 22/23 academic cycle was in-line with 21/22 and demand from international students has remained strong with UCAS noting an increase in placed applicants from outside the EU. Domestic demand also remained robust with a small increase in accepted applicants compared to a year earlier.

Coventry remains a difficult market for student accommodation and continues to face challenges from the delivery of a large number of new rooms in recent years. Occupancy increased significantly from 21/22 to 22/23, albeit with reduced rates due to this oversupply and it is anticipated that performance will continue to improve year on year with the end of Covid-19 restrictions.

Sheffield, Cambridge and Nottingham continue to perform well and showed a return to high occupancy levels for the 22/23 academic year with no sign of any slowdown heading into the 23/24 term.

Costs across the sector continue to rise with particularly sharp increases in energy costs driven by the recent war in Ukraine, however these factors continue to be managed carefully by a strong in-house operational and asset management team alongside an energy cap which has helped to significantly mitigate these rises.

Coronavirus ("COVID-19")

The student accommodation market has now shaken off the impacts of COVID-19 and it is expected that from the 23/24 intake there will no longer be adverse effects from lockdowns.

The wider financial markets are no longer being impacted to the extent seen in previous years and as such we do not expect any further negative impact on the Group's results with respect to COVID-19.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

General

Management regularly monitor the Group's working capital requirements to ensure adequate headroom for its day to day operations and regularly update its cashflow forecast which considers the foreseeable future including the next 12 months of operation from the date of signing the financial statements. This considers the Group's ability to repay its lenders and suppliers as payments become due and reviews whether the Group will breach any loan covenants in this period.

During the year ended 31 December 2022 the Group breached its loan's financial covenants and remains in constructive conversations with its lenders to ensure the current breaches can be waived. Following an injection of subordinated debt, the current forecast position of the group shows that the cash available for debt service no longer requires support from its parent company to cover the period over the next 12 months from signing the financial statements. There are however further breaches of loan covenants in respect of debt service coverage expected over the period, but management are confident that further waivers will be granted by the lenders. As part of this process, the lenders have issued a Reservation of Rights letter stipulating certain conditions to be met by the Group. The directors are confident that the current conditions that need to be met by 15 November 2023 will be achieved or they will be able to negotiate alternative measures to the satisfaction of the lender. These measures include the injection of £1,000,000 of equity in ASH8 UK Asset Co Limited and the sale of some of the properties to repay part of the debt due to the lenders such that the credit rating of the debt is considered to be investment grade.

The directors are confident that any additional conditions agreed between the lenders and the Group for such remedies will be met and that where required the Group will also receive support from its parent undertaking and fellow group companies.

Going forward the forecasts anticipate a net cash surplus will be generated, and constructive conversations continue with the lender in order to seek the covenant waivers required to transition back to this net positive cashflow position. Though it is expected that future loan waivers will be granted, because of this and uncertainty over the forecasts being achieved over the next 12 months there is a material uncertainty that exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. However, given the continued support of the lender and the Group's parent, the improved occupancy position, and continued strong support for the student accommodation sector, the directors consider it appropriate to prepare the accounts on a going concern basis.

FINANCIAL & OTHER KEY PERFORMANCE INDICATORS

The key performance indicator of the Group is the ability to service its loan notes and the Group has met all of its interest and debt repayments to date and has the ability to make payments for at least the next 12 months.

In addition to this, occupancy levels and net operating income of the serviced accommodation are also a key performance indicator of the Group.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

The directors of the Group have acted to promote the long term success of the Group for the benefit of the shareholders, whilst having regard to matters set out in section 172 (1)(a) - (f) of the Companies Act 2006, being:

- a. The likely consequences of any decision in the long term - the directors make decisions on behalf of the Group taking into account both the immediate impact of these decisions and the long term impacts and how these benefit the Group and regularly review the strategy of the Group in the medium and long term.
- b. The interests of the Group's employees - the Group's employees are key to the activities of the Group and management ensure that employees are informed of matters that are of concern to them.
- c. The need to foster the Group's business relationships with suppliers, customers and others - The Board engages with a variety of stakeholders, including lenders, group undertakings, and suppliers, to maintain *business relationships and enable balanced decisions that incorporate multiple viewpoints*, whilst maintaining the Group's Strategy.
- d. The impact of the Group's operations on the community and the environment - the Group holds student accommodation and this has minimal impact on the environment, but the directors ensure this is maintained.
- e. The desirability of the Group maintaining a reputation for high standards of business conduct - the directors ensure this is met and is reviewed during board meetings
- f. The need to act fairly as between members of the Group - the parent Company only has one member

This report was approved by the board and signed on its behalf.

Sean McKeown

S McKeown
Director

Date: 29 June 2023

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

DIRECTORS

The Directors who served during the year were:

S McKeown
G Shweiry

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £13,462,360 (2021 - loss £29,555,764).

No final dividend has been proposed and no interim dividend has been paid.

FINANCIAL INSTRUMENTS

The directors consider the Group's principal financial instruments to be its debtors and creditors. These instruments are used to provide finance and working capital for the Group's operations. The Group continually reviews the risks applicable to these financial statements and manages these with formal procedures including:

- Continuous review of cash flow and working capital requirements
- Ensuring compliance with loan note documentation
- Ensuring trade creditors are paid when they fall due

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The Group's key stakeholders are its tenants, lenders, group undertakings and suppliers and the Group has regular dialogue with these stakeholders to ensure strong relationships are maintained.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Group has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

Sean McKeown

S McKeown
Director

Date: 29 June 2023

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

OPINION

We have audited the financial statements of ASH8 UK Hold Co Plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.3 in the financial statements, which notes the current and anticipated breaches of loan covenants in the next 12 months from signing the financial statements of a loan held by the Group. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the sector and its impact on the financial and operating performance and policies;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax laws and regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations, employment law, environmental regulations, and landlord regulations etc.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to irregularities including fraud were in respect of revenue recognition, management override, investment property valuation and bank covenants. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing revenue recognition on a sample basis;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the Group's operations;

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS (CONTINUED)

- in review of managements estimate of investment property valuation; consideration of potential bias within the valuation; review of the underlying assumptions and estimates used in determining the fair value; and review of third party valuation reports where valuations are based on this;
- review of covenants in place with external lenders to ensure no breaches during the period and checking calculations of covenants reported to lenders to ensure correct calculations;
- reviewing the UK tax computations and returns to ensure compliance with UK tax law and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Simon de Souza

Simon de Souza (Senior Statutory Auditor)
for and on behalf of
Lubbock Fine LLP
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Date: 29 June 2023

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	8,252,479	6,827,976
Cost of sales		(6,547,374)	(6,202,550)
Gross profit		<u>1,705,105</u>	<u>625,426</u>
Administrative expenses		(1,243,590)	(1,632,487)
Exceptional administrative expenses	11	-	(12,132,825)
Fair value movements	15	(4,300,000)	(4,270,000)
Operating loss	5	<u>(3,838,485)</u>	<u>(17,409,886)</u>
Interest receivable and similar income	8	747	1,774
Interest payable and similar expenses	9	(10,682,722)	(8,879,617)
Loss before taxation		<u>(14,520,460)</u>	<u>(26,287,729)</u>
Tax on loss	10	1,058,100	(3,268,035)
Loss for the financial year		<u>(13,462,360)</u>	<u>(29,555,764)</u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 18 to 35 form part of these financial statements.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

REGISTERED NUMBER:11086205

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	-	-
Investment property	15	131,370,000	135,670,000
		<u>131,370,000</u>	<u>135,670,000</u>
Current assets			
Debtors: amounts falling due within one year	16	7,896,256	7,058,587
Cash at bank and in hand	17	6,638,006	4,661,748
		<u>14,534,262</u>	<u>11,720,335</u>
Creditors: amounts falling due within one year	18	(115,522,740)	(110,059,258)
Net current liabilities		<u>(100,988,478)</u>	<u>(98,338,923)</u>
Total assets less current liabilities		<u>30,381,522</u>	<u>37,331,077</u>
Creditors: amounts falling due after more than one year	19	(55,016,751)	(47,428,946)
Provisions for liabilities			
Deferred taxation	22	(14,648,309)	(15,723,309)
Net liabilities		<u>(39,283,538)</u>	<u>(25,821,178)</u>
Capital and reserves			
Called up share capital	26	50,000	50,000
Profit and loss account	27	(39,333,538)	(25,871,178)
Equity attributable to owners of the parent Company		<u>(39,283,538)</u>	<u>(25,821,178)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Sean McKeown

S McKeown
Director

Date: 29 June 2023

The notes on pages 18 to 35 form part of these financial statements.

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	14	1	1
Current assets			
Debtors: amounts falling due after more than one year	16	40,068,637	33,388,229
Debtors: amounts falling due within one year	16	7,017,872	7,017,872
		<u>47,086,509</u>	<u>40,406,101</u>
Creditors: amounts falling due within one year	18	(11,054,261)	(10,126,452)
Net current assets		<u>36,032,248</u>	<u>30,279,649</u>
Total assets less current liabilities		<u>36,032,249</u>	<u>30,279,650</u>
Creditors: amounts falling due after more than one year	19	(35,529,617)	(30,081,527)
Net assets		<u>502,632</u>	<u>198,123</u>
Capital and reserves			
Called up share capital	26	50,000	50,000
Profit and loss account brought forward		148,123	(11,771)
Profit for the year	12	<u>304,509</u>	<u>159,894</u>
Profit and loss account carried forward		<u>452,632</u>	<u>148,123</u>
		<u>502,632</u>	<u>198,123</u>

The financial statements were approved and authorised for issue by board and were signed on its behalf by:

Sean McKeown

S McKeown
Director

Date: 29 June 2023

The notes on pages 18 to 35 form part of these financial statements.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 January 2021	50,000	3,684,586	3,734,586	3,734,586
Comprehensive income for the year				
Loss for the year	-	(29,555,764)	(29,555,764)	(29,555,764)
At 1 January 2022	50,000	(25,871,178)	(25,821,178)	(25,821,178)
Comprehensive income for the year				
Loss for the year	-	(13,462,360)	(13,462,360)	(13,462,360)
At 31 December 2022	50,000	(39,333,538)	(39,283,538)	(39,283,538)

The notes on pages 18 to 35 form part of these financial statements.

See note 28 for details of the restatement.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	50,000	(11,771)	38,229
Comprehensive income for the year			
Profit for the year	-	159,894	159,894
At 1 January 2022	50,000	148,123	198,123
Comprehensive income for the year			
Profit for the year	-	304,509	304,509
At 31 December 2022	50,000	452,632	502,632

The notes on pages 18 to 35 form part of these financial statements.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(13,462,360)	(29,555,764)
Adjustments for:		
Amortisation of intangible assets	-	263,659
Impairment of goodwill	-	12,132,825
Interest paid	10,682,722	8,879,617
Interest received	(747)	(1,774)
Taxation charge	(1,075,000)	3,268,035
Decrease in stocks	-	35,700
(Increase) in debtors	(837,669)	(202,055)
Increase in creditors	2,132,345	3,400,140
Net fair value losses recognised in P&L	4,300,000	4,270,000
Corporation tax paid	(131,619)	(4,828)
Net cash generated from operating activities	<u>1,607,672</u>	<u>2,485,555</u>
Cash flows from investing activities		
Interest received	747	-
Net cash from investing activities	<u>747</u>	<u>-</u>
Cash flows from financing activities		
Loan drawdown	2,300,000	6,500,000
Interest paid	(1,932,161)	(7,315,287)
Net cash used in financing activities	<u>367,839</u>	<u>(815,287)</u>
Net increase in cash and cash equivalents	<u>1,976,258</u>	<u>1,670,268</u>
Cash and cash equivalents at beginning of year	4,661,748	2,991,480
Cash and cash equivalents at the end of year	<u><u>6,638,006</u></u>	<u><u>4,661,748</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>6,638,006</u></u>	<u><u>4,661,748</u></u>

The notes on pages 18 to 35 form part of these financial statements.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED ANALYSIS OF NET DEBT

FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	4,661,748	1,976,258	-	6,638,006
Debt due after 1 year	(47,178,178)	(2,300,000)	(6,242,962)	(55,721,140)
Debt due within 1 year	(102,418,792)	1,932,161	(4,436,952)	(104,923,583)
	<u>(144,935,222)</u>	<u>1,608,419</u>	<u>(10,679,914)</u>	<u>(154,006,717)</u>

The notes on pages 18 to 35 form part of these financial statements.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

ASH8 UK Hold Co Plc is a public company limited by shares and incorporated in England and Wales with registered number 11086205. The registered office address is 3rd Floor Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB. The principal place of business is 66 St James's Street, London, SW1A 1NE.

The Group's functional and presentational currency is GBP, rounded to the nearest pound.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.3 Going concern

Management regularly monitor the Group's working capital requirements to ensure adequate headroom for its day to day operations and regularly update its cashflow forecast which considers the foreseeable future including the next 12 months of operation from the date of signing the financial statements. This considers the Group's ability to repay its lenders and suppliers as payments become due and reviews whether the Group will breach any loan covenants in this period.

During the year ended 31 December 2022 the Group breached its loan's financial covenants and remains in constructive conversations with its lenders to ensure the current breaches can be waived. Following an injection of subordinated debt, the current forecast position of the group shows that the cash available for debt service no longer requires support from its parent company to cover the period over the next 12 months from signing the financial statements. There are however further breaches of loan covenants in respect of debt service coverage expected over the period, but management are confident that further waivers will be granted by the lenders. As part of this process, the lenders have issued a Reservation of Rights letter stipulating certain conditions to be met by the Group. The directors are confident that the current conditions that need to be met by 15 November 2023 will be achieved or they will be able to negotiate alternative measures to the satisfaction of the lender. These measures include the injection of £1,000,000 of equity in ASH8 UK Asset Co Limited and the sale of some of the properties to repay part of the debt due to the lenders such that the credit rating of the debt is considered to be investment grade.

The directors are confident that any additional conditions agreed between the lenders and the Group for such remedies will be met and that where required the Group will also receive support from its parent undertaking and fellow group companies.

Going forward the forecasts anticipate a net cash surplus will be generated, and constructive conversations continue with the lender in order to seek the covenant waivers required to transition back to this net positive cashflow position. Though it is expected that future loan waivers will be granted, because of this and uncertainty over the forecasts being achieved over the next 12 months there is a material uncertainty that exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. However, given the continued support of the lender and the Group's parent, the improved occupancy position, and continued strong support for the student accommodation sector, the directors consider it appropriate to prepare the accounts on a going concern basis.

This assumes that the Company will continue in operational existence with the continued support of its parent company and related entities and lenders for the foreseeable future and for at least 12 months after the signing of the financial statements.

2.4 Turnover

Turnover represents rental income receivable and sale of services from property lettings. All properties are situated in the United Kingdom. Rental income is recognised on a straight line basis over the term of the lease. Any rental incentive or rent free period given is spread over the period of the lease. Sale of services is recognised at the point the service is provided and it is probable the Group will receive the previously agreed upon payment.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.10 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life which is deemed to be 50 years.

2.11 Investment property

Investment property is carried at fair value determined annually by the Directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.12 Impairment of goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies set out above Group management is required to make certain estimates and judgements concerning the future. These judgements are regularly reviewed and updated as necessary. The estimates and judgements that have the most significant effect on the amounts included in these financial statements are as follows:

Property valuation

The fair value of the investment property is determined by the Directors and has been based on valuations by third party valuers as at 31 March 2023, which were in accordance with the requirements of FRS102 and the Royal Institute of Chartered Surveyors (RICS) Valuation Standards. The valuations are primarily derived from comparable recent market transactions on an arms length basis and then updated to 31 December 2022. See note 15 for further details.

Intercompany debtor recoverability

The Company has an intercompany debtor which is due for repayment in 2055. The recoverability of the debtor is assessed annually, placing reliance on the cash flow forecasts prepared at group level to determine if the balance is likely to be recoverable at the repayment date which involves an element of judgement in assessing the potential future results and financial position of the Group. No bad debt provision has been recognised against the balance. See note 16 for details of the intercompany debtor balances as at the balance sheet date.

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the Group.

All turnover arose within the United Kingdom.

5. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Provision for bad debts charge	(11,230)	329,171
Other operating lease rentals	1,410,990	1,341,126

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. AUDITORS' REMUNERATION

During the year, the Group obtained the following services from the Company's auditors:

	2022	2021
	£	£
Fees payable to the Group's auditors for the audit of the Group's financial statements	21,600	33,100
	2022	2021
	£	£
Fees payable to the Group's auditor and its associates in respect of:		
Audit of the subsidiary undertakings	16,200	19,500
Preparation of financial statements of subsidiary undertakings	57,600	66,800
Taxation services	48,600	41,100
	<u>122,400</u>	<u>127,400</u>

7. EMPLOYEES

Staff costs were as follows:

	Group	Group
	2022	2021
	£	£
Wages and salaries		
Wages and salaries	715,033	932,450
Social security costs	53,096	46,097
Cost of defined contribution scheme	15,123	19,468
	<u>783,252</u>	<u>998,015</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	Group	Group	Company	Company
	2022	2021	2022	2021
	No.	No.	No.	No.
Property operations staff	43	59	-	-
Directors	2	2	2	2
	<u>45</u>	<u>61</u>	<u>2</u>	<u>2</u>

Directors remuneration for the year was £nil (2021 - £nil).

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

8. INTEREST RECEIVABLE

	2022 £	2021 £
Other interest receivable	747	1,774

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Loan note interest payable	4,352,965	3,838,165
Amortisation of loan arrangement fees	77,840	77,840
Group interest payable	6,249,111	4,962,821
Corporation tax interest	2,806	791
	<u>10,682,722</u>	<u>8,879,617</u>

10. TAXATION

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	16,900	153,098
Deferred tax		
Origination and reversal of timing differences	(1,075,000)	3,114,937
Taxation on (loss)/profit on ordinary activities	<u>(1,058,100)</u>	<u>3,268,035</u>

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

10. TAXATION (CONTINUED)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(14,520,460)	(26,287,729)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(2,758,887)	(4,994,669)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	2,355,332
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,867,926	1,534,507
Capital allowances for year in excess of depreciation	(92,139)	158,853
Group relief	-	360,220
Deferred tax	(1,075,000)	3,853,792
Total tax charge for the year	(1,058,100)	3,268,035

Factors that may affect future tax charges

The UK main corporation tax rate will be increased to 25% applying to profits over £250,000 (effective from 1 April 2023) following the Chancellor's announcement on 14 October 2022. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

11. EXCEPTIONAL ITEMS

	2022 £	2021 £
Impairment of goodwill	-	12,132,825

An impairment review in the prior year identified that the goodwill recognised in relation to the acquisition of the subsidiaries should be fully impaired. The impairment was therefore recognised in full in the prior period.

12. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £304,509 (2021 - £159,894).

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13. INTANGIBLE ASSETS

Group

	Goodwill £
Cost	
At 1 January 2022	13,182,859
At 31 December 2022	<u>13,182,859</u>
Amortisation	
At 1 January 2022	13,182,859
At 31 December 2022	<u>13,182,859</u>
Net book value	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	50,001
At 31 December 2022	50,001
Impairment	
At 1 January 2022	50,000
At 31 December 2022	50,000
Net book value	
At 31 December 2022	1
At 31 December 2021	1
Direct subsidiary undertakings	

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
ASH8 Debt Co UK 1 Plc	England and Wales	Ordinary	100%
ASH8 UK Asset Co Limited	England and Wales	Ordinary	100%

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14. FIXED ASSET INVESTMENTS (CONTINUED)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
ASH8 Group Holdings Limited	England and Wales	Ordinary	100%
ASH8 Group Limited	England and Wales	Ordinary	100%
ASH8 Investments Pillar Box Properties Limited	England and Wales	Ordinary	100%
ASH8 Investments (Trinity St) Limited	England and Wales	Ordinary	100%
ASH8 Investments (The Burges) Limited	England and Wales	Ordinary	100%
ASH8 Investments (Market Way) Limited	England and Wales	Ordinary	100%
ASH8 Investments (Corporation St) Limited	England and Wales	Ordinary	100%
ASH8 Investments (175 Corp St) Limited	England and Wales	Ordinary	100%
ASH8 Investments (Well St) Limited	England and Wales	Ordinary	100%
ASH8 Investments (Clarendon St) Limited	England and Wales	Ordinary	100%
ASH8 Investments (The Moor) Limited	England and Wales	Ordinary	100%
ASH8 Investments (Castle St) Limited	England and Wales	Ordinary	100%
ASH8 Pillar Box Properties Limited	England and Wales	Ordinary	100%
ASH8 (Trinity St) Limited	England and Wales	Ordinary	100%
ASH8 (The Burges) Limited	England and Wales	Ordinary	100%
ASH8 (Market Way) Limited	England and Wales	Ordinary	100%
ASH8 (Corporation St) Limited	England and Wales	Ordinary	100%
ASH8 (175 Corp St) Limited	England and Wales	Ordinary	100%
ASH8 (Well St) Limited	England and Wales	Ordinary	100%
ASH8 (Clarendon St) Limited	England and Wales	Ordinary	100%
ASH8 (The Moor) Limited	England and Wales	Ordinary	100%
ASH8 (Castle St) Limited	England and Wales	Ordinary	100%

The indirect subsidiary undertakings noted above are exempt from the requirements of the Companies Act relating to the audit of its individual financial statements by virtue of section 479A.

All of the subsidiaries have the same registered office as ASH8 UK Hold Co plc.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

15. INVESTMENT PROPERTY

Group

	Investment property £
Valuation	
At 1 January 2022	135,670,000
Surplus on revaluation	(4,300,000)
At 31 December 2022	131,370,000

The 2022 valuations were made by the Directors based on external valuation reports valuing the properties as at 31 March 2023 which were reviewed by the Directors and considered to be a materially correct representation of the value as at 31 December 2022. The valuations were in accordance with the requirements of FRS 102 and the Royal Institute of Chartered Surveyors (RICS) Valuation Standards. The valuers' opinions are primarily derived from comparable recent market transactions on an arm's length basis.

	2022 £	2021 £
Historic cost	135,000,000	135,000,000

16. DEBTORS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due in more than one year				
Amounts owed by group undertakings	-	-	40,068,637	33,388,229
Amounts falling due in less than one year				
Trade debtors	669,564	303,998	-	-
Amounts owed by group undertakings	6,499,729	6,447,474	7,017,422	7,017,422
Other debtors	5,692	37,726	-	-
Prepayments and accrued income	721,271	269,389	450	450
	7,896,256	7,058,587	7,017,872	7,017,872

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

17. CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	6,638,006	4,661,748	-	-

18. CREDITORS: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	104,923,583	102,369,671	-	-
Trade creditors	735,122	382,661	-	2,600
Amounts owed to group undertakings	4,873,671	3,979,850	11,024,260	10,069,103
Corporation tax	17,683	146,494	1	15,749
Other taxation and social security	4,279	3,914	-	-
Other creditors	289,268	2,964	-	-
Accruals and deferred income	4,679,134	3,173,704	30,000	39,000
	115,522,740	110,059,258	11,054,261	10,126,452

Secured creditors

Fixed bank loan notes incur interest at 3.651% and indexed bank loan notes incur interest at 0.419% plus indexation. From 1 April 2023, the fixed rate was temporarily amended to 4.151% and the indexed rate to 0.919% until such a time that the loan notes are considered to reach investment grade. The loan notes are secured by way of fixed and floating charges over the assets of the Group and are repayable on 31 December 2055.

During the year and subsequent to this, the Group had breached its loan's financial covenants in respect of Debt Service Coverage Ratios. The Group received a waiver from the lender (prior to the breaches taking place) in June 2021, however, terms of the waiver were subsequently breached. As set out in note 2.3, management are confident that further waivers will be granted by the lender and the loan will not be called in for repayment. However, as the covenants were in breach at the balance sheet date, the bank loans held by the Group have been treated as repayable on demand.

19. CREDITORS: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts owed to group undertakings	54,765,983	47,178,178	35,529,617	30,081,527
Other creditors	250,768	250,768	-	-
	55,016,751	47,428,946	35,529,617	30,081,527

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

20. LOANS

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	104,923,583	102,369,671	-	-
Amounts falling due after more than 5 years				
Amounts owed to group undertakings	54,765,983	47,178,178	35,529,617	30,081,527
	<u>159,689,566</u>	<u>149,547,849</u>	<u>35,529,617</u>	<u>30,081,527</u>

21. FINANCIAL INSTRUMENTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Cash and cash equivalents	6,638,006	4,661,748	-	-
Financial assets that are debt instruments measured at amortised cost	7,174,985	6,789,198	47,086,059	40,405,651
	<u>13,812,991</u>	<u>11,450,946</u>	<u>47,086,059</u>	<u>40,405,651</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(166,774,812)	(155,131,991)	(46,583,877)	(40,192,230)

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

22. DEFERRED TAXATION

Group

	2022 £	
At beginning of year	(15,723,309)	
Charged to profit or loss	1,075,000	
At end of year	(14,648,309)	
	Group 2022 £	Group 2021 £
Accelerated capital allowances	1,000,011	1,000,011
Realisable gains on revaluation of investment properties	(15,648,320)	(16,723,320)
	(14,648,309)	(15,723,309)

23. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £15,123 (2021 - £19,468). Contributions totaling £2,964 (2021 - £2,964) were payable to the fund at the balance sheet date and are included in creditors.

24. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	1,410,990	1,410,990
Later than 1 year and not later than 5 years	5,788,925	5,718,375
Later than 5 years	283,665,884	285,147,423
	290,865,799	292,276,788

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

25. COMMITMENTS UNDER OPERATING LEASES AS LESSOR

At 31 December 2022 the Group and the Company had future minimum lease receipts under non-cancelable operating leases due in respect of assured shorthold tenancy agreements with a maximum length of 51 weeks. Amounts due under these agreements are as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	<u>6,292,767</u>	<u>3,219,584</u>

26. SHARE CAPITAL

	2022 £	2021 £
Allotted, called up and fully paid		
50,000 (2021 - 50,000) Ordinary shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

27. RESERVES

Profit and loss account

Accumulated profit and loss less dividends paid, and net of accumulated gains and losses on investment property and deferred tax movements in respect of these.

ASH8 UK HOLD CO PLC AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

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28. RELATED PARTY TRANSACTIONS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Entities with control, joint control or significant influence				
Amounts due to such entities	(39,324,389)	(32,921,142)	(39,324,389)	(32,921,142)
Amounts due from such entities	6,499,730	6,447,474	7,017,422	7,017,422
Other related parties				
Amounts due to such entities	(20,370,534)	(18,263,086)	-	(7,229,488)
Amounts due from such entities	-	-	40,068,637	33,388,228
Purchases from such entities	806,421	509,443	-	-
	<u>(19,564,113)</u>	<u>(17,753,643)</u>	<u>40,068,637</u>	<u>26,158,740</u>

Amounts included as due to entities with control, joint control or significant influence are due to the ultimate parent company, Arlington Student Holdings (No. 8) Limited. The loan balance and interest are unsecured, incurs interest at 12% per annum and is repayable in 2055.

Amounts due from entities with control, joint control or significant influence are due to the ultimate parent company, Arlington Student Holdings (No. 8) Limited. These amounts are unsecured, interest free and repayable on demand.

Amounts owed by the Group to other related parties are in respect of a loan balance and associated accrued interest and are unsecured, incurs interest at 12% per annum and is repayable in 2055.

Amounts due from the Company to other related parties are unsecured, interest free and repayable on demand.

Amounts due from other related parties are in respect of a loan balance that is unsecured, incurs interest at 12% per annum and is repayable in 2055.

29. PARENT COMPANY

The immediate parent undertaking is Arlington Student Holdings (No.8) Limited.

The ultimate holding company, and ultimate controlling party, is ASAF (No.1) Limited, a company incorporated in Jersey.