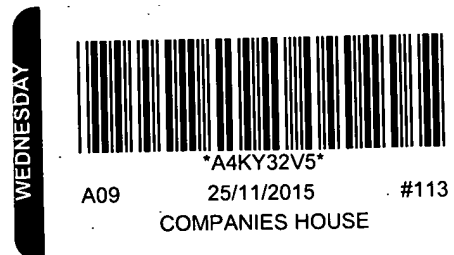


The Student Housing Company (Europe) Limited

Registered Company Number 08933813

Financial Statements

For the period from 11 March 2014 (date of incorporation) to 31 December 2014



The Student Housing Company (Europe) Limited
Financial Statements
For the year ended 31 December 2014

Contents

	Pages
Directors' Report	1
Statement of Directors' responsibilities	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-15

The Student Housing Company (Europe) Limited

Directors' Report for the period ended 31 December 2014

The Directors present their Report and the Financial Statements for the year ended 31 December 2014.

Principal activity

The company is incorporated in the United Kingdom and the principal activities are the provision of management services to those companies which invest in student accommodation.

Business review

For the period ended 31 December 2014 the company made a loss before tax of £239,820 and had net liabilities of £240,000.

Going concern

As per Note 3 of these financial statements, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

The Company is part of a Group where funds will be available from the rest of the Group as are needed by the Company and the Group will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for repayment.

Future developments

The Company will continue to provide management services to an increasing client base of KSH Europe Holdings S.à r.l. group companies.

Dividends

The company did not pay any dividends during the year. The Directors do not recommend the payment of a dividend.

Directorships

The following were directors of the company during the year:

Nael Khatoun
Robert Crompton
Justin Bickle
Matthew Taylor
Mario Adario

Accounting principles

Details of the main accounting principles adopted are disclosed in notes 1 and 2 in these financial statements.

Strategic Report exemption

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption. Accordingly no strategic report has to be prepared.

The Student Housing Company (Europe) Limited
Directors' Report for the year ended 31 December 2014 (continued)

Registered Office

The registered office of the company is 100 Gray's Inn Road, London WC1X 8AL.

By order of the Board

A handwritten signature in black ink, appearing to be 'R J Crompton', written over a horizontal line.

R J Crompton
Director

23 November 2015

The Student Housing Company (Europe) Limited

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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

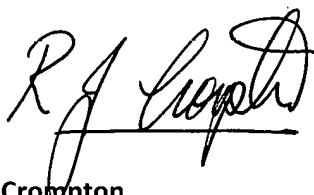
Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

By order of the Board

A handwritten signature in black ink, appearing to read 'R J Crompton', written over a horizontal line.

R J Crompton
Director

23 November 2015

The Student Housing Company (Europe) Limited
Statement of Comprehensive Income
For the period from 11 March 2014 (date of incorporation) to 31 December 2014

	Note	11 March 2014 to 31 December 2014 £'000
Turnover		-
Administration expenses		(240)
Profit from operations	5	<u>(240)</u>
Net finance costs		-
(Loss) before tax		<u>(240)</u>
Income tax credit/(expense)	7	-
Loss for the period		<u>(240)</u>
Total comprehensive loss for the period		<u><u>(240)</u></u>

All of the results stated above relate to continuing operations.

The notes on pages 9 to 15 form an integral part of these financial statements.

The Student Housing Company (Europe) Limited
Statement of financial position as at 31 December 2014
(Company registration number 08933813)

	Note	31 December 2014 £'000
Assets		
Current assets		
Cash and cash equivalents	8	73
Trade and other receivables	17	2
		<hr/>
Total assets		75
		<hr/> <hr/>
Liabilities		
Current liabilities		
Trade and other payables	9	54
Amounts due to related parties	15	261
		<hr/>
		315
		<hr/>
Total liabilities		315
		<hr/>
Net liabilities		(240)
		<hr/> <hr/>
Equity attributable to equity holders		
Share capital	10	-
Retained earnings		(240)
		<hr/>
Total equity		(240)
		<hr/> <hr/>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

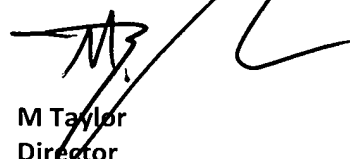
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 5 to 15 were approved by the board of directors and authorised for issue on 23 November 2015 and are signed on its behalf by:


R J Crompton
Director


M Taylor
Director

The notes on pages 8 to 15 form an integral part of these financial statements.

The Student Housing Company (Europe) Limited

Statement of changes in equity

For the period from 11 March 2014 (date of incorporation) to 31 December 2014

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 11 March 2014	-	-	-
Total comprehensive loss for the period	-	(240)	(240)
Balance at 31 December 2014	<u>-</u>	<u>(240)</u>	<u>(240)</u>

The notes on pages 8 to 15 form an integral part of these financial statements.

The Student Housing Company (Europe) Limited

Statement of cash flows for the period from 11 March 2014 (date of incorporation) to 31 December 2014

		11 March 2014 to 31 December 2014
	Note	£'000
Cash flows from operating activities		
Profit from operations	5	(240)
Operating cash flows before movement in working capital		(240)
(Increase) in trade and other receivables		(2)
Increase in trade and other payables and related parties	9/15	315
Cash generated from operations		73
Income tax paid		-
Interest paid		-
Net cash generated from operating activities		73
Net increase in cash and cash equivalents		73
Cash and cash equivalents at the beginning of the period	8	-
Cash and cash equivalents at the end of the period	8	73

The notes on pages 8 to 15 form an integral part of these financial statements.

The Student Housing Company (Europe) Limited
Notes to the financial statements for the period from 11 March 2014 (date of incorporation) to 31 December 2014

1. Basis of preparation

The Student Housing Company (Europe) Limited is a company incorporated and domiciled in the UK.

These financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared in Sterling (rounded to the nearest thousand), which is the presentation currency of the Company, and under the historical cost convention. A summary of the significant accounting policies, which have been applied consistently, are set out in note 2 below.

2. Significant accounting policies

The accounting policies adopted reflect the Standards, Amendments to Standards and Interpretations which are mandatory for the year ended 31 December 2014 and those not yet effective but early adopted. During 2014, the following new standards and amendments adopted by the Company either had no significant impact on the financial statements or resulted in changes to presentation and disclosure only:

IFRS 10 Consolidated Financial Statements

Effective for accounting periods beginning on or after 1 January 2014. The standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It defines the principal of control and establishes this as the basis for consolidation. The standard was adopted without any material impact on the Company.

IFRS 11 Joint Arrangements

Effective for accounting periods beginning on or after 1 January 2014. The standard outlines the accounting by entities that jointly control an arrangement. Joint control involves the contractually agreed sharing of control and arrangements subject to joint control are classified as either a joint venture or a joint operation. The standard was adopted without any material impact on the Company as there were no joint arrangements as at 31 December 2014.

IFRS 12 Disclosure of Interests in Other Entities

Effective for accounting periods beginning on or after 1 January 2014. The standard outlines the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. The standard is not expected to have a material impact on the Company as the Company does not enter into off-balance sheet arrangements.

IAS 28 Investments in Associates and Joint Ventures (Amendment)

Effective for accounting periods beginning on or after 1 January 2014. The standard outlines how to apply, with certain limited exceptions, the equity method to investments in associates and joint ventures. The standard also defines an associate by reference to the concept of "significant influence", which requires power to participate in financial and operating policy decisions of an investee (but not joint control or control of those policies). The standard was adopted without any material impact on the Company.

The Student Housing Company (Europe) Limited
Notes to the financial statements for the period from 11 March 2014 (date of incorporation) to 31 December 2014 (continued)

2. Significant accounting policies (continued)

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments)

Effective for accounting periods beginning on or after 1 January 2014. The standard specifies that a financial asset and a financial liability should be offset and the net amount reported when, and only when, an entity has a legally enforceable right to set off the amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The standard was adopted without any material impact on the Company.

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (Amendments)

Effective for accounting periods beginning on or after 1 January 2014. The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

(a) Standards and Interpretations recently issued but not yet effective

The sections below represent new or amended EU endorsed accounting standards relevant to the Company's results that are issued but not effective.

IFRS 9 Financial Instruments

This standard is the first step in the process to replace IAS 39 "Financial Instruments; Recognition and Measurement". The effective date has been delayed to annual periods beginning on or after 1 January 2018. Early adoption is permitted, however the standard has not yet been endorsed by the EU. Management has yet to assess the full impact of IFRS 9 to the Company.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Amendment)

This regards amendments resulting from September 2014 Annual improvements on the International Financial Reporting Standards. These amendments are effective for accounting periods beginning on or after 1 January 2016. Management has yet to assess the full impact of IFRS 5 to the Company.

IFRS 7 Financial Instruments: Disclosures (Amendment)

This regards amendments resulting from September 2014 Annual improvements on the International Financial Reporting Standards. These amendments are effective for accounting periods beginning on or after 1 January 2016. The standard is not expected to have any material impact to the Company.

IFRS 10 Consolidated Financial Statements (Amendment)

The amendments regard the sale or contribution of assets between an investor and its associate or joint venture. It also regards amendments on the application of the consolidation exception. These amendments are effective for accounting periods beginning on or after 1 January 2016. Management has yet to assess the full impact of IFRS 10 to the Company.

IFRS 11 Joint Arrangements (Amendment)

The amendments regard the accounting for acquisitions of an interest in a joint operation. These amendments are effective for accounting periods beginning on or after 1 January 2016. Management has yet to assess the full impact of IFRS 11 to the Company.

IFRS 12 Disclosure of Interests in Other Entities (Amendment)

The amendments regard the application of the consolidation exception. These amendments are effective for accounting periods beginning on or after 1 January 2016. Management has yet to assess the full impact of IFRS 12 to the Company.

The Student Housing Company (Europe) Limited
Notes to the financial statements for the period from 11 March 2014 (date of incorporation) to 31 December 2014 (continued)

2. Significant accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers

This standard is effective for accounting periods beginning on or after 1 January 2017. Management has yet to assess the full impact of IFRS 15 to the Company.

IFRIC 21 Levies

Effective for accounting periods beginning on or after 17 June 2014. IFRIC 21 sets out the accounting for an obligation to pay a levy if the liability is within the scope of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. Management has yet to assess the full impact of IFRIC 21 to the Company.

The Company did not early adopt any new or amended standards in 2014.

(a) Cash and cash equivalents

Cash and cash equivalents comprises cash balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are deducted from cash and cash equivalents for the purpose of the statement of cash flows.

(b) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition they are measured at amortised cost, using the effective interest method. The carrying value of trade and other payables is considered to approximate to fair value.

(c) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting, where the effect is expected to be material, the expected future flows at a pre-tax rate which reflects current market assessments of the time value of money and the risk specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(d) Share capital

Ordinary shares are classed as equity. External costs, if any, directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of any tax effects.

(e) Expenses

Expenses are recognised on an accruals basis and recorded in profit or loss as incurred.

(f) Foreign currency transactions

Transactions in foreign currencies are translated into Pound Sterling at exchange rates approximating to the exchange rate ruling at the day of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Pound Sterling at the exchange rate ruling at that date.

Differences on translation are recognised in the statement of comprehensive income.

The Student Housing Company (Europe) Limited
Notes to the financial statements for the period from 11 March 2014 (date of incorporation)
to 31 December 2014 (continued)

2. Significant accounting policies (continued)

(g) Corporation tax

Corporation tax in the statement of comprehensive income comprises current and deferred tax for the year. Tax is recognised in the statement of comprehensive income except to the extent that it relates to the items recognised directly in equity, in which case it is recognised in equity. Current tax is the tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is provided in full where a potential liability exists using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

No provision is made for temporary differences arising on the initial recognition of assets or liabilities, which affect neither accounting nor taxable profit to the extent that they will not reverse in the foreseeable future.

3. Going concern

The Company is part of a Group where funds will be available from the rest of the Group as are needed by the Company and the Group will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for repayment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

4. Significant judgements, key assumptions and estimates

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis; revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the directors, there are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

The Student Housing Company (Europe) Limited
Notes to the financial statements for the period from 11 March 2014 (date of incorporation)
to 31 December 2014 (continued)

5. Profit from operations

11 March 2014 to
31 December 2014
£'000

Loss from operations has been arrived at after
charging:

Auditor's remuneration

-

6. Staff numbers and costs

11 March 2014 to
31 December 2014
£'000

Salaries and wages
Social Security costs

196
28

224

Average number of staff employed for the year
(excluding directors)

No.
4

Average number of directors employed

-

None of the directors received any remuneration for their services to the company.

The Student Housing Company (Europe) Limited
Notes to the financial statements for the period from 11 March 2014 (date of incorporation)
to 31 December 2014 (continued)

7. Income tax (credit)/expense

	11 March 2014 to 31 December 2014 £'000
Current period tax (credit)/expense	-
(Loss) before tax	(240)
The tax charge can be reconciled to the loss/profit per the income statement as follows:	
Tax on UK (loss) at 21.5%	(52)
Deferred Tax not recognised	52
	-

Deferred tax assets

The Company has applied the main rate of corporation tax of 21.5% for the year ending 31 December 2014.

The Company has £239,820 of losses for tax purposes in 2014 available to offset future profits chargeable to tax in the UK.

8. Cash and cash equivalents

	31 December 2014 £'000
Cash at bank and in hand	73

9. Trade and other payables

	31 December 2014 £'000
Trade and other payables	54

The Student Housing Company (Europe) Limited
Notes to the financial statements for the period from 11 March 2014 (date of incorporation)
to 31 December 2014 (continued)

10. Share capital

	31 December 2014
	£
Issued and fully paid:	
Ordinary share – 100 ordinary	100
share of £1	
	<hr/>

11. Contingent liabilities

There are no material contingent liabilities at 31 December 2014.

12. Capital commitments

The company had no capital commitments as at 31 December 2014.

13. Operating lease commitments

At 31 December 2014 the company had no commitments for operating leases.

14. Subsequent events

There are no subsequent events after 31 December 2014.

15. Related party transactions

At 31 December 2014 the company had the following payable balances with its immediate parent company:

	31 December 2014
	£'000
KSH Europe Holdings S.à r.l.	250

The Company had the following payable balance with other related parties;

	31 December 2014
	£'000
The Student Housing Company (Portfolio 1) Limited	11

The Student Housing Company (Europe) Limited

Notes to the financial statements for the period from 11 March 2014 (date of incorporation) to 31 December 2014 (continued)

16. Ultimate controlling party

The company is a subsidiary undertaking of KSH Europe Holdings S.à r.l which is the immediate parent company and is incorporated in Luxembourg. The ultimate controlling party is Oaktree European Principal Fund III, L.P. incorporated in Cayman, which is the ultimate parent.

The largest and smallest group in which the results of the company are consolidated is that headed by KSH Europe Holdings S.à r.l., incorporated in Luxembourg. No other group financial statements include the results of the Company. The consolidated financial statements of this group are not available to the public.

17. Trade and other receivables

	31 December 2014
	£'000
Other receivables	2