

SC MIDCO LIMITED

COMPANY NUMBER 08978599 (ENGLAND AND WALES)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

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SC MIDCO LIMITED

COMPANY INFORMATION

Directors	Mr C Cade Mrs J Hawthorn Mr S Dance
Company number	08978599
Registered office	Kintyre House 70 High Street Fareham Hampshire PO16 7BB
Independent auditor	Deloitte LLP Chartered Accountants and Statutory Auditor 1 Grosvenor Square Southampton Hampshire SO15 2BZ United Kingdom
Business address	16 D'Arblay Street London W1F 8EA
Solicitors	Osborne Clarke One London Wall London EC2Y 5EB
Bankers	HSBC bank plc Harry Weston Road Binley Coventry CV3 2SH

SC MIDCO LIMITED

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SC MIDCO LIMITED

STRATEGIC REPORT

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

The Directors present their Strategic report on the affairs of the company for the 5 month period ended 31 August 2014. The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The company was incorporated on 4 April 2014 and commenced trading on that date. The principal activity of the company continued to be that of a holding company.

Review of the business

The directors report a loss after tax of £4,676, which is in line with the directors' expectations given that SC Midco Limited is a holding company. No dividend was paid during the period and the directors do not recommend the payment of a final dividend.

Key performance indicators

The key performance indicator is the value of investments, given that the company's principal activity is that of a holding company. The company suffered no investment impairment losses during the 5 month period ended 31 August 2014.

Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the company to be equivalent to those facing the group, Student Castle Limited, as outlined within the Directors' report accompanying those consolidated financial statements, which are publicly available.

Financial risk management and policies

The company's principal financial instruments comprise of bank borrowings. The main purpose of these financial instruments is to provide funding for the company's investment in its subsidiaries. The financial risk management and policies of the company are equivalent to those of the group. The use of financial derivatives is governed by the group's policies. The company has no derivative instruments outstanding at the end of the year.

Employees

The company has no direct employees.

Future developments

The company will continue to act as a non-trading holding company holding investments in its direct and indirect subsidiaries.

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



Mr S Dance
Director

09/01/15

SC MIDCO LIMITED

DIRECTORS' REPORT

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

The directors present their Annual report and audited financial statements for the 5 month period ended 31 August 2014.

Directors

The following directors have held office since 4 April 2014:

Mr C Cade	(Appointed 4 April 2014)
Mrs J Hawthorn	(Appointed 4 April 2014)
Mr S Dance	(Appointed 4 April 2014)

Auditor

Deloitte LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SC MIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

Statement of disclosure to auditor


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

This confirmation is given and should be interpreted in accordance with the provision of s418 of Companies Act 2006.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. See accounting policies note 1 for further information.

On behalf of the Board



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Mr S Dance

Director

09/01/15
.....

SC MIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SC MIDCO LIMITED

We have audited the financial statements of SC Midco Limited for the 5 month period ended 31 August 2014 which comprise the Profit and loss account, the Balance sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2014 and of its loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

SC MIDCO LIMITED

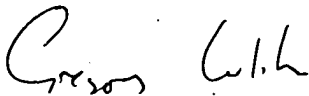
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SC MIDCO LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Gregory Culshaw ACA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Southampton

United Kingdom

Date : 9.1.2015

SC MIDCO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

	Notes	Period from incorporation on 3 March 2014 to 31 August 2014 £
Administrative expenses		(5,845)
Other interest receivable and similar income	3	294,681
Interest payable and similar charges	3	(294,681)
Loss on ordinary activities before taxation	2	(5,845)
Tax on loss on ordinary activities	4	1,169
Loss for the period	12	(4,676)

The Profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the Profit and loss account. Accordingly, a Statement of total recognised gains and losses has not been presented.

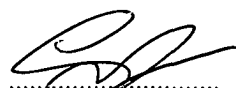
SC MIDCO LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£
Fixed assets			
Investments	5		8
Current assets			
Debtors			
- due within one year	6	157,854	
- due after one year	7	30,000,000	
Creditors: amounts falling due within one year	8	(162,530)	
Net current assets			29,995,324
Total assets less current liabilities			29,995,332
Creditors: amounts falling due after more than one year	9	(30,000,000)	
Net liabilities			(4,688)
Capital and reserves			
Called-up share capital	11		8
Profit and loss account	12		(4,676)
Shareholders' deficit	13		(4,668)

Approved by the Board and authorised for issue on 09/01/15


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Mr S Dance

Director

Company Registration No. 08978599

SC MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

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

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

1.5 Cash flow statement

The company has taken advantage of the exemption under FRS 1 (Revised 1996) *Cash Flow Statements* from preparing a Cash flow statement on the basis the cash flows of the company are presented in the consolidated accounts of the parent entity.

1.6 Wages and remuneration

The directors are not remunerated by the company and the company has no employees.

SC MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

1 Accounting policies (continued)

1.7 Going concern

In considering the appropriateness of the going concern basis the Board have reviewed the key risks and uncertainties to which they believe the company is exposed, the company's ongoing financial commitments and the availability of sufficient resources for the next twelve months and beyond.

The company meets its day to day working capital requirements using intercompany borrowing facilities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility. As the company is not profitable and has a shareholder's deficit, the directors are in receipt of a letter of support from Student Castle Limited, a parent company, who will provide sufficient financial support to the company to enable it to meet its financial liabilities as and when they fall due, for a period not less than 12 months from the date of signing the financial statements.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.8 Group accounts

The company is exempt from the requirement to prepare and deliver group accounts on the basis that the company's results are included in the consolidated financial statements of Student Castle Limited, a company incorporated in England and Wales and whose financial statements are publicly available.

2 Loss on ordinary activities before taxation 2014 £

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

Fees payable to the company's auditor for the audit of the company's annual accounts	3,500
Total audit fees	3,500
 Taxation compliance services	 1,750
Total non-audit fees	1,750
	 5,250

3 Other interest receivable and similar income and interest payable and similar charges 2014 £

Amounts owed by group undertakings and undertakings in which the company has a participating interest	294,681
Amounts owed to group undertakings and undertakings in which the company has a participating interest	(294,681)
 Net finance charges	 -

SC MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

4	Tax on loss on ordinary activities	2014 £
	Current tax	-
	Deferred tax	
	Origination and reversal of timing differences	(1,169)
	Total deferred tax (see note 10)	(1,169)
	Total tax credit on loss on ordinary activities	(1,169)
	Loss on ordinary activities before tax	(5,845)
	Tax on loss on ordinary activities at standard UK corporation tax rate of 21%	(1,227)
	Effects of:	
	Creation of tax losses	1,227
	Current tax charge for period	-

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the Balance sheet date.

SC MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 4 April 2014	-
Additions	8
	<hr/>
At 31 August 2014	8
	<hr/>
Net book value	
At 31 August 2014	8
	<hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
SC Midco 2 Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves at 31 st August 2014	Result for the year ended 31 st August 2014
	Principal activity	£	£
SC Midco 2 Limited	Management company	8	-
		<hr/>	<hr/>

6 Debtors: due within one year

	2014 £
Prepayments and accrued income	156,685
Deferred tax asset (see note 10)	1,169
	<hr/>
	157,854
	<hr/>

SC MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

7	Debtors: due after one year	2014 £
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Amounts owed by group undertakings and undertakings in which the company has a participating interest	30,000,000
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	<u>30,000,000</u>
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8	Creditors: amounts falling due within one year	2014 £
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Accruals and deferred income	162,530
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	<u>162,530</u>
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9	Creditors: amounts falling due after more than one year	2014 £
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Amounts owed to group undertakings and undertakings in which the company has a participating interest	30,000,000
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	<u>30,000,000</u>
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10	Deferred taxation
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The deferred tax asset (included in debtors, note 6) is made up as follows:

	Deferred tax £
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Credited to Profit and loss account	1,169
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At 31 August 2014	<u>1,169</u>
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	2014 £
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Tax losses available	1,169
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	<u>1,169</u>
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The deferred tax asset is expected to be utilised against foreseeable profits and is therefore appropriate to recognise.

SC MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

11	Called-up share capital	2014
		£
	Allotted, called-up and fully-paid	
	8 Ordinary shares of £1 each	8
		<hr/>

12	Statement of movements on Profit and loss account	Profit and loss
		account
		£
	Loss for the period	(4,676)
		<hr/>

13	Reconciliation of movements in shareholders' deficit	2014
		£
	Loss for the financial period	(4,676)
	Proceeds from issue of shares	8
		<hr/>
	Net depletion to shareholders' funds	(4,668)
	Opening shareholders' funds	-
		<hr/>
	Closing shareholders' deficit	(4,668)
		<hr/>

14 Control

The direct parent entity is SC Mezzanine Limited, a company incorporated in England and Wales. The ultimate parent entity is Student Castle Investments LLP, a Limited Liability Partnership registered in England and Wales. The company's results are included in the consolidated financial statements of Student Castle Investments LLP, whose financial statements are publicly available. This is the largest group into which the results of the company are consolidated.

The company's results are included in the consolidated financial statements of Student Castle Limited, a company incorporated in England and Wales and whose financial statements are publicly available. This is the smallest group into which the results of the company are consolidated.

The ultimate controlling parties of the Limited Liability Partnership are the members: Sir C Dunstone; Mr P Morton; Mr C Cade; Mr R Taylor; Mr R Clarkson; Mr J Eckbert; Mr J Gildersleeve; Mr T Morris; and Mrs J Hawthorn. Sir C Dunstone, due to his share of the partnership, has significant influence over the Limited Liability Partnership.

SC MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2014

15 Post Balance sheet events

There were no post Balance sheet events identified that require adjustment to or disclosure within the financial statements.

16 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 *Related party disclosures* whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.