

STUDENT CASTLE DEVELOPMENTS 2 LIMITED

COMPANY NUMBER 09573730 (ENGLAND AND WALES)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



STUDENT CASTLE DEVELOPMENTS 2 LIMITED

COMPANY INFORMATION

Directors

Mr C Cade
Mrs J Hawthorn
Mr S Dance
Mr Peter Morton
Mr Roger Taylor

Company secretary

Mr S Dance

Company number

09573730

Registered office

Kintyre House
70 High Street
Fareham
Hampshire
PO16 7BB

Independent auditor

Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

Business address

16 D'Arblay Street
London
W1F 8EA

Solicitor

Osborne Clarke
One London Wall
London
EC2Y 5EB

Banker

HSBC Bank Plc
8 Canada Square
London
E14 5HQ

STUDENT CASTLE DEVELOPMENTS 2 LIMITED

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STUDENT CASTLE DEVELOPMENTS 2 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their Strategic report on the affairs of the company for the year ended 31 August 2018. The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activity of the company continues to be that of a holding company.

Review of the business

The directors report a loss after tax of £75,018 (2017: £26,581 loss).

At 31 August 2018 the company has net liabilities of £94,104 (2017: net liabilities of £19,086).

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 current or prior year.

Principal risks and uncertainties

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

Financial risk management and policies

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.

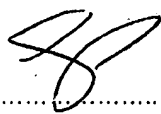
Employees

The company has no direct employees in either year.

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 its behalf by



Mr S Dance
Director

11/01/2019

STUDENT CASTLE DEVELOPMENTS 2 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their Annual report and audited financial statements for the year ended 31 August 2018.

Directors

The following directors have held office since 1 September 2017 to the date of signing:

Mr C Cade
Mrs J Hawthorn
Mr S Dance
Mr Peter Morton
Mr Roger Taylor

Dividends

The Directors have not recommended the payment of a dividend at year end (2017: £nil) and no dividends were paid during the year (2017: £nil).

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) including FRS 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 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.

Future developments

Details of future developments can be found in the Strategic report on page 1 and form part of this report by cross-reference.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 11 to the financial statements.

STUDENT CASTLE DEVELOPMENTS 2 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Statement of disclosure to auditors

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

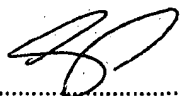
This confirmation is given and should be interpreted in accordance with the provision of s418 of Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Going concern

The directors have a reasonable expectation that the company has adequate resources with the assistance of Student Castle Limited to continue in operational existence for the foreseeable future. Consequently the directors have obtained a letter from Student Castle Limited undertaking that Student Castle Limited will continue to provide financial support to help the company meet its day to day operations. 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



.....
Mr S Dance

Director

11/01/2019

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF STUDENT CASTLE DEVELOPMENTS 2 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Student Castle Developments 2 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income and retained earnings;
- the balance sheet;
- and the related notes 1 to 12.

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).

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

STUDENT CASTLE DEVELOPMENTS 2 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STUDENT CASTLE DEVELOPMENTS 2 LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

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, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 financial statements.

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 auditor's report.

Report on other legal and regulatory requirements

Opinions 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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the directors' report.

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF STUDENT CASTLE DEVELOPMENTS 2 LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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 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.



Matthew Ward FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor
Reading
United Kingdom

Date: 11 January 2019

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | 2018 £ | 2017 £ |
|---|----------|------------------|-----------------|
| Administrative expenses | | (73,553) | (33,207) |
| Operating loss | | (73,553) | (33,207) |
| Loss before taxation | 3 | (73,553) | (33,207) |
| Tax on loss | 4 | (1,465) | 6,626 |
| Loss for the year | | (75,018) | (26,581) |
| Total comprehensive loss | | (75,018) | (26,581) |
| Retained earnings at 1 September | | (25,185) | 1,396 |
| Retained earnings at 31 August | | (100,203) | (25,185) |

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

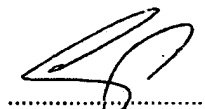
STUDENT CASTLE DEVELOPMENTS 2 LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|------------------|-----------------|-----------------|-----------------|
| Fixed assets | | | | | |
| Investments | 5 | | 999 | | 999 |
| Current assets | | | | | |
| Debtors | 6 | 3,661 | | 8,275 | |
| | | <u>3,661</u> | | <u>8,275</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(98,764)</u> | | <u>(28,360)</u> | |
| Net current liabilities | | | <u>(95,103)</u> | | <u>(20,085)</u> |
| Total assets less current liabilities | | | <u>(94,104)</u> | | <u>(19,086)</u> |
| Net liabilities | | | <u>(94,104)</u> | | <u>(19,086)</u> |
| Capital and reserves | | | | | |
| Called-up share capital | 9 | 1,034 | | 1,034 | |
| Share premium | | 5,065 | | 5,065 | |
| Profit and loss account | | <u>(100,203)</u> | | <u>(25,185)</u> | |
| Shareholders' deficit | | | <u>(94,104)</u> | | <u>(19,086)</u> |

Approved by the Board and authorised for issue on 11/01/2019



Mr S Dance
Director

Company Registration No. 09573730

STUDENT CASTLE DEVELOPMENTS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of accounting

Student Castle Developments 2 Limited is a company incorporated in the United Kingdom under the Companies Act.

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

The principal activities of the company are set out in the Directors' Report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102), and with the Companies Act 2006.

The functional currency of Student Castle Developments 2 Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Student Castle Developments 2 Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. An exemption has been taken in relation to presentation of a cash flow statement. Student Castle Developments 2 Limited is consolidated in the financial statements of its ultimate parent entity, Student Castle Investments Holdco Limited, whose financial statements may be obtained at Kintyre House, 70 High street, Fareham, Hampshire, PO16 7BB.

1.2 Impairment policy

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

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

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

STUDENT CASTLE DEVELOPMENTS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (continued)

1.3 Investment income

Investment income represents dividends from subsidiary undertakings. Investment income is recognised as it becomes receivable.

1.4 Investments

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

1.5 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.

1.6 Wages and remuneration

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

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 has net liabilities, the directors are in receipt of a letter of support from Student Castle Limited, a subsidiary 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.

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (continued)

1.8 Financial instruments

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

Financial assets and liabilities

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

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

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

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

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

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

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

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

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

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (continued)

1.8 Financial instruments (continued)

Fair value measurement

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

1.9 Group financial statements

The company is exempt from the requirement to prepare and deliver group financial statements on the basis that the company's results are included in the consolidated financial statements of Student Castle Investments Holdco Limited, a company incorporated in England and Wales and whose financial statements may be obtained at Kintyre House, 70 High street, Fareham, Hampshire, PO16 7BB.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors are of the opinion that there are no critical accounting judgements or key sources of estimation uncertainty during the current year.

| 3 Profit on ordinary activities before taxation | 2018 | 2017 |
|--|-------------|-------------|
| | £ | £ |

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

| | | |
|---|---------------|---------------|
| Fees payable to the company's auditor for the audit of the company's financial statements | 3,600 | 2,454 |
| Total audit fees | 3,600 | 2,454 |
| Taxation compliance services | 5,645 | 11,865 |
| Other taxation services | 30,600 | 4,800 |
| Total non-audit fees | 36,245 | 16,665 |
| | 39,845 | 19,119 |

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

| 4 Tax on loss | 2018 | 2017 |
|--|--------------|----------------|
| | £ | £ |
| The tax credit comprises: | | |
| Current tax | | |
| UK Corporation tax on profits for the period | (3,235) | (6,502) |
| Adjustment in respect of previous periods | 3,994 | (1,644) |
| Total current tax charge / (credit) | 759 | (8,146) |
| Deferred tax | | |
| Origination and reversal of timing differences | 2,350 | - |
| Adjustment in respect of previous periods | (1,397) | 1,479 |
| Effect of changes in tax rates | (247) | 41 |
| Total deferred tax (credit) / charge (see note 8) | 706 | 1,520 |
| Total tax credit on loss | 1,465 | (6,626) |

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is shown below:

Factors affecting the tax charge:

| | | |
|--|--------------|----------------|
| Loss before tax | (73,553) | (33,207) |
| Tax on loss at standard UK corporation tax rate of 19.00% (2017: 19.58%) | (13,975) | (6,502) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 10,739 | - |
| Movement in deferred tax not provided for | 2,350 | - |
| Adjustments to tax charge in respect of previous periods | 2,598 | (165) |
| Changes in tax rates | (247) | 41 |
| Total tax credit for the year | 1,465 | (6,626) |

Factor that may affect the tax rate

The Finance Act 2015 which was substantively enacted on 26 October 2015 included legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. In addition, the finance Act 2016 which was substantively enacted on 6 September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly, these rates have been applied when calculating deferred tax assets and liabilities as at 31 August 2018.

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

5 Fixed asset investments

**Shares in group
undertakings
and participating
interests**

| | £ |
|-------------------------------------|-------------------|
| Cost | |
| Brought forward at 1 September 2017 | 999 |
| Additions | |
| | <u> </u> |
| At 31 August 2018 | 999 |
| | <u> </u> |
| Net book value | |
| At 31 August 2018 | 999 |
| | <u> </u> |
| At 31 August 2017 | 999 |
| | <u> </u> |

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

5 Fixed asset investments (continued)

| Subsidiary undertakings | Country of incorporation | Principal activity | Shares held Class | % |
|---|---------------------------------|-------------------------------------|------------------------------|----------|
| Student Castle Limited* | England and Wales | Management company | Ordinary | 100 |
| SC Midco Limited | England and Wales | Holding company | Ordinary | 100 |
| Student Castle Developments Limited | England and Wales | Holding company | Ordinary | 100 |
| SC Walmgate Limited | England and Wales | Property development | Ordinary | 100 |
| SC Walmgate Management Limited | England and Wales | Property management | Ordinary | 100 |
| SC Mitchams Corner Limited | England and Wales | Property development | Ordinary | 100 |
| SC Mitchams Corner Management Limited | England and Wales | Property management | Ordinary | 100 |
| SC Pulteney Road Limited | England and Wales | Property development | Ordinary | 100 |
| SC Pulteney Road Management Limited | England and Wales | Property development and management | Ordinary | 100 |
| SC Causewayside Limited | England and Wales | Property management | Ordinary | 100 |
| SC Claypath Limited | England and Wales | Property development | Ordinary | 100 |
| SC Claypath Management Limited | England and Wales | Property development and management | Ordinary | 100 |
| SC Osney Lane Limited | England and Wales | Property development | Ordinary | 100 |
| SC Pelham Terrace Limited ² | England and Wales | Property development | Ordinary | 100 |
| SC Cathedral Street Limited ³ | England and Wales | Property development | Ordinary | 100 |
| Angel Developments (Durham) Limited | England and Wales | Property development | Ordinary | 100 |
| SC GMS Limited ¹ | England and Wales | Property development | Ordinary | 100 |
| Sherb UK Limited | England and Wales | Printing | Ordinary | 100 |
| SC Osney Lane Management Limited | England and Wales | Dormant | Ordinary | 100 |
| SC Pelham Terrace Management Limited ⁴ | England and Wales | Dormant | Ordinary | 100 |

¹ Formerly SC Causewayside Limited

² Formerly SC Bromsgrove Street Limited

³ Formerly SC Jesmond Road West Management Limited

⁴ Formerly SC Cathedral Street Management Limited

* Held directly by Student Castle Developments 2 Limited

The registered address of all subsidiary undertakings is Kintyre House, 70 High Street, Fareham, Hampshire, England, PO16 7BB.

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

| 6 Debtors | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 3,235 | 6,502 |
| Other debtors | 1 | 1 |
| Prepayments and accrued income | 425 | 1,066 |
| Deferred tax asset (see note 8) | - | 706 |
| | <u>3,661</u> | <u>8,275</u> |

| 7 Creditors: amounts falling due within one year | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Accruals and deferred income | 5,905 | 16,073 |
| Amounts owed to group undertakings | 92,859 | 12,287 |
| | <u>98,764</u> | <u>28,360</u> |

8 Deferred taxation

The deferred tax asset (included in debtors, note 6) is made up as follows:

| | Deferred tax £ | |
|---|-------------------|------------|
| At 1 September 2017 | 706 | |
| Credited / (charged) to the profit and loss account | <u>(706)</u> | |
| At 31 August 2018 | <u>-</u> | |
| | | |
| | 2018 £ | 2017 £ |
| Tax losses available | - | 706 |
| | <u>-</u> | <u>706</u> |

STUDENT CASTLE DEVELOPMENTS 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

| 9 | Called-up share capital | 2018 £ | 2017 £ |
|----------|---|-------------------|-------------------|
| | Allotted, called-up and fully-paid | | |
| | 100,000 Ordinary shares of £0.01 each | 1,000 | 1,000 |
| | 3,422 'A' Ordinary shares of £0.01 each | 34 | 34 |
| | | <u>1,034</u> | <u>1,034</u> |

10 Control

The direct parent company and the ultimate parent company is Student Castle Investments Holdco Limited, a company registered in England. The company's results are included in the consolidated financial statements of Student Castle Investments Holdco Limited, whose financial statements are publicly available at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB. This is the smallest and largest group into which the results of the company are consolidated.

The ultimate controlling parties of Student Castle Investments Holdco Limited are the shareholders: Sir C Dunstone; Mr P Morton; Mr C Cade; Mr R Taylor; Mr R Clarkson; Mr J Eckbert; Mr J Gildersleeve; Mr T Morris; Mrs J Hawthorn; and Mr S Dance. Sir C Dunstone, due to the size of his shareholding has significant influence over Student Castle Investments Holdco Limited.

11 Post Balance sheet events

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

12 Related party relationships and transactions

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