REGISTERED NUMBER: 10547227 (England and Wales)

Strategic Report, Directors' Report and

Audited Financial Statements for the Year Ended 30 June 2020

for

Campus Living Villages (Cranborne) UK Limited

Contents of the Financial Statements
for the Year Ended 30 June 2020

Campus Living Villages (Cranborne) UK
Limited

Company Information
for the Year Ended 30 June 2020

DIRECTORS:	J K Chadwick L M Mclean
REGISTERED OFFICE:	7th Floor Digital World Centre 1 Lowry Plaza, Salford Quays Manchester United Kingdom M50 3UB
REGISTERED NUMBER:	10547227 (England and Wales)
INDEPENDENT AUDITOR:	KPMG LLP 1 St Peter's Square Manchester M2 3AE
BANKER:	Barclays Bank Level 25 1 Churchill Place London E14 5HP

Strategic Report
for the Year Ended 30 June 2020

The directors present their strategic report for the year ended 30 June 2020.

PRINICPAL ACTIVITY AND REVIEW OF BUSINESS
The directors present their strategic and annual report together with audited financial statements of the company for the year ended 30 June 2020.

Campus Living Villages (Cranborne) UK Limited ("the company") was incorporated on 4 January 2017 as a wholly owned subsidiary of CLV UK Holdings Limited.

The principal business activity of the company is to provide accommodation to students through its Cranborne House facilities for Bournemouth University.

Cranborne House was acquired by the company in September 2017. This was partly funded by a 50 year finance lease with Aviva Staff Pension Trustee Limited, and partly funded through an intercompany loan. Cranborne House is a 498 bed student residence, each with an ensuite bathroom, shared kitchen and living area. It is located on the Lansdowne Campus.

RESULTS
For the year ended 30 June 2020, the company recognised a loss after taxation of £171,000 (30 June 2019: loss of £646,000) and has net liabilities of £215,000 (30 June 2019: net liabilities of £44,000) as at 30 June 2020.

KEY PERFORMANCE INDICATORS
The directors use the following principal measures of overall performance:

	2020	2019
	£'000	£'000
Net cash from operations	1,749	1,252
EBITDA*	1,697	1,686
	%	%
Financial occupancy	100	100

*Earnings before interest, taxation, depreciation, and amortisation for the year.

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the company's strategy are subject to a number of risks:

- Underperforming assets meaning debt obligations cannot be met.
- Student numbers being lower than expected.
- Credit risk
- On-going viability of the University of Bournemouth.
- COVID-19 impact on future occupancy and intake levels

Credit risk
The main credit risk is in potential bed debts, however procedures and payments terms are in place to mitigate the risks in this area.

Liquidity risk
Management monitors rolling forecasts of the company's liquidity position on the basis of expected and projected cash flow.

Market risk
Changes in Government policy (such as Higher Education funding and immigration) and Brexit may negatively affect student numbers, which in turn would affect profitability and asset values. Risks are mitigated by ongoing monitoring of changes and their implications to international students studying in UK. Although we anticipate Brexit will see a reduction in new EU students, Universities expect to see an increase in Non-EU student with the weakening of the pound expected to continue.

There have been income shortfalls over the summer period for 2020/2021 year with summer stays ceasing in July 2020 and August 2020 due to COVID-19. However, there is minimal impact on occupancy levels for the 2020/2021 academic due to the 100% nomination agreement with the University of Bournemouth.

Student sentiment still shows good appetite to continue to higher education. A survey from UCAS and YouthSight published on 3rd April 2020 found that 86% of A-level students were continuing with their university application as planned for the 2020/2021 academic year. While COVID-19 has undoubtedly put a delay on travel in the short term, from surveys undertaken by various organisations, international students largely still intend to follow through with their study abroad plans, however may defer until 2021.
The Universities UK survey published on 17 June outlined that 97% of Universities plan to provide in-person teaching in the 2020/21 academic year. Teaching will be delivered on a 'blended' basis, with face-to-face tutorials, seminars and practical work complemented by online lectures to observe social distancing guidelines.

Given the third UK lockdown that has been put in place by the Government in January 2021 and with Universities lectures being conducted online for this period, there remains a risk that student numbers and demand for student accommodation could be impacted. In addition,, there is uncertainty over international student numbers, given travel restrictions. Recent survey results from the British Council highlight that up to one-third of non-EU international students may choose to cancel or delay their travel plans for 2020/21. This is in line with our assumptions. However, the Government has taken significant steps to support Universities' cash flow for the 2020/2021 academic year, by bringing forward £2.6 billion in tuition fee income and £100 million in research funding, as well as making available £280 million through extensions of research grants. In addition, the Government will cover up to 80% of a University's income losses from international students for 2020/21, reflecting the importance of tuition fees from international students in helping to fund University research activity.

Based on the sector Student Index, an analysis historic Total Returns for purpose built student accommodation shows the sector has a history of low volatility. Coupled with historic strong capital and rental growth, this shows there continues to be an investment case for student accommodation. This is reinforced by existing investors in the market publicly supporting the long-term fundamentals of the sector in the UK.

ON BEHALF OF THE BOARD:

J K Chadwick - Director

Date: 6 May 2021

7th Floor Digital World Centre
1 Lowry Plaza
Salford Quays
Manchester
United Kingdom
M50 3UB

Directors' Report
for the Year Ended 30 June 2020

The directors present their report with the financial statements of the company for the year ended 30 June 2020.

DIVIDENDS
The directors have not recommended payment of a dividend for the current year (30 June 2019: £nil).

FUTURE DEVELOPMENTS
The results in the first term of the 2020/2021 academic year were not significantly impacted with financial occupancy of 98.8% and 97.4% in terms 1 and 2.

It is unknown if occupancy levels will return to pre COVID-19 levels for the remainder of the 2020/2021 academic year. However, the directors believe this is mitigated by a 100% nominations agreement in place for the remainder of the 2020/2021 academic year.

DIRECTORS
The directors who have held office during the period from 1 July 2019 to the date of this report are as follows:

J K Chadwick
L M Mclean

POLITICAL DONATIONS AND EXPENDITURE
No donations were made to any political party during the year (30 June 2019: £nil).

GOING CONCERN
See accounting policies section.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

AUDITOR
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:

J K Chadwick - Director

Date: 6 May 2021

7th Floor Digital World Centre
1 Lowry Plaza
Salford Quays
Manchester
United Kingdom
M50 3UB

Campus Living Villages (Cranborne) UK Limited

Statement of Directors' Responsibilities for the Year Ended 30 June 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Campus Living Villages (Cranborne) UK Limited

Opinion
We have audited the financial statements of Campus Living Villages (Cranborne) UK Limited ("the company") for the year ended 30 June 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report
The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities
As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

Will Baker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

Date: 6 May 2021

Income Statement
for the Year Ended 30 June 2020

CONTINUING OPERATIONS	Notes	2020 £'000	2019 £'000
TURNOVER	3	2,637	2,959
Administrative expenses		(1,635)	(1,954)
OPERATING PROFIT		1,002	1,005
Interest payable and similar expenses	5	(1,071)	(1,548)
LOSS BEFORE TAXATION	6	(69)	(543)
Tax on loss	7	(102)	(103)
LOSS FOR THE FINANCIAL YEAR		(171)	(646)

All operations are continuing.

Campus Living Villages (Cranborne) UK Limited

Other Comprehensive Income
for the Year Ended 30 June 2020

	2020 £'000	2019 £'000
LOSS FOR THE YEAR	(171)	(646)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(171)	(646)

The notes on pages 13 to 27 form part of these financial statements

Campus Living Villages (Cranborne) UK
Limited (Registered number: 10547227)

Balance Sheet
30 June 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible assets	8	601	560
Investment property	9	24,622	25,182
		25,223	25,742
CURRENT ASSETS			
Debtors	10	197	448
Cash in hand		509	869
		706	1,317
CREDITORS			
Amounts falling due within one year	11	(5,789)	(6,259)
NET CURRENT LIABILITIES		(5,083)	(4,942)
TOTAL ASSETS LESS CURRENT LIABILITIES		20,140	20,800
CREDITORS			
Amounts falling due after more than one year	12	(20,350)	(20,820)
PROVISIONS FOR LIABILITIES	16	(5)	(24)
NET LIABILITIES		(215)	(44)
CAPITAL AND RESERVES			
Called up share capital	17	-	-
Retained earnings	18	(215)	(44)
SHAREHOLDERS' DEFICT		(215)	(44)

The financial statements were approved by the Board of Directors on 6 May 2021 and were signed on its behalf by:

J K Chadwick - Director

The notes on pages 13 to 27 form part of these financial statements

Campus Living Villages (Cranborne) UK Limited

Statement of Changes in Equity for the Year Ended 30 June 2020

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2018	-	602	602
Changes in equity			
Total comprehensive income	-	(646)	(646)
Balance at 30 June 2019	-	(44)	(44)
Changes in equity			
Total comprehensive income	-	(171)	(171)
Balance at 30 June 2020	-	(215)	(215)

The notes on pages 13 to 27 form part of these financial statements

1. **STATUTORY INFORMATION**

Campus Living Villages (Cranborne) UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparation
The Company is a private limited company that is domiciled and registered in England in the UK.

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis, except for revaluation of certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The accounting policies have been applied consistently throughout the current period.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The Company's ultimate parent undertaking, Campus Living UK Trust, includes the Company in its consolidated financial statements. The consolidated financial statements of Campus Living UK Trust are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Triniti II, Level 6, 39 Delhi Road, North Ryde, NSW 2113, Australia.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

continued...

2. ACCOUNTING POLICIES - continued

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in 'Pounds Sterling' (£) rounded to the nearest £'000, which is also the Company's functional currency.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

There are currently no critical accounting judgements or key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

Going concern
Notwithstanding the Company having net current liabilities of £5,083,000 as at 30 June 2020 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

In assessing the going concern position of the Company, the directors have considered the potential impact of COVID-19 on the cash flow and liquidity of the Company, over the next 12 months from the date of signing these accounts.

The current economic conditions resulting from the COVID-19 pandemic have had a significant impact on the Company's activity levels from March 2020 onwards and particularly the occupancy levels in the Company property. The impacts upon the general economy and the student accommodation industry specifically have continued into the current financial year FY21.

The directors have prepared cash flow forecasts for a period of 26 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, which is forecast to be the same performance in calendar year 2021 as seen in calendar year 2020, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's fellow subsidiary company, CLV Finance UK Limited not seeking repayment of the amounts currently due to the group, which at 30 June 2020 amounted to £4,567,000. CLV Finance UK Limited has indicated that it does not intend to seek repayment of these amounts for at least 12 months from the date of approval of the financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

continued...

2. **ACCOUNTING POLICIES - continued**

Changes in accounting policies

The Company has adopted the following standards, amendments and interpretations which have not had a significant impact on the Company's results:

IFRS 16
The Company applied IFRS 16 with a date of initial recognition of 1 July 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. The details of the changes in accounting policies are disclosed below:

A) Definition of a lease
Previously the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of lease.

On transition to IFRS 16, the company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases.

Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July 2019.

B) As a lessee
As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the ease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset. Under IFSR 16, the Company recognises right-of-use assets and lease liabilities for most leases.

Turnover
Turnover from student accommodation rental is recognised over time on a straight line basis over the term of the rental contract, to the extent that it is probable that the economic benefits will flow to the company and it can be reliably measured. All such revenue arising from the provision of student accommodation letting is reported net of discounts and value added tax.

The company applied IFRS 15 using the cumulative effect method for the year ended 30 June 2020.

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2. **ACCOUNTING POLICIES - continued**

Investment property
Investment Property is treated in line with IAS 40.

IAS 40 allows two methods of measurement for Investment Property (para 30) following initial recognition at cost - the fair value model or the cost model. The company uses the cost model.

Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 22-50 years. The residual values, useful lives and depreciation method of investment property is reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Other fixed assets
Fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation on other tangible fixed assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Fixtures and fittings 5 years

Assets in the course of construction are carried at cost, less any recognised impairment loss. Costs include professional fees and borrowing costs capitalised in accordance with the accounting policy set out above. Depreciation of these assets commences when the assets are ready for their intended use.

Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

continued...

2. **ACCOUNTING POLICIES - continued**

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in joint ventures are carried at cost less impairment.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

continued...

2. **ACCOUNTING POLICIES - continued**

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

continued...

2. **ACCOUNTING POLICIES - continued**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk. Measurement of ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Interest recognition
Interest receivable and payable is recognised as interest accrues, using the effective interest method, on the net carrying amount of the financial asset and liability.

Effective interest method
The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset's or liability's net carrying amount.

Trade and other debtors
Trade and other debtors are recognised by the company and carried at original invoice amount less any specific allocation against any uncollectible or impaired amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are identified as being bad. Other receivables are recognised at fair value.

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2. ACCOUNTING POLICIES - continued

Cash and cash equivalents
Cash and cash equivalents, cash and in hand and other short term deposits with an initial maturity of 3 months or less.

Trade and other creditors
Trade and other creditors are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Borrowings
Borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss account over the period of the borrowings on an effective interest basis.

Borrowing costs are recognised in the profit and loss account in the period to which they relate.

Taxation
All current and deferred tax charges or credits (after the application of the group relief, to the extent relevant) are recognised in the company's profit and loss account.

Current UK corporation 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 provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can utilised.

Related parties
For the purposes of these financial statements, a party is considered to be related to the company if the party:
(i) has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
(ii) and the company are subject to common control;
(iv) is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
(v) is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

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3. TURNOVER

In the below table, turnover is disaggregated by accommodation type:

	2020	2019
	£'000	£'000
Student accommodation related	2,427	2,639
Summer stay accommodation related	210	320
	2,637	2,959

Turnover arises entirely in the United Kingdom.

4. EMPLOYEES AND DIRECTORS

The company had no employees during the year, with all staff being employed by a fellow group undertaking. Total staff costs of £272,043 (30 June 2019: £246,115) were recharged during the year.

The key executives of the company received no remuneration for their services to the company in the year as they were remunerated by Campus Living Villages UK Limited without recharge to the company. The directors do not consider it is possible to determine the value of remuneration applicable to the company.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£'000	£'000
Finance lease interest	516	551
Related party interest expense	555	997
	1,071	1,548

6. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

	2020	2019
	£'000	£'000
Included in administrative expenses:		
Audit fees	15	14
Staff costs	272	246
Depreciation	695	681

Fees payable to KPMG LLP and its associates for non-audit services to the company during the year were £nil (30 June 2019: £nil).

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7. TAXATION

Analysis of tax expense

	2020 £'000	2019 £'000
Current tax:		
UK corporation tax on profits in the year/period	83	63
Prior period adjustments	-	16
Deferred tax	19	24
Total tax expense in income statement	102	103

The differences are explained below:

	2020 £'000	2019 £'000
(Loss)/profit on ordinary activities before taxation	(69)	(543)
Tax at the UK tax rate of 19% (30 June 2019: 19%)	(13)	(103)
Effects of:		
Expenses not deductible for tax purposes	96	166
Prior period adjustments	-	16
Capital allowances in excess of depreciation	19	24
Total taxation charge	102	103

Corporation tax is computed at the main rate of 19% (30 June 2019: 19%).

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Company's future current tax charge accordingly.

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8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000
COST	
At 1 July 2019	588
Additions	74
At 30 June 2020	662
DEPRECIATION	
At 1 July 2019	28
Charge for year	33
At 30 June 2020	61
NET BOOK VALUE	
At 30 June 2020	601
At 30 June 2019	560

9. INVESTMENT PROPERTY

	Total £'000
COST	
At 1 July 2019	26,278
Additions	66
Recognition of right-of-use assets on initial application of IFRS 16	37
At 30 June 2020	26,381
DEPRECIATION	
At 1 July 2019	1,096
Charge for year	662
Recognition of right-of-use assets on initial application of IFRS 16	1
At 30 June 2020	1,759
NET BOOK VALUE	
At 30 June 2020	24,622
At 30 June 2019	25,182

Included in the investment property are assets held under a finance lease of £20,562,000.

Management deem the fair value of the investment property to be £33,400,000. This valuation is based on a discounted cash flow model.

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10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade debtors	12	49
Other debtors	155	171
Prepayments and accrued income	30	228
	197	448

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Finance leases (see note 13)	212	230
Trade creditors	633	585
Amounts owed to group undertakings (see note 22)	260	-
Loans owed to group undertakings (see note 22)	4,567	5,181
Tax	38	20
Other creditors	10	78
Accruals and deferred income	69	165
	5,789	6,259

The Loan owed to group undertakings is payable to CLV Finance UK Limited. Its maturity date is 5 September 2027 and the interest rate is 11.4%. This loan is classified as falling due within one year as it is repayable on demand. CLV Finance UK Limited has confirmed that it will not demand repayment of the loan within 12 months of signing these Financial Statement.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £'000	2019 £'000
Finance leases (see note 13)	20,350	20,820

13. FINANCIAL LIABILITIES - BORROWINGS

Lease liabilities:	2020 £'000	2019 £'000
Amounts due in less than one year	212	230
Amounts due in more than one year	20,350	20,820
	20,562	21,050

The lease commenced on 8 September 2017 and matures 30 June 2067.

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14. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	2020 Principal £'000	2020 Interest £'000	2020 Total £'000
Payments within one year	212	575	787
Payments within two to five years	910	2,240	3,150
Payments after five years	19,440	13,832	33,272
	20,562	16,647	37,209

	2019 Principal £'000	2019 Interest £'000	2019 Total £'000
Payments within one year	230	506	736
Payments within two to five years	986	1,961	2,947
Payments after five years	19,834	12,152	31,986
	21,050	14,619	35,669

15. RELATED PARTY BORROWINGS

	2020 £'000	2019 £'000
Intercompany payables (see note 22)	260	94
Loans owed to group undertakings - CLV Finance UK Ltd	4,567	5,087
	4,827	5,181

The Loans from CLV Finance UK Limited is matures on 5 September 2027. The interest rate is 11.4%. The loan is repayable upon demand.

These amounts are neither past due or impaired.

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16. DEFERRED TAXATION

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2020 £'000	2019 £'000
Balance brought forward	24	-
Movement in the year/period	(19)	24
	5	24

The movement in the deferred tax is due to temporary timing differences of accelerated capital allowances. Deferred tax balances have been stated at 19% (30 June 2019: 19%).

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Company's future current tax charge accordingly.

Deferred tax is calculated at 19%. There are no unrecognised deferred tax assets or liabilities at 30 June 2020 (30 June 2019: £nil).

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
10	Ordinary shares	£1	10	10

18. RESERVES

	Retained earnings £'000
At 1 July 2019	(44)
Loss for the year	(171)
At 30 June 2020	(215)

19. ULTIMATE PARENT COMPANY

The company's ultimate controlling party is Campus Living UK Trust (formerly named Campus Living Overseas Trust). The largest and smallest group in which the results of the Company are consolidated is that headed by Campus Living UK Trust, a trust company domiciled in Australia. The registered office address is Triniti II, Level 6, 39 Delhi Road, North Ryde, NSW 2113, Australia.

20. CONTINGENT LIABILITIES

The directors have not identified any contingencies at 30 June 2020 (30 June 2019: £nil).

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21. CAPITAL COMMITMENTS

There were no capital commitments in place at 30 June 2020 (30 June 2019: £nil).

22. RELATED PARTY DISCLOSURES

The transactions during the period with related parties and balances outstanding at the year end are as follows:

	Balance due (to)/ from at 30 June 2020) £'000	Transactions in year £'000
Loan from CLV Finance UK Ltd	(4,567)	520
Intercompany with CLV Finance UK Ltd	(3)	-
Intercompany with CLV UK Ltd	(256)	(171)
Intercompany with CLV (St Andrews) 3 UK LLP	-	5
Intercompany with CLV (RCM2) UK LLP	-	1
Intercompany with CLV (City Portfolio)	(1)	1

	Balance due (to)/ from at 30 June 2019) £'000	Transactions in period £'000
Loan from CLV Finance UK Ltd	(5,087)	(731)
Intercompany with CLV Finance UK Ltd	(3)	(3)
Intercompany with CLV UK Ltd	(85)	(79)
Intercompany with CLV (St Andrews) 3 UK LLP	(5)	(5)
Intercompany with CLV (RCM2) UK LLP	(1)	(1)