

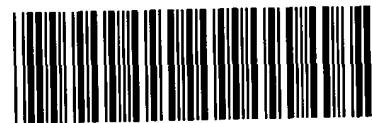
**STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

**COMPANY NUMBER: 11242948 (ENGLAND AND WALES)**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

FRIDAY



\*A9DV9R56\*

A12

18/09/2020

#54

COMPANIES HOUSE

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## COMPANY INFORMATION

---

**Directors**

Mr HS Chua  
Ms B Young  
Mr J Singh  
Mr D Mathewson

**Company number**

11242948

**Registered office**

Kintyre House  
70 High Street  
Fareham  
Hampshire  
PO16 7BB  
United Kingdom

**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**

Bryan Cave Leighton Paisner LLP  
Governors House  
5 Laurence Pountney Hill  
London  
EC4R 0BR

**Bankers**

HSBC Bank Plc  
8 Canada Square  
London  
E14 5HQ

---

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1 – 4
Directors' report	5 – 6
Independent auditor's report	7 – 9
Consolidated statement of comprehensive income	10
Consolidated balance sheet	11
Parent company balance sheet	12
Consolidated and parent company statement of changes in equity	13
Consolidated statement of cash flows	14
Notes to the financial statements	15 – 35

---

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

The directors present their Strategic report on the affairs of the Group for the year ended 31 August 2019. The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

This strategic report has been prepared for the Group as a whole, and therefore gives greater emphasis to those matters which are significant to Student Castle Investments Holdco Limited (the 'Company') and its subsidiary undertakings when viewed as a whole.

The Company was incorporated in the prior year on 8 March 2018. The Company legally acquired Student Castle Developments 2 Limited, together with its subsidiaries, on 1 June 2018. Prior to 1 June 2018, the Company and Student Castle Developments 2 Limited had the same ultimate owner and were under common control. The acquisition was accounted for using the merger accounting method in the prior year, where the financial statements of the Group are presented as a continuation of an existing Group and include the results of Student Castle Developments 2 Limited and its subsidiaries for the year ended 31 August 2019 in the current period results and the year ended 31 August 2018 as the comparative results.

#### Principal activities

The principal activity of the Company is that of a holding company for the Student Castle Group. The principal activity of the Group continued to be the building, development and leasing of student accommodation.

#### Acquisition of Student Castle Investments Holdco Limited

On 20 December 2019 the Group was acquired by Straits Ten Pte. Ltd., a subsidiary company of Singapore Press Holdings, a company listed on the Singapore Exchange. Straits Ten Pte. Ltd. acquired Student Castle Investments Holdco Limited along with all of its subsidiary companies.

#### Review of the business

The Directors report Group turnover of £12,618,359 (2018: £12,075,009), cash outflow of £1,617,694 (2018: outflow of £8,438,010) and a profit before tax of £76,084,413 (2018: £33,558,641).

The Group's turnover has increased from £12,009,082 in the prior year to £12,618,359 in the current year. Of the increase, £682,792 is attributable to student accommodation rental income and is largely due to rental growth. Gross profit has increased from £10,539,244 to £11,039,552 with gross profit margin remaining broadly in line with the prior year at 87% (2018: 87%).

Administrative expenses on continuing operations have increased by £536,196 from £6,332,297 to £6,868,593 in the current year. The largest components of this increase are staff costs, reflecting an increase in the average number of staff from 83 to 90, and legal and professional fees incurred in advance of the acquisition of the Group by Straits Ten Pte. Ltd. on 20 December 2019.

Other operating income has increased from £417,098 in the prior year to £422,351 in the current year. Included in the prior year was one-off income of £337,204 for compensation receivable from the developer due to the delayed delivery of the Edinburgh student accommodation included in investment property. In the current year this income is largely comprised of the management fee income of £391,892 charged to GMS (Parking) Limited. Since this entity was disposed of in the prior year this income is no longer eliminated on consolidation.

Total Group profit before tax has increased by £42,550,772 from £33,558,641 in the prior year to £76,084,413 in the current year. This increase is largely explained by the gain on revaluation of the investment property portfolio recognised during the year of £75,987,974 (2018: £30,216,519) offset by the one-off impact of the £3,968,410 profit on disposal of investments recognised in the prior year.

Group net assets are £251,170,827 (2018: £188,021,638), including cash of £9,036,991 (2018: £10,654,685). The £63,149,189 increase in net assets since the prior year is due to the profit recognised during the year and is largely attributable to the gain on the revaluation of investment properties.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Key performance indicators**

The key performance indicators of the Group include its net assets position, profitability, cash flow and occupancy. The Group's net asset position and profitability remain very strong at £251,170,827 and £63,149,189 respectively. The Group's cash flow has been negative during the year as cash has been utilised to finance new developments, but this should result in future cash inflows as the developments become operational.

### **Principal risks and uncertainties**

#### **Covid-19**

There is a risk that the demand for student accommodation may be adversely affected by the impact of the Covid-19 pandemic.

Following the UK lockdown which commenced on 23 March 2020, and its impact on universities, Student Castle offered a refund to students deciding to depart before the end of their licence period for the 2019/20 academic year.

Whilst universities are currently planning to open as usual for the 2020/21 academic year, there remain a number of risks to Student Castle:

The risk that a second wave of the pandemic might return to the UK resulting in a further lockdown and forcing universities to remain closed or offer online learning;

The risk that student numbers will decline following the change to the university experience on offer;

The risk that the UK introduces travel bans from certain countries which prevent students from entering the UK.

At the time of signing of these financial statements there are no plans for a future UK lockdown and all the key universities in the cities in which the business operates are planning to open as normal in September or October 2020. UCAS reports that total university applications for the 2020/21 academic year are up 1.6% on the prior year. Similarly, the Student Castle Investments Holdco Group reports that like for like bookings for the 2020/21 academic year are up 5% on the prior year. UK borders remain open to travellers from around the world (although quarantine periods are required for travellers from some countries considered more at risk from Covid-19).

The Group acknowledge that there remains an uncertainty over the future impact of Covid-19 and the potential financial impacts have been modelled and quantified. Please see the going concern paragraph below.

#### **Other principal risks and uncertainties**

Private student accommodation is a highly competitive market, which is a continuing risk to the Group. The Group manages this risk by delivering high quality products and services to its customers, to differentiate itself from the competition.

The demand for student accommodation also poses a risk to the Group, both in relation to current and future developments. The Group manages this risk by carefully considering local demand prior to selecting a site for development and by diversifying its portfolio of student accommodation across the country

#### **Going concern**

The Group is funded by a combination of both operating cashflows and loans from Singapore Press Holdings Limited, the ultimate parent company, and its subsidiaries.

The Group has carried out a cashflow forecast on the assumption that universities open as planned for the 2020/21 academic year in Autumn 2020. This forecast shows that no further financial support will be required from Singapore Press Holdings from the date of signing of these financial statements.

The Directors acknowledge that there remains an uncertainty over the future impact of Covid-19, in particular the risk that there could be a second lockdown which delays the opening of universities. Whilst the Directors cannot be certain whether there will be a second lockdown, they have modelled the potential impact were there to be a second lockdown required in the coming months. Given the timescales seen in the first lockdown imposed, it is expected that universities would remain closed in September 2020 and delay their opening until January 2021. The Directors have modelled the financial impact of such a scenario and report that further financial support would be required from Singapore Press Holdings Limited of up to £9.6m to fund the completion of the two properties under development due to open in September and up to £5.7m to fund ongoing operations.

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

Singapore Press Holdings Limited has provided a letter of financial support to Student Castle Investments Holdco Limited, confirming intention that it will continue to provide any financial support that is required for a period of at least 12 months from the date of signing of these financial statements.

Given the financial support available to the Group, the assurances provided by our parent undertaking, and the business rationale for supporting the Group, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period no less than 12 months from the date of signing the financial statements.

In the event that further lockdown procedures restrict the level of rental income the Group is able to collect from students, or indeed require the Group to refund rental fees to students, it is likely that the Group would be required to call upon support from its shareholder, Singapore Press Holdings Limited. The directors are confident that this support would be received if requested, based on the letter of support provided by Singapore Press Holdings. The directors do however acknowledge that the assurances provided by its shareholder are not legally binding or enforceable, and are therefore dependent on approval being granted at the point in time that support is requested. The directors acknowledge that these events constitute a material uncertainty which may cast a significant doubt on the Group's ability to continue as a going concern. See note 1 to the financial statements.

### **Financial risk management and policies**

The Group's activities expose it to financial risks including liquidity risk and credit risk.

#### ***Liquidity risk***

There is currently a liquidity risk due to the COVID-19 pandemic detailed above which has affected cash flow. Singapore Press Holdings Limited has provided a letter of financial support to the Group, confirming that it will continue to provide any financial support that is required for a period of at least 12 months from the date of signing of these financial statements. The Directors acknowledge that this letter is not legally binding therefore there is a material uncertainty over going concern. See note 1 to the financial statements.

#### ***Credit risk***

The Group's principal financial asset are loans from related parties and cash. The financial assets presented in the Balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Future developments**

With a new site becoming operational in Durham in September 2019, and new sites in Brighton and Oxford under development ahead of an anticipated opening in September 2020, The Directors expect the general level of revenues to increase in the next few years, on the assumption that there is no further disruption to universities opening due to COVID-19 as discussed above.

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



.....  
**Mr D Mathewson**  
**Director**

Date: 9 September 2020

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

The directors present their strategic report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 August 2019.

#### Group structure

These financial statements consolidate the accounts of Student Castle Investments Holdco Limited and all its subsidiary undertakings (the 'Group'), drawn up to 31 August 2019. See the Strategic Report for further details on the structure of the consolidated accounts presented.

#### Directors

The following directors have held office since 1 September 2018 to the date of signing:

Mr HS Chua (Appointed 20 December 2019)  
Ms B Young (Appointed 20 December 2019)  
Mr J Singh (Appointed 20 December 2019)  
Mr D Mathewson (Appointed 20 December 2019)  
Mr C Cade (Resigned 20 December 2019)  
Mr P Morton (Resigned 20 December 2019)  
Mrs J Hawthorn (Resigned 20 December 2019)  
Mr S Dance (Resigned 20 December 2019)  
Mr R Taylor (Resigned 20 December 2019)

#### Dividends

No interim dividends were paid during the year (2018: £nil) and the directors do not recommend payment of a final dividend (2018: £nil).

#### Future Developments

Details of future developments can be found in the Strategic Report on page 3.

#### Going concern

Details of going concern can be found in the Strategic Report on page 3.

#### Post balance sheet events

Details of post balance sheet events, including the impact of the COVID-19 pandemic are contained in note 26 to the financial statements.

#### Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report on page 2.

#### 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.



# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## DIRECTOR'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Directors' responsibilities statement (continued)**

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.

### **Statement of disclosure to auditor**

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- they 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.

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



.....  
**Mr D Mathewson**  
**Director**

Date: 9 September 2020

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

---

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Student Castle Investments Holdco Limited (the 'parent company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 August 2019 and of the Group's profit 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 consolidated statement of comprehensive income;
- the consolidated balance sheet;
- the parent company balance sheet;
- the consolidated and parent company statement of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 27.

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 Group and the parent 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.

##### **Material uncertainty related to going concern**

We draw attention to note 1.3 in the financial statements, which states that in the event that further lockdown procedures restrict the level of rental income the Group is able to collect from students, or require the Group to refund rental fees to students, it is likely that the Group would be required to call upon support from its shareholder, Singapore Press Holdings Limited. The Group have received assurances from Singapore Press Holdings that this support would be provided, however these assurances are not legally binding or enforceable, and are therefore dependent on approval being granted at the point in time that support is requested. As stated in note 1.3, these events or conditions, along with the other matters as set forth in note 1.3 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF STUDENT CASTLE INVESTMENTS HOLDCO 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 Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF STUDENT CASTLE INVESTMENTS HOLDCO 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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: 10 September 2020

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2019

---

	Notes	2019 £	2018 £
Turnover		12,618,359	12,075,009
Cost of sales		(1,578,807)	(1,535,765)
<b>Gross profit</b>		<b>11,039,552</b>	<b>10,539,244</b>
Administrative expenses		(6,868,593)	(6,332,397)
Other operating income		422,351	417,098
<b>Operating profit</b>		<b>4,593,310</b>	<b>4,623,945</b>
Gain arising on revaluation of investment property	8	75,987,974	30,216,519
Impairment in value of investment property	8	(726,115)	(1,639,422)
Impairment of investments	9	(283,443)	-
(Loss) / Profit on disposal of investments	10	(109,819)	3,968,410
Investment income		77,515	-
Other interest receivable and similar income	4	1,310,149	854,087
Interest payable and similar charges	5	(4,765,158)	(4,464,898)
<b>Profit before tax</b>	3	<b>76,084,413</b>	<b>33,558,641</b>
Tax on profit	6	(12,935,224)	(5,517,636)
<b>Profit after tax</b>		<b>63,149,189</b>	<b>28,041,005</b>

---

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2019

	Note	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	398,391,865		302,664,087	
Investments	9	-		358,345	
		<u>398,391,865</u>		<u>303,022,432</u>	
<b>Current assets</b>					
Stock	11	23,054		24,491	
Debtors	12	23,500,690		19,412,139	
Cash at bank and in hand		9,036,991		10,654,685	
		<u>32,560,735</u>		<u>30,091,315</u>	
<b>Creditors: amounts falling due within one year</b>	13	(17,812,674)		(13,563,850)	
<b>Net current assets</b>		<u>14,748,061</u>		<u>16,527,465</u>	
<b>Total assets less current liabilities</b>		<u>413,139,926</u>		<u>319,549,897</u>	
<b>Creditors: amounts falling due after more than one year</b>	14	(161,955,383)		(131,514,423)	
<b>Provision for liabilities</b>	16	(13,716)		(13,836)	
<b>Net assets</b>		<u>251,170,827</u>		<u>188,021,638</u>	
<b>Capital and reserves</b>					
Called up share capital	17	103,319		103,319	
Share premium	18	-		5,065	
Merger reserve	18	(103,410)		(102,388)	
Profit and loss account	18	251,170,918		188,015,642	
<b>Shareholders funds</b>		<u>251,170,827</u>		<u>188,021,638</u>	

The financial statements of Student Castle Investments Holdco Limited, registered number: 11242948, were approved and authorised for issue by the Board on 9 September 2020.

Signed on behalf of the Board



Mr D Mathewson  
Director

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## PARENT COMPANY BALANCE SHEET

AS AT 31 AUGUST 2019

	Note	£	2019 £	£	2018 £	£
<b>Fixed assets</b>						
Investments	9		229,218,333		229,218,333	
<b>Current assets</b>						
Debtors	12	22,193		2,811		
		22,193		2,811		
<b>Creditors: amounts falling due within one year</b>	13	(132,525)		(14,898)		
<b>Net current liabilities</b>			(110,332)		(12,087)	
<b>Total assets less current liabilities</b>			229,108,001		229,206,246	
<b>Net assets</b>			229,108,001		229,206,246	
<b>Capital and reserves</b>						
Called up share capital	17		103,319		103,319	
Merger reserve			229,114,911		229,114,911	
Profit and loss account			(110,229)		(11,984)	
<b>Shareholders funds</b>			229,108,001		229,206,246	

The loss for the financial period dealt with in the financial statements of the parent company was £98,245 (2018: £11,984).

The financial statements of Student Castle Investments Holdco Limited, registered number: 11242948, were approved and authorised for issue by the Board on 9 September 2020.

Signed on behalf of the Board



Mr D Mathewson  
Director

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## CONSOLIDATED AND PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

AS AT 31 AUGUST 2019

### Consolidated

	Called up share capital £	Share premium £	Merger reserve £	Profit and loss account £	Total £
<b>At 1 September 2017</b>	103,319	5,065	(102,388)	159,974,637	159,980,633
Profit for the financial year	-	-	-	28,041,005	28,041,005
<b>At 31 August 2018</b>	103,319	5,065	(102,388)	188,015,642	188,021,638
Profit for the financial year	-	-	-	63,149,189	63,169,939
Cancellation of share premium	-	(5,065)	-	5,065	-
Movement of merger reserve arising on elimination of investment in subsidiaries on consolidation	-	-	(1,022)	1,022	-
<b>At 31 August 2019</b>	103,319	-	(103,410)	251,170,918	251,170,827

### Parent company

	Called up share capital £	Share premium £	Merger reserve £	Profit and loss account £	Total £
<b>At 1 September 2017</b>	-	-	-	-	-
Issue of share capital	103,319	-	-	-	103,319
Merger reserve arising on acquisition of subsidiary	-	-	229,114,911	-	229,114,911
Loss for the financial year	-	-	-	(11,984)	(11,984)
<b>At 31 August 2018</b>	103,319	-	229,114,911	(11,984)	229,206,246
Loss for the financial year	-	-	-	(98,245)	(98,245)
<b>At 31 August 2019</b>	103,319	-	229,114,911	(110,229)	229,108,001



# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
<b>Net cash flows generated from operating activities</b>	<b>19</b>	<b>7,261,241</b>	<b>4,754,503</b>
<b>Cash flows from investing activities</b>			
Proceeds from the disposal of investment property		7,547,301	1,050,000
Payments for additions to investment property		(31,967,328)	(53,417,223)
Payments to purchase tangible fixed assets		(37,927)	(129,856)
Dividends received		77,515	-
Interest received		32,963	22,129
Proceeds from the disposal of subsidiary undertakings	<b>10</b>	56,859	-
Net cash balances disposed of with subsidiary undertakings	<b>10</b>	(55,980)	(12,610)
<b>Net cash flows used in investing activities</b>		<b>(24,346,597)</b>	<b>(52,487,560)</b>
<b>Cash flows from financing activities</b>			
New long-term bank loans		20,737,344	42,666,000
Interest paid and bank charges		(5,269,682)	(3,370,953)
<b>Net cash flows generated from financing activities</b>		<b>15,467,662</b>	<b>39,295,047</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,617,694)</b>	<b>(8,438,010)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>10,654,685</b>	<b>19,092,695</b>
<b>Cash and cash equivalents at end of year</b>		<b>9,036,991</b>	<b>10,654,685</b>

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1. Accounting policies**

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

#### **1.1 Basis of accounting**

Student Castle Investments Holdco Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006.

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 and its subsidiaries (the Group) are set out in the Strategic Report on pages 1 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 Investments Holdco Limited is pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Student Castle Investments Holdco Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have also been taken in relation to financial instruments and presentation of the parent company cash flow statement.

#### **1.2 Basis of consolidation**

The Group financial statements consolidate the financial statements of Student Castle Investments Holdco Limited and its subsidiary undertakings drawn up to 31 August each year, with the exception of Sherb UK Limited, which was excluded from the consolidation as the interest in the subsidiary was held exclusively with a view to subsequent resale, and the subsidiary has not previously been consolidated. Sherb UK Limited was disposed of during the year, see note 10 for more details. The prior year was the first year that Student Castle Investments Holdco Limited has prepared consolidated accounts since it was only incorporated on 8 March 2018. There is no difference in the reporting date of the financial statements of the parent and its subsidiaries.

The Company legally acquired Student Castle Developments 2 Limited, together with its underlying subsidiaries in the prior year on the 1 June 2018 as part of a share for share exchange. Prior to the 1 June 2018, the Company and Student Castle Developments 2 Limited had the same ultimate owner and therefore were under common control. The acquisition was accounted using the merger accounting method, where the financial statements of the Group are presented as a continuation of an existing group, on the basis of ultimate common control and, therefore, outside the scope of business combinations.

Other business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1. Accounting policies (continued)**

#### **1.3 Going concern**

The Group is funded by a combination of both operating cashflows and loans from Singapore Press Holdings Limited, the ultimate parent company, and its subsidiaries.

The Group has carried out a cashflow forecast on the assumption that universities open as planned for the 2020/21 academic year in Autumn 2020. This forecast shows that no further financial support will be required from Singapore Press Holdings from the date of signing of these financial statements.

The Directors acknowledge that there remains an uncertainty over the future impact of Covid-19, in particular the risk that there could be a second lockdown which delays the opening of universities. Whilst the Directors cannot be certain whether there will be a second lockdown, they have modelled the potential impact were there to be a second lockdown required in the coming months. Given the timescales seen in the first lockdown imposed, it is expected that universities would remain closed in September 2020 and delay their opening until January 2021. The Directors have modelled the financial impact of such a scenario and report that further financial support would be required from Singapore Press Holdings Limited of up to £9.6m to fund the completion of the two properties under development due to open in September and up to £5.7m to fund ongoing operations.

Singapore Press Holdings Limited has provided a letter of financial support to Student Castle Investments Holdco Limited, confirming intention that it will continue to provide any financial support that is required for a period of at least 12 months from the date of signing of these financial statements.

Given the financial support available to the Group, the assurances provided by our parent undertaking, and the business rationale for supporting the Group, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period no less than 12 months from the date of signing the financial statements.

In the event that further lockdown procedures restrict the level of rental income the Group is able to collect from students, or indeed require the Group to refund rental fees to students, it is likely that the Group would be required to call upon support from its shareholder, Singapore Press Holdings Limited. The directors are confident that this support would be received if requested, based on the letter of support provided by Singapore Press Holdings. The directors do however acknowledge that the assurances provided by its shareholder are not legally binding or enforceable, and are therefore dependent on approval being granted at the point in time that support is requested. The directors acknowledge that these events constitute a material uncertainty which may cast a significant doubt on the Group's ability to continue as a going concern.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1. Accounting policies (continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	33% per annum
Leasehold improvements	Over the term of the lease
Furniture, fittings & equipment	15%-33% per annum
Website development costs	33% per annum

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

#### 1.5 Investments

In the company balance sheet, investments in subsidiaries are measured at cost less impairment. Cost is measured by reference to the fair value of the shares acquired, with the difference between the fair value of the shares acquired and the consideration being credited to the merger reserve.

#### 1.6 Investment properties

Investment properties for which the fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

#### 1.7 Stock

Stock is stated at the lower of cost and estimated selling price less cost to sell. Stock represents items held for sale to students.

#### 1.8 Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

##### *(i) Financial assets and financial 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 finance 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 balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### 1. Accounting policies (continued)

#### 1.8 Financial instruments (continued)

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.

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 Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1. Accounting policies (continued)**

#### **1.8 Financial instruments (continued)**

##### *(ii) Derivative financial instruments*

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised as a finance cost in the income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

##### *(iii) 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 Taxation**

The tax expense represents the sum of the current and deferred tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies.

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 Group'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.

Unrelieved tax losses and other deferred tax assets are 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 using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1. Accounting policies (continued)

#### 1.10 Turnover

Turnover represents rental income received during the course of the year and ancillary income. Rental income is deferred over the rental contract term and recognised on the date that it is receivable. Ancillary income is recognised on the date that the charge is incurred. Turnover is stated net of VAT. The total turnover of the Group for the year has been derived from its principal activities and was wholly derived from the United Kingdom.

#### 1.11 Other operating income

Other operating income relates to income received for activities which do not fall within the Group's principal activities and is largely rental and ancillary income receivable on development sites. Also included in other income in the prior year are damages receivable from a lead contractor following delayed delivery of a site included in investment property. Other income is recognised on the accruals basis as it falls due.

#### 1.12 Directors and employees

The parent Company does not have any employees (2018: none), however there are employees in the Group, for which further detail is provided in note 22.

#### 1.13 Pensions

The Group operates a number of defined contribution schemes for the benefit of its employees. Contributions payable are charged to the Profit and loss account in the year they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance sheet.

#### 1.14 Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term. The aggregate benefits of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

#### 1.15 Impairment of assets

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 INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group'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.

#### **Critical accounting judgements**

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

#### **Key sources of estimation uncertainty**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors consider the below items to be those key estimates and assumptions.

##### *Revaluation of investment properties*

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. At 31 August 2019, investment property is held within a number of subsidiary companies.

Third party valuations have been carried out for all of the investment properties and these have been performed by Knight Frank LLP, an independent property consultancy.

The valuations performed by Knight Frank LLP are based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield. The yield used in the model is within the typical ranges reported by a number of industry sources. Where investment properties are in a state of partial completion at the year end, the valuation has been reduced by the expected costs to complete.

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



# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3. Profit before taxation

Profit before taxation is stated after charging / (crediting):

	2019 £	2018 £
Depreciation of tangible assets	97,081	107,160
Profit on disposal of fixed assets	(7,699)	-
Impairment of investments	283,443	-
Loss / (Profit) on disposal of investments	109,819	(3,968,410)
Operating lease rentals		
- Land and buildings	83,022	83,022
The analysis of the auditor's remuneration is as follows:		
Fees payable to the Group's auditor for the audit of the Group's annual financial statements (Company £14,400; 2018: £12,600)	101,000	88,705
<b>Total audit fees</b>	<b>101,000</b>	<b>88,705</b>
Taxation compliance services	57,646	49,698
Other taxation advisory services	98,178	166,999
Other services	47,900	47,782
<b>Total non-audit fees</b>	<b>203,724</b>	<b>264,479</b>
<b>Total fees</b>	<b>304,724</b>	<b>353,184</b>

Included in total non-audit fees is £6,118 and £9,600 relating to tax compliance fees and other taxation services respectively for the Company (2018: £2,195).

### 4. Other interest receivable and similar income

	2019 £	2018 £
Other loan interest receivable	1,277,186	149,273
Bank interest	32,963	22,129
Movement in fair value of interest rate derivatives	-	682,685
	<b>1,310,149</b>	<b>854,087</b>

### 5. Interest payable and similar charges

	2019 £	2018 £
On bank loans and overdrafts	3,250,981	2,617,317
Other interest	1,145,646	73,069
Bank charges	349,940	1,774,512
Movement in fair value of interest rate derivatives	18,591	-
	<b>4,765,158</b>	<b>4,464,898</b>

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 6. Tax on profit

	2019 £	2018 £
The tax charge comprises:		
<b>Current tax:</b>		
UK corporation tax on profits for the period	(7,609)	(4,852)
Adjustment in respect of previous periods	(33,567)	(240)
<b>Total current tax credit</b>	<b>(41,176)</b>	<b>(5,092)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	14,598,369	5,930,647
Adjustments in respect of prior periods	(86,647)	216,359
Effect of changes in tax rates	(1,535,322)	(624,278)
<b>Total deferred tax charge (see note 15)</b>	<b>12,976,400</b>	<b>5,522,728</b>
<b>Total tax charge / (credit) on profit</b>	<b>12,935,224</b>	<b>5,517,636</b>

The total tax charge for the year can be reconciled to the profit per the income statement as follows:

Profit before tax	76,084,413	33,558,641
Tax on profit at standard UK corporation tax rate of 19.00% (2018: 19.00%)	14,456,038	6,376,142
Effects of:		
Expenses not deductible for tax purposes	107,884	16,955
Income not taxable for tax purposes	(232,924)	(754,017)
Movement in deferred tax not provided for	252,317	273,341
Adjustments in respect of prior periods	(120,215)	216,119
Tax rate changes	(1,535,322)	(624,278)
Revaluation of investment properties	7,446	13,374
<b>Total tax charge for year</b>	<b>12,935,224</b>	<b>5,517,636</b>

#### Factors that may affect the tax rate

The finance Act 2016 which was substantively enacted on 6 September 2016 introduced legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. Accordingly, these rates have been applied when calculating deferred tax assets and liabilities as at 31 August 2019. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 August 2019 continue to be measured at a rate of 17%. If the amended tax rate had been used, the deferred tax liability would have been £3,397,986 higher.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7. Profit attributable to the parent company

As permitted by section 408 Companies Act 2006, the parent company's Profit and loss account has not been presented within these financial statements. The loss for the financial period dealt within the financial statements of the parent company is £98,245 (2018: £11,984).

### 8. Tangible fixed assets

Group	Investment property	Leasehold improvements	Computer equipment	Furniture, fittings and equipment	Website development costs	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 September 2018	302,411,093	104,057	279,696	102,657	608,259	303,505,762
Additions	34,063,737	-	19,797	3,026	17,450	34,104,010
Gain on revaluation	75,987,974	-	-	-	-	75,987,974
Impairment on revaluation	(726,115)	-	-	-	-	(726,115)
Disposals	(13,538,664)	(2,346)	-	-	-	(13,541,010)
At 31 August 2019	398,198,025	101,711	299,493	105,683	625,709	399,330,621
<b>Depreciation</b>						
At 1 September 2018	-	39,416	201,429	49,410	551,420	841,675
Charge for the year	-	10,354	35,834	14,831	36,062	97,081
At 31 August 2019	-	49,770	237,263	64,241	587,482	938,756
<b>Net book value</b>						
At 31 August 2019	398,198,025	51,941	62,230	41,442	38,227	398,391,865
At 31 August 2018	302,411,093	64,641	78,267	53,247	56,839	302,664,087

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. At 31 August 2019 investment property is held within a number of subsidiary companies. The investment properties were valued by Knight Frank LLP on 30 August 2019. See note 2 for further details of the valuations.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9. Fixed asset investments

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Investment in subsidiary undertakings	-	358,345	229,218,333	229,218,333

Subsidiary undertakings	Country of incorporation	Principal activity	Shares held %	
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 development and 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	England and Wales	Property development	Ordinary	100
SC Osney Lane Management Limited	England and Wales	Property management	Ordinary	100
SC Pelham Terrace Management Limited	England and Wales	Property management	Ordinary	100

\* Held directly by Student Castle Investments Holdco Limited

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

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9. Fixed asset investments (continued)

#### Investment in subsidiary undertakings

	Group £	Company £
<b>Cost</b>		
At 1 September 2018	358,345	229,218,333
Disposals (see note 10)	(358,345)	-
At 31 August 2019	-	229,218,333
<b>Provision for impairment</b>		
At 1 September 2018	-	-
Impairment	283,443	-
Disposal	(283,443)	-
At 31 August 2019	-	-
<b>Net book value</b>		
At 31 August 2019	-	229,218,333
At 31 August 2018	358,345	229,218,333

Group investments brought forward relate to the investment in Sherb UK Limited which was not consolidated since it was being held with a view to subsequent resale. This investment was disposed of during the current year as detailed below. All other group investments are eliminated on consolidation.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10. Disposal of subsidiary undertaking

On 30 April 2019 the Group disposed of its 100% investment in Sherb UK Limited for consideration of £56,859. This investment was held at cost less impairment of £75,000, giving a loss on disposal of £18,141. This investment was previously not consolidated and was held at cost with a view to subsequent resale. As such and so no income or expenditure up until the point of disposal is recognised within the consolidated statement of comprehensive income in relation to this entity.

On 1 May 2019 the Group disposed of its 100% investment in Angel Developments (Durham) Limited. The loss incurred by Angel Developments (Durham) Limited recognised in the consolidated accounts up to the date of the disposal was £1,169,702.

Net assets disposed of and the related sales proceeds was as follows:

	£
Tangible assets	4,918,000
Current assets	209,264
Creditors	(5,035,586)
Net Assets of Angel Developments (Durham) Limited on disposal	91,678
Loss on disposal of investments	(91,677)
Sale proceeds	1
Satisfied by	
Consideration receivable	1
	1

### 11. Stock

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Stock	23,054	24,491	-	-

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 12. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	427,947	2,124,708	-	-
Amounts owed by group undertakings	-	-	10,992	2,811
VAT	66,944	1,048,220	-	-
Other debtors	21,346,692	13,981,610	-	-
Derivative instruments at fair value	-	18,591	-	-
Prepayments and accrued income	411,341	379,092	11,201	-
Deferred tax asset (see note 15)	1,247,766	1,859,918	-	-
	<u>23,500,690</u>	<u>19,412,139</u>	<u>22,193</u>	<u>2,811</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 13. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	3,086,607	935,211	-	-
Amounts owed to group undertakings	-	-	39,242	103
Taxes and social security costs	108,416	99,475	-	-
Other creditors	4,583,511	4,637,460	-	-
Accruals and deferred income	9,935,531	7,891,704	93,283	14,795
Deferred tax liability	98,609	-	-	-
	<u>17,812,674</u>	<u>13,563,850</u>	<u>132,525</u>	<u>14,898</u>

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 14. Creditors: amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	131,923,344	111,186,000	-	-
Other creditors	-	2,567,864	-	-
Deferred tax liability (see note 15)	30,032,039	17,760,559	-	-
	<u>161,955,383</u>	<u>131,514,423</u>	<u>-</u>	<u>-</u>

### Analysis of loans

Bank loans of £131,923,344 are secured on freehold properties included within investment property.

Included within this total are £111,186,000 of bank loans on which interest is charged at 1.85% plus 3-month Libor. Interest is charged on the remaining bank loans of £20,737,344 at 2.70% plus 3-month Libor.

The bank loans were repaid in full on 20 December 2019, see note 26 on post balance sheet events.

Bank loans are repayable as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Between two and five years	<u>131,923,344</u>	<u>111,186,000</u>	<u>-</u>	<u>-</u>

### 15. Deferred taxation

The deferred tax (liability) is made up as follows:

	Group
	£
At 1 September 2018	(15,900,641)
Charged to Profit and loss account during the year	(12,976,400)
Eliminated on disposal	(5,841)
Balance at 31 August 2019	<u>(28,882,882)</u>

	Group	
	2019	2018
	£	£
Fixed asset timing differences	(30,090,540)	(17,355,921)
Other timing differences	62,089	68,014
Tax losses available	1,145,569	1,387,266
	<u>(28,882,882)</u>	<u>(15,900,641)</u>



# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 15. Deferred taxation (continued)

The net deferred tax liability amounts expected to reverse in 2020 relate to the tax losses available and other timing differences. The amount to be reversed in respect of tax losses is £413,000 as these losses are utilised against expected profits in 2020. The amount expected to be reversed in respect of other timing differences is £9,603 and relates to the unwinding of a deferred tax adjustment on transition to FRS102.

### 16. Provisions

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
At beginning of year	13,836	24,540	-	-
Provision utilised in the year	(120)	(22,454)	-	-
Charged to the profit and loss account	-	11,750	-	-
At end of year	13,716	13,836	-	-

The provision relates to other taxation accrued up to 31 August 2019. It is expected that this provision will be settled in the next financial year.

### 17. Called-up share capital

	2019 £	2018 £
<b>Allotted, called-up and fully-paid</b>		
100,000 A Ordinary shares of £0.999 each	99,900	99,900
3,422 C Ordinary shares of £0.999 each	3,419	3,419
	103,319	103,319

The ordinary shares carry equal voting rights.

### 18. Reserves

Profit and loss account – this reserve records retained earnings and accumulated losses.

Share Premium – this records the amount above the nominal value received for shares sold, less transaction costs.

Merger reserve – this reserve records the difference between the consideration and the net book value of assets acquired under a share for share exchange.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19. Financial Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

**Group**

	2019 £	2018 £
Within one year	104,870	104,870
Between one and five years	419,480	419,480
After five years	-	104,870
	<u>524,350</u>	<u>629,220</u>

There are no financial commitments within the parent company.

### 20. Cash flow statement

Reconciliation of operating profit to cash generated from operations:

	2019 £	2018 £
Operating profit	4,593,310	4,623,945
Adjustments for:		
Depreciation	97,081	107,160
Loss on disposal of tangible fixed assets	7,699	-
Operating cash flow before movement in working capital	<u>4,698,090</u>	<u>4,731,105</u>
Decrease / (increase) in stocks	1,437	(1,158)
Decrease / (increase) in debtors	1,097,646	(761,610)
Increase in creditors	1,464,188	796,870
Decrease in provisions	(120)	(10,704)
Cash generated by operations	<u>7,261,241</u>	<u>4,754,503</u>
Income taxes paid	-	-
Net cash from operating activities	<u>7,261,241</u>	<u>4,754,503</u>

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21. Pension and other post-retirement benefit commitments

#### Defined contribution

The Group operates defined contribution retirement benefit scheme for all qualifying employees.

	2019 £	2018 £
Contributions payable by the Group for the year	29,240	57,532

Included in accruals at 31 August 2019 were £10,383 (2018: £4,653) relating to pension and other post-retirement benefit commitments.

### 22. Directors' remuneration

#### Company

The Directors are not remunerated for their services to the Company (2018: £nil). Those directors that also serve as directors to the companies within the Group are remunerated for their services as directors to the Group and this is disclosed below.

#### Group

	2019 £	2018 £
Emoluments	1,962,925	1,916,152
Group contributions to money purchase pension schemes	14,727	34,324
	<u>1,977,652</u>	<u>1,950,476</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	801,998	819,727
Group pension contributions to money purchase schemes	-	-
	<u>801,998</u>	<u>819,727</u>

The highest paid director did not exercise any share options in the year.

The number of directors who:

Are members of a money purchase pension scheme	4	4
--	---	---

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 23. Employees

#### Number of employees

The average monthly number of employees within the Group (including directors) during the year was:

	2019 Number	2018 Number
Administration staff	90	83

There were no employees within the parent company in the year (2018: nil).

#### Employment costs

The employment costs (including directors) for the Group during the year was:

	2019 £	2018 £
Wages and salaries	3,755,614	3,518,818
Social security costs	432,690	412,697
Other pension costs	29,240	57,532
	4,217,544	3,989,047

### 24. Derivative instruments

The Group previously held derivative instruments which were included at fair value within debtors in the prior year (see note 12) in the financial statements:

	Fair Value	
	2019 £	2018 £
Interest rate swap contracts	-	18,591

The principal amount of the derivatives at the year end is:

	Principal amount	
	2019 £	2018 £
Interest rate swap contracts	-	25,986,242

The Group used the derivatives to manage its exposure to interest rate movements on the bank borrowings of its subsidiary undertakings. The fair values are based on market values of equivalent instruments at the Balance sheet date.

During the year, SWAP contracts with a total principal value of £26,931,909 expired on 2 August 2019.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **25. Control**

The immediate parent is Straits Ten Pte Ltd, a company incorporated in Singapore, whose registered address is 1000 Toa Payoh North, News Centre, Singapore, 318994.

On the 20 December 2019, the ultimate parent; Student Castle Investments Holdco Limited, was acquired by Straits Ten Pte Ltd. The ultimate controlling party at this date became Singapore Press Holdings Limited, a company incorporated in Singapore and listed on the Singapore stock exchange.

### **26. Post balance sheet events**

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

See note 25 for details of the acquisition of Student Castle Investments Holdco Limited.

As part of the acquisition the bank loans totalling £131,923,344 were repaid and replaced with a loan for the same value from Straits Ten Pte. Ltd., which is the parent company of Student Castle Investments Holdco Limited. Interest accrues on this loan at a rate of 3.68% per annum.

On 4 February 2020 further loans were received from Straits Ten Pte. Ltd. totalling £8,500,000. Interest accrues on these loans at a rate of 5.74% per annum.

On the 23 March 2020, the UK entered into lockdown due to the COVID-19 global pandemic, which resulted in the closure of Universities. Following this, Student Castle offered a refund to students deciding to depart before the end of their licence period for the 2019/20 academic year.

Whilst universities are currently planning to open as usual for the 2020/21 academic year, there remain a number of risks to Student Castle:

- The risk that a second wave of the pandemic might return to the UK resulting in a further lockdown and forcing universities to remain closed or offer online learning;
- The risk that student numbers will decline following the change to the university experience on offer;
- The risk that the UK introduces travel bans from certain countries which prevent students from entering the UK.

At the time of signing of these financial statements there are no plans for a future UK lockdown and all the key universities in the cities in which the business operates are planning to open as normal in September or October 2020. UCAS reports that total university applications for the 2020/21 academic year are up 1.6% on the prior year. Similarly, Student Castle Investments Holdco Group reports that like for like bookings for the 2020/21 academic year are up 5% on the prior year. UK borders remain open to travellers from around the world (although quarantine periods are required for travellers from some countries considered more at risk from Covid-19).

The Company acknowledges that there remains an uncertainty over the future impact of Covid-19 and the potential financial impacts have been modelled and quantified. Please see note 1 for further details.

Practical completion of the investment property in Durham was obtained on 19 September 2019.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **26. Post balance sheet events (continued)**

Included within other debtors at 31 August 2019 was a loan of £15,681,481 owed by GMS Parking Holdco Limited to the Group. On 18 December 2019, Student Castle Limited acquired 100% of the share capital of GMS Parking Holdco Limited. Following a group restructuring of loans and investment balances on 18 December 2019, the balance within other debtors was reduced to £Nil and the investment in GMS Parking Holdco Limited was disposed of, recognising a loss on disposal of £6,582,401.

Included within other debtors at 31 August 2019 was a loan of £4,833,962 owed by Angel Developments (Durham) Limited to the Group. On 18 December 2019, Student Castle Limited acquired 100% of the share capital of Angel Developments (Durham) Limited. Following a group restructuring of loans and investment balances on 18 December 2019, the balance within other debtors was reduced to £Nil and the investment in Angel Developments (Durham) Limited was disposed of, recognising a loss on disposal of £1,851,961.

### **27. Related party relationships and transactions**

The company has taken advantage of the exemption available in 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.

#### **Other related party transactions**

During the year the company invoiced Freston Property Bard Limited amounts totaling £10,000 plus VAT (2018: £10,000 plus VAT), for management services provided during the year to 31 August 2019. Freston Property Bard Limited is a company controlled by Sir C Dunstone, the previous ultimate controlling shareholder of Student Castle Property Management Services Limited. Mr R Taylor, Mr C Cade, Mrs J Hawthorn, Mr S Dance and Mr R Clarkson, all of whom were the ultimate controlling parties of Student Castle Property Management Services Limited up until 20 December 2019 when Student Castle Property Management Services Limited was acquired by Singapore Press Holdings Ltd, are also shareholders of Freston Property Bard Limited.

GMS (Parking) Limited, GMS Parking Holdco Limited and Angel Developments (Durham) Limited are related parties because they were companies controlled by the same ultimate controlling parties as Student Castle Property Management Services Limited up until 20 December 2019 when Student Castle Property Management Services Limited was acquired by Singapore Press Holdings Ltd.

During the year the company received £381,892 plus VAT (2018: £474,731 plus VAT) in respect of management, administration and accounting services provided to GMS (Parking) Limited.

The company received interest of £142,009 (2018: £1,157,149) on a loan provided to GMS (Parking) Limited. This loan was novated to GMS Parking Holdco Limited on 10 September 2018.

The company received interest of £1,425,483 (2018: nil) on a loan provided to GMS Parking Holdco Limited. This loan balance with GMS Parking Holdco Limited included within other debtors falling due after more than one year is £15,947,010 (2018: nil). Interest is charged on this loan at a rate of 10% and there is no fixed repayment date.

During the year the company received £138,158 plus VAT (2018: £57,884 plus VAT) in respect of management, administration and accounting services provided to Angel Developments (Durham) Limited.

The company received interest of £540,676 (2018: £521,563) on a loan provided to Angel Developments (Durham) Limited. This loan balance with Angel Developments (Durham) Limited included within other debtors falling due after more than one year is £4,916,628 (2018: 5,579,534). Interest is charged on this loan at a rate of 10% and there is no fixed repayment date.

During the year the company was charged £25,000 plus VAT (2018: £25,000) by Freston Ventures Management Limited in respect of management services provided during the year. Freston Ventures Management Limited is a company controlled by Sir C. Dunstone and Mr R. Clarkson, whom are also the ultimate controlling parties of Student Castle Property Management Services Limited.