

**STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

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

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**



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# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

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## **COMPANY INFORMATION**

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<b>Directors</b>	Mr HS Chua Ms B Young (Resigned 1 December 2021) Mr J Singh Mr D Mathewson
<b>Company number</b>	11242948
<b>Registered office</b>	Kintyre House 70 High Street Fareham Hampshire PO16 7BB United Kingdom
<b>Independent auditor</b>	KPMG Channel Islands Limited Statutory Auditor 37 Esplanade St. Helier Jersey
<b>Business address</b>	16 D'Arblay Street London W1F 8EA
<b>Solicitor</b>	Bryan Cave Leighton Paisner LLP Governors House 5 Laurence Pountney Hill London EC4R 0BR
<b>Bankers</b>	HSBC Bank Plc 8 Canada Square London E14 5HQ

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# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

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# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The directors present their Strategic report on the affairs of the Group for the year ended 31 August 2021. 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.

### **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.

### **Review of the business**

The Directors report Group turnover of £21,851,748 (2020: £15,042,796), cash inflow of £11,296,446 (2020: outflow of £4,752,114) and a profit before tax of £ 19,635,066 (2020: loss of £15,238,939).

The Group's turnover has increased from £15,042,796 in the prior year to £ 21,851,748 in the current year. Of the increase, £6,569,935 is attributable to student accommodation rental income and is largely due to the opening of the sites in Oxford and Brighton in September 2020 which increased rental income by £4,726,669. Gross profit has increased from £13,161,381 to £19,132,253 with gross profit margin remaining in line with the prior year at 88% (2020: 87%).

Administrative expenses on continuing operations have decreased by £1,654,843 from £9,302,376 to £7,647,533 in the current year. The largest components of this decrease are legal and professional fees incurred in the prior year in relation to the acquisition of the Group by Straits Ten Pte. Ltd. on 20 December 2019.

Other operating income has increased from £54,538 in the prior year to £1,830,950 in the current year. This is primarily due to £1,805,000 of accrued income for liquidated damages against Henry Construction Limited in respect of the completion of the investment property in Brighton, exceeding the contracted completion date.

Total Group profit before tax is £19,635,066 (2020: loss of £15,238,939) which is attributable to the gain on revaluation of investment property of £11,674,645, no loss on disposal of investments recognised in the current year (2020: £8,434,362), increase of turnover of £6,808,952, decrease in cost of sales of £838,080, decrease in administrative expenses of £1,654,843 and increase in other operating income of £1,776,412.

Group net assets are £251,190,597 (2020: £232,395,186), including cash of £ 15,581,323 (2020: £4,284,877). The £18,575,115 increase in net assets since the prior year is due to the profit recognised during the year of £3,865,236 and an increase in share capital of £14,709,879.

During the year, loans of £145,823,344 from the parent company; Straits Ten Pte Ltd were converted into listed Quoted Eurobonds which are listed on The International Stock Exchange.

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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 remains very strong at £251,190,597. The Group's cash flow has been positive during the year as all sites under development have been become operational and revenue has increased in the year.

### **Principal risks and uncertainties**

#### **Going concern**

On 5 November 2020, England entered into a second lockdown for 4 weeks, with a further lockdown in January 2021 which lasted until 8 March 2021, when restrictions began to be gradually lifted. As of 19 July 2021, the United Kingdom (UK) government lifted most lawful restrictions related to Covid-19. With an improvement in the COVID situation, the Group is experiencing greater normalcy for the Purpose Built Student Accommodation segment in the UK in the 2021/22 academic year, with current occupancy levels at 99% and universities remaining open.

As of 20 December 2021, approximately 70% of the population have been fully vaccinated in the UK. Approximately 42% of the UK population have also received a booster in order to protect against the newer Omicron variant of Covid-19. There are currently no border restrictions imposed by the UK government and so travel to the UK remains possible.

The Group acknowledge that there remains an uncertainty over the future impact of Covid-19, however the Group has seen good progress on bookings for the 2022/23 academic year, with booking occupancy at 45% across the portfolio as at 13 December 2021, compared to 14% at the same point a year ago for the 2021/22 academic year. With the stronger occupancies, revenues are expected to exceed pre-COVID 19 levels for Academic Year and the Group is in a net asset position and continues to be supported by the parent company.

As at 31 August 2021, the Group is in a net current liability position of £146,587,236 (2020: £165,604,660). This is primarily due to the loans owed to the parent company of £145,823,344 and deferred income of £11,817,094 for which no cash outflow would be required. The parent company, Straits Ten Pte Ltd has provided a letter of support and undertaking stating that the amounts owed to them will not be recalled within the next 12 months.

Due to the above factors, the Directors do not believe there to be uncertainty over the going concern of the Group.

#### **Brexit**

Further uncertainty arises due to the United Kingdom's withdrawal from the European Union ("Brexit") which may affect the International student market in the UK, which is a key source of revenue for the Student Castle Group. EU students who arrived in the UK before 31 December 2020 are able to register for the EU Settlement Scheme which allows those students to remain in the UK and continue their studies as well as being eligible for 'home fee status' which means that they do not have to pay the increased international student fees and this remains for the duration of their course.

Those arriving in the UK after 1 January 2021, who started their course before 31 July 2021 are eligible for the 'home fee status' but are required to obtain a visa in order to study. Those arriving after the 1 January but not starting their course until after 1 August 2021 are required to obtain a visa as well as attracting the higher international fees.

This could mean a decrease in EU students choosing to study in the UK, however, the majority of the Group's international students are from countries from outside of the EU, so this is not expected to have a significant impact on revenue.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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

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

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

The Group's policy on liquidity risk is to ensure that significant cash is available to fund on-going operations. The Group manages its cash flow risk by reviewing cash flow forecasts on a monthly basis to assess cash requirements and the need to obtain additional funding from the parent company who provide debt facilities to the Group.

The Group has a policy of assessing the creditworthiness of counterparties to mitigate the risk of financial loss. The Group offers students the option to pay in full before the start of their tenancies or to pay in instalments. Where the student chooses to pay in instalments, the student must have a guarantor who undergoes credit checks to mitigate the risk of financial loss to the Group. The Group uses publicly available financial information and its own trading records to assess the creditworthiness of guarantors.

### **Liquidity risk**

There is currently a liquidity risk due to the COVID-19 pandemic detailed above which has affected cash flow. As at 31 August 2021, the Group is also in a net current liability position of £146,587,236 (2020: £165,604,660). This is primarily due to the loans owed to the parent company of £145,823,344. The parent company, Straits Ten Pte Ltd has provided a letter of support and undertaking stating that the amounts owed to them will not be recalled within the next 12 months. The Directors do not believe there to be uncertainty over the going concern of the Group. See note 1 to the financial statements.

### **Credit risk**

The Group's principal financial asset are loans from trade debtors 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.

### **Future developments**

New sites became operational in Oxford in September 2020 and in Brighton in November 2020 for the Student Castle Group, as well as further sites coming under the management of Student Castle Property Management Services Limited in the next 12 months, the Directors expect the general level of activity 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: 7 January 2022

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The directors present their Directors' report and audited financial statements for the year ended 31 August 2021.

### 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 2021. 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 2020 to the date of signing, except as stated:

Mr HS Chua  
Ms B Young (Resigned 1 December 2021)  
Mr J Singh  
Mr D Mathewson

### Dividends

No interim dividends were paid during the year (2020: £nil) and the directors do not recommend payment of a final dividend (2020: £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 2.

### Post balance sheet events

Details of post balance sheet events are contained in note 28 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 3.

### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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.

### **Auditors**

The auditor, KPMG Channel Islands Limited is deemed to be reappointed in accordance with Section 487 of the Companies Act 2006.

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



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

**Director**

Date: 7 January 2022



# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

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

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#### **Our opinion**

We have audited the consolidated financial statements of Student Castle Investments Holdco Limited (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated and parent company balance sheet as at 31 August 2021, the consolidated statement of comprehensive income, consolidated and parent company statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 August 2021 and of the Group's profit for the year then ended;
- are properly prepared in accordance with United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; 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 and Group in accordance with, UK ethical requirements including FRC Ethical Standards. 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 consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and 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 their ability to continue as a going concern for at least a year from the date of approval of the consolidated financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Group and the Company will continue in operation.

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

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

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

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#### **Fraud and breaches of laws and regulations – ability to detect**

##### **Identifying and responding to risks of material misstatement due to fraud**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

##### **Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the consolidated financial statements from our general sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Group is subject to laws and regulations that directly affect the consolidated financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the consolidated financial statements, for instance through the imposition of litigation or impacts on the Group and the Company's ability to operate. We identified company law as being the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

##### **Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**

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

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

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#### **The directors' report and strategic report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the consolidated 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 consolidated financial statements audit work, the information therein is materially misstated or inconsistent with the consolidated 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 consolidated 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 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 these respects.

#### **Respective responsibilities**

##### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 Group or 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 consolidated 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 consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

# **STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**


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

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

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#### **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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Steven Hunt (Senior Statutory Auditor)**

**For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)**

*Chartered Accountants*

Jersey

Date: 7 January 2022

**STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Note</b>		
<b>Turnover</b>	<b>3</b>	21,851,748	15,042,796
<b>Cost of sales</b>		(2,719,495)	(1,881,415)
<b>Gross profit</b>		19,132,253	13,161,381
<b>Administrative expenses</b>		(7,647,533)	(9,302,376)
<b>Other operating income</b>	<b>5</b>	1,830,950	54,538
<b>Operating profit</b>		13,315,670	3,913,543
<b>Other interest receivable and similar income</b>	<b>6</b>	-	24,159
<b>Interest payable and similar charges</b>	<b>7</b>	(5,355,249)	(5,645,684)
<b>Gain / (loss) arising on revaluation of investment property</b>	<b>10</b>	11,674,645	(5,096,595)
<b>Loss on disposal of investments</b>		-	(8,434,362)
<b>Profit / (loss) before tax</b>	<b>4</b>	19,635,066	(15,238,939)
<b>Tax charge</b>	<b>8</b>	(15,549,534)	(3,536,702)
<b>Profit / (loss) after tax</b>		4,085,532	(18,775,641)

There was no other comprehensive income in the year.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	10		444,613,303		430,495,871
<b>Current assets</b>					
Stock	12	28,395		35,337	
Debtors	13	7,347,737		4,858,568	
Cash at bank and in hand		15,581,323		4,284,877	
		22,957,455		9,178,782	
<b>Creditors: amounts falling due within one year</b>	14	(169,544,691)		(174,783,442)	
<b>Net current (liabilities) / assets</b>			(146,587,236)		(165,604,660)
<b>Total assets less current liabilities</b>			298,026,067		264,891,211
<b>Provision for liabilities</b>					
Deferred taxation	16		(46,835,470)		(32,496,025)
<b>Net assets</b>			251,190,597		232,395,186
<b>Capital and reserves</b>					
Called up share capital	17		14,813,198		103,319
Merger reserve	18		(103,410)		(103,410)
Profit and loss account	18		236,480,809		232,395,277
<b>Shareholders funds</b>			251,190,597		232,395,186

The consolidated financial statements of Student Castle Investments Holdco Limited, registered number: 11242948, were approved and authorised for issue by the Board on 7 January 2022.

Signed on behalf of the Board



Mr D Mathewson  
Director

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## PARENT COMPANY BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Investments	11		149,505,647		229,218,333
<b>Current assets</b>					
Debtors	13	312,594,571		156,757,568	
Cash at bank and in hand		269,510		-	
		312,864,081		156,757,568	
<b>Creditors: amounts falling due within one year</b>	14	(148,430,169)		(149,687,866)	
<b>Net current assets</b>			164,433,912		7,069,702
<b>Total assets less current liabilities</b>			313,939,559		236,288,035
<b>Net assets</b>			313,939,559		236,288,035
<b>Capital and reserves</b>					
Called up share capital	17		14,813,198		103,319
Merger reserve	18		144,192,333		229,114,911
Profit and loss account	18		154,934,028		7,069,805
<b>Shareholders funds</b>			313,939,559		236,288,035

The profit for the financial period dealt with in the financial statements of the parent company was £62,941,645 (2020: £7,180,034).

The consolidated financial statements of Student Castle Investments Holdco Limited, registered number: 11242948, were approved and authorised for issue by the Board on 7 January 2022.

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 2021

### Consolidated

	Called up share capital	Merger reserve	Profit and loss account	Total
	£	£	£	£
At 1 September 2019	103,319	(103,410)	251,170,918	251,170,827
Loss for the financial year	-	-	(18,775,641)	(18,775,641)
At 31 August 2020	103,319	(103,410)	232,395,277	232,395,186
Ordinary shares issued	14,709,879	-	-	14,709,879
Profit for the financial year	-	-	4,085,532	4,085,532
At 31 August 2021	14,813,198	(103,410)	236,480,809	251,190,597

### Parent company

	Called up share capital	Merger reserve	Profit and loss account	Total
	£	£	£	£
At 1 September 2019	103,319	229,114,911	(110,229)	229,108,001
Profit for the financial year	-	-	7,180,034	7,180,034
At 31 August 2020	103,319	229,114,911	7,069,805	236,288,035
Ordinary shares issued	14,709,879	-	-	14,709,879
Profit for the financial year	-	-	62,941,645	62,941,645
Transfer from merger reserve to Profit and loss account	-	(84,922,578)	84,922,578	-
At 31 August 2021	14,813,198	144,192,333	154,934,028	313,939,559



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**STUDENT CASTLE INVESTMENTS HOLDCO LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2021**

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	Note	2021 £	2020 £
<b>Net cash flows generated from operating activities</b>	<b>21</b>	<b>8,586,286</b>	<b>17,645,091</b>
<b>Cash flows from investing activities</b>			
Payments for additions to investment property		(2,661,671)	(34,031,238)
Payments to purchase tangible fixed assets		(196,357)	(397,461)
Interest received		-	24,159
<b>Net cash flows used in investing activities</b>		<b>(2,858,028)</b>	<b>(34,404,540)</b>
<b>Cash flows from financing activities</b>			
New intercompany loans		-	145,823,344
Repayment of long-term bank loans		-	(131,923,344)
Interest paid and bank charges		(9,141,691)	(1,892,665)
Proceeds from new shares issued		14,709,879	-
<b>Net cash flows generated from financing activities</b>		<b>5,568,188</b>	<b>12,007,335</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>11,296,446</b>	<b>(4,752,114)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>4,284,877</b>	<b>9,036,991</b>
<b>Cash and cash equivalents at end of year</b>		<b>15,581,323</b>	<b>4,284,877</b>

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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. Standards in issue but not yet effective**

At the date of approval of these financial statements, the following Standards were not applied in these financial statements:

- Amendments to UK and Republic of Ireland accounting standards – UK exit from the European Union (issued December 2020)

The Directors have considered the above new standards and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Group or that they would not have a material impact on the Group's financial statements.

There have been no new standards adopted in the year which have a significant impact on the Group's financial statements.

#### **1.2. 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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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.

#### **1.3. 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 2021. There is no difference in the reporting date of the financial statements of the parent and its subsidiaries.

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 2021**

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

#### **1.4. Going concern**

On 5 November 2020, England entered into a second lockdown for 4 weeks, with a further lockdown in January 2021 which lasted until 8 March 2021, when restrictions began to be gradually lifted. As of 19 July 2021, the United Kingdom (UK) government lifted most lawful restrictions related to Covid-19. With an improvement in the COVID situation, the Group is experiencing greater normalcy for the Purpose Built Student Accommodation segment in the UK in the 2021/22 academic year, with current occupancy levels at 99% and universities remaining open.

As of 20 December 2021, approximately 70% of the population have been fully vaccinated in the UK. Approximately 42% of the UK population have also received a booster in order to protect against the newer Omicron variant of Covid-19. There are currently no border restrictions imposed by the UK government and so travel to the UK remains possible.

The Group acknowledge that there remains an uncertainty over the future impact of Covid-19, however the Group has seen good progress on bookings for the 2022/23 academic year, with booking occupancy at 45% across the portfolio as at 13 December 2021, compared to 14% at the same point a year ago for the 2021/22 academic year. With the stronger occupancies, revenues are expected to exceed pre-COVID 19 levels for Academic Year and the Group is in a net asset position and continues to be supported by the parent company.

As at 31 August 2021, the Group is in a net current liability position of £146,587,236 (2020: £165,604,660). This is primarily due to the loans owed to the parent company of £145,823,344 and deferred income of £11,817,094 for which no cash outflow would be required. The parent company; Straits Ten Pte Ltd has provided a letter of support and undertaking stating that the amounts owed to them will not be recalled within the next 12 months.

Due to the above factors, the Directors do not believe there to be uncertainty over the going concern of the Group.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1. Accounting policies (continued)

#### 1.5. Tangible fixed assets

Tangible fixed assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets, 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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

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.

#### 1.6. 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.

#### 1.7. Investment properties

Investment properties comprise residential buildings that are held for long-term rental yields.

Investment properties are initially recognised at cost and subsequently measured at fair value. Any gains or losses arising from the changes in their fair values are taken to the statement of income and retained earnings.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written-off to the income statement. The cost of maintenance, repairs and minor improvements is charged to the statement of income and retained earnings when incurred.

#### 1.8. 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.

#### 1.9. 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.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1. Accounting policies (continued)

##### 1.9. Financial instruments (continued)

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.

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 2021

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### 1. Accounting policies (continued)

#### 1.9. Financial instruments (continued)

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

The Group may use 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.

#### 1.10. 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.

#### 1.11. Turnover

Turnover represents rental income received during the course of the year and ancillary income. Rental income is deferred over the rental contract term on a straight-line basis and recognised on the date that it is receivable. Ancillary income is recognised on the date that the charge is incurred. Tenant refunds due to COVID 19 have been recognised as a reduction in income. 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.

#### 1.12. 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 are £1,805,000 of 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.

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# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1. Accounting policies (continued)

#### 1.13. Cost of sales

Cost of sales represents commissions, purchase of inventories, utilities and other expenses that are directly attributable to the provision of student accommodation. It is accounted for on an accruals basis and recognised in the income statement.

#### 1.14. Administrative expenses

Administrative expenses comprise mainly of staff costs, property running expenses, marketing expenses, legal and professional fees and tangible assets depreciation. Expenses are accounted for on an accruals basis and recognised in the statement of comprehensive income.

#### 1.15. Wages and Directors' remuneration

The parent Company does not have any employees (2020: none), however there are employees in the Group, for which further detail is provided in note 26. Directors who resigned in the prior year were remunerated by Student Castle Property Management Services Limited, and newly appointed Directors are remunerated by subsidiaries of the parent company that are outside the Student Castle Group, for services rendered to the Student Castle Group. Employee costs are capitalised as part of the development costs of investment property during the development phase. Once completed, employee costs are expensed to the statement of comprehensive income.

#### 1.16. Pensions

The Group operates a number of defined contribution schemes for the benefit of its employees. Contributions payable are capitalised as part of the development costs of investment property during development phase. Once completed, contributions payable are charged to the statement of comprehensive income 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.

#### 1.17. Leases

Rentals payable under operating leases are charged to statement of comprehensive income 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.

#### 1.18. 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 statement of comprehensive income 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 2021**

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### **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 the Statement of Comprehensive Income. At 31 August 2021 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 Cushman & Wakefield Debenham Tie Leung Limited for the year ended 31 August 2021, an independent property consultancy who are members of RCIS. The valuations performed by Cushman & Wakefield Debenham Tie Leung Limited are based on a discounted cash flow model. The valuations conform to International Valuation Standards and has specifically been assessed in accordance with the Current Royal Institute of Chartered Surveyors ("RICS") Valuation – Professional Standards.

For the year ended 31 August 2020, full RICS valuations were performed by Cushman & Wakefield Debenham Tie Leung Limited and there is no fundamental change in valuation technique adopted compared to current year.

Key inputs used in the valuations:

- Information provided by the Group, including current rents, occupancy rates, operating costs, terms and conditions of leases and nomination agreements, capital expenditure, etc. This information is derived from the Group's financial systems and is subject to the Group's overall control environment.
- Assumptions and valuation models used by the valuers, which are typically market related, such as yield and discount rates. These are based on their professional judgement and market observation.

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.



**STUDENT CASTLE INVESTMENTS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Key sources of estimation uncertainty (continued)**

*Impairment of investment in subsidiaries*

Where an indication of impairment is identified, the directors compare the carrying value to the recoverable amount. The recoverable amount is based on the directors' estimate of fair value that would be achieved on disposal of its investment in subsidiary. This takes into account adjustments to the net asset value of the subsidiary that would normally be made by the purchaser in an arms-length transaction

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 2021

3. Turnover	2021 £	2020 £
Student rental income	21,300,963	14,637,509
Commercial rental income	100,337	87,563
Ancillary revenue from students	220,714	261,055
Management charges	162,313	4,262
Commissions	67,421	52,407
	<u>21,851,748</u>	<u>15,042,796</u>

### 4. Profit / loss before taxation

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

	2021 £	2020 £
Depreciation of tangible assets	158,575	99,126
Loss on disposal of investments	-	8,434,362
Operating lease rentals		
- Land and buildings	<u>82,783</u>	<u>82,783</u>

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 £14,964; 2020: £26,865)

	174,460	187,890
<b>Total audit fees</b>	<u>174,460</u>	<u>187,890</u>
Interim review services	36,120	-
<b>Total non-audit fees</b>	<u>36,120</u>	<u>-</u>
<b>Total fees</b>	<u>210,580</u>	<u>187,890</u>

### 5. Other operating income

	2021 £	2020 £
Liquidated ascertained damages	1,805,000	-
Covid grants	25,950	25,000
Insurance claims	-	29,294
Miscellaneous income	-	244
	<u>1,830,950</u>	<u>24,159</u>

Liquidated ascertained damages relates liquidated damages against Henry Construction Limited in respect of the completion of the investment property in Brighton, exceeding the contracted completion date. The amount recognised is based on contractual compensation due to the company to cover additional costs incurred and revenue lost due to the late opening of the site.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

<b>6. Other interest receivable and similar income</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other loan interest receivable	-	14,440
Bank interest	-	9,719
	<u>-</u>	<u>24,159</u>
<b>7. Interest payable and similar charges</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	-	1,064,877
On Qualifying Eurobonds	2,765,849	-
Interest payable on amounts owed to group undertakings	2,256,785	3,786,442
Other interest	332,615	278,798
Bank charges	-	515,567
	<u>5,355,249</u>	<u>5,645,684</u>
<b>8. Tax charge</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
The tax charge comprises:		
<b>Current tax:</b>		
UK corporation tax on profits for the period	1,426,409	506,247
Adjustment in respect of previous periods	(116,584)	-
	<u>1,309,825</u>	<u>506,247</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	3,084,568	(379,575)
Adjustments in respect of prior periods	73,525	10,782
Effect of changes in tax rates	11,081,616	3,399,248
<b>Total deferred tax charge (see note 16)</b>	<u>14,239,709</u>	<u>3,030,455</u>
<b>Total tax charge on loss/profit on ordinary activities</b>	<u>15,549,534</u>	<u>3,536,702</u>
The total tax charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:		
Profit / (loss) before tax	19,635,066	(15,238,939)
Tax on profit at standard UK corporation tax rate of 19.00% (2020: 19.00%)	3,730,663	(2,895,387)
Effects of:		
Expenses not deductible for tax purposes	10,252	2,187,738
Movement in deferred tax not provided for	770,068	834,321
Adjustments in respect of prior periods	(43,061)	10,781
Tax rate changes	11,081,612	3,399,249
<b>Total tax charge for year</b>	<u>15,549,534</u>	<u>3,536,702</u>

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 9. 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 profit for the financial year dealt within the financial statements of the parent company is £147,864,223 (2020: profit of £7,180,034).

### 10. 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 2020	430,003,696	101,711	487,537	130,358	810,451	431,533,753
Additions	2,398,845	5,750	173,698	19,015	4,054	2,601,362
Gain on revaluation	11,674,645	-	-	-	-	11,674,645
At 31 August 2021	444,077,186	107,461	661,235	149,373	814,505	445,809,760
<b>Depreciation</b>						
At 1 September 2020	-	60,152	285,163	80,411	612,156	1,037,882
Charge for the year	-	10,841	86,372	15,508	45,854	158,575
At 31 August 2021	-	70,993	371,535	95,919	658,010	1,196,457
<b>Net book value</b>						
At 31 August 2021	444,077,186	36,468	289,700	53,454	156,495	444,613,303
At 31 August 2020	430,003,696	41,559	202,374	49,947	198,295	430,495,871

The Group carries its investment property at fair value, with changes in fair value being recognised in the statement of comprehensive income. At 31 August 2021 investment property is held within a number of subsidiary companies. The investment properties were valued by Cushman & Wakefield Debenham Tie Leung Limited at 31 August 2021. See note 2 for further details of the valuations.

### 11. Fixed asset investments

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Investment in subsidiary undertakings	-	-	149,505,647	229,218,333

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 11. Fixed asset investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Shares held	%
Student Castle Property Management Services 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.

	Group £	Company £
<b>Cost</b>		
At 1 September 2020	-	229,218,333
Additions		5,209,892
At 31 August 2021	-	234,428,225
<b>Provision for impairment</b>		
At 1 September 2020	-	-
Impairment recognised		84,922,578
At 31 August 2021	-	84,922,578
<b>Net book value</b>		
At 31 August 2021	-	149,505,647
At 31 August 2020	-	229,218,333

On 6 November 2020, Student Castle Investments Holdco Limited became the direct parent of SC Midco Limited, SC Pelham Terrace Limited and SC Osney Lane Limited as part of a group restructure. The investments held in SC Midco Limited, SC Osney Lane Limited and SC Pelham Terrace Limited held by Student Castle Property Management Services Limited at a total book value of £13 were transferred to Student Castle Investments Holdco Limited by way of a dividend in specie.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 12. Stock

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Stock	28,395	35,337	-	-

### 13. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,325,936	3,378,052	1,764	3,528
Amounts owed by group undertakings	1,612,670	-	312,588,380	152,967,598
VAT	-	87,649	400	-
Other debtors	545,448	511,947	4,017	-
Prepayments and accrued income	2,181,259	298,233	10	3,786,442
Deferred tax asset (see note 16)	682,424	582,688	-	-
	<u>7,347,737</u>	<u>4,858,568</u>	<u>312,594,571</u>	<u>156,757,568</u>

Amounts owed by group undertakings for the Company include loans of £145,823,344 on which interest is charged at 3.68% on initial loans of £131,923,344 and 5.74% on additional loans of £13,900,000. They also include loans of £159,207,188 on which interest is charged at 10%. These loans are repayable on demand. Other amounts are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	173,773	249,795	-	4,944
Amounts owed to group undertakings	150,743,003	151,805,238	146,953,013	145,826,932
Taxes and social security costs	2,918	63,873	-	-
Other creditors	1,567,727	5,593,018	-	-
VAT	16,622	-	-	-
Accruals	3,913,730	7,243,593	50,747	3,855,990
Deferred income	11,817,094	9,319,575	-	-
Corporation tax	1,309,824	508,350	1,426,409	-
	<u>169,544,691</u>	<u>174,783,442</u>	<u>148,430,169</u>	<u>149,687,866</u>

Amounts owed to group undertakings for the Group and the Company include loans of £145,823,344 on which interest was charged at 3.68% on initial loans of £131,923,344 and 5.74% on additional loans of £13,900,000, until 06 November 2020 when the loans were changed into listed Quoted Eurobonds and interest was charged at 3.22% on the total loans of £145,823,344. These loans are repayable on demand. Other amounts are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The conversion of loans to Quoted Eurobonds has no cashflow impact.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 15. Provisions

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
At beginning of year	-	13,716	-	-
Provision utilised in the year	-	(13,716)	-	-
At end of year	-	-	-	-

### 16. Deferred taxation

The deferred tax liability is made up as follows:

	Group £
At 1 September 2020	(32,496,025)
Charged to Profit and loss account during the year	(14,339,445)
Balance at 31 August 2021	(46,835,470)

The deferred tax asset (included in debtors, note 13) is made up as follows:

	Group £
At 1 September 2020	582,688
Charged to Profit and loss account during the year	99,736
Balance at 31 August 2021	682,424

	Group	
	2021 £	2020 £
The total deferred tax is made up as follows:		
Fixed asset timing differences	(46,835,469)	(32,487,787)
Other timing differences	54,392	55,639
Tax losses available	628,031	518,810
	(46,153,046)	(31,913,338)

The net deferred tax liability amounts expected to reverse in 2021 relate to the tax losses available and other timing differences. The amount to be reversed in respect of tax losses is £628,031 as these losses are utilised against expected profits in 2021. The amount expected to be reversed in respect of other timing differences is £10,733 and relates to the unwinding of a deferred tax adjustment on transition to FRS102.

In the March 2021 budget, the UK Government announced that from 1 April 2023, the corporation tax rate would increase to 25% from 19%. This was substantively enacted on 10 June 2021, therefore deferred tax has been measured at the rate of 25%.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17. Called-up share capital	2021 £	2020 £
<b>Allotted, called-up and fully-paid</b>		
100,000 A Ordinary shares of £0.999 each	-	99,900
3,422 C Ordinary shares of £0.999 each	-	3,419
14,813,198,218 Ordinary shares of £0.001 each	14,813,198	-
	<u>14,813,198</u>	<u>103,319</u>

The ordinary shares carry equal voting rights.

During the year Ordinary A and Ordinary C shares were redesignated to Ordinary shares and were subdivided into 103,318,578 shares at £0.001 each.

During the year, Student Castle Investments Holdco Limited made the following share issues to Straits Ten Pte

- 5,000,000,000 ordinary shares of £0.001 each for consideration of £5,000,000
- 4,500,000,000 ordinary shares of £0.001 each for consideration of £4,500,000
- 5,209,880,640 ordinary shares of £0.001 each for consideration of £5,209,879

## 18. Reserves

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

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

## 19. Financial Commitments

The Group's total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Within one year	108,000	108,000
Between one and five years	216,000	324,000
After five years	-	-
	<u>324,000</u>	<u>432,000</u>

There are no financial commitments within the parent company.

## 20. Operating lease receivables

The Group's total future minimum lease receivables under non-cancellable operating leases are as follows:

	2021 £	2020 £
Within one year	144,500	144,500
Between one and five years	578,000	578,000
After five years	948,236	1,092,736
	<u>1,670,736</u>	<u>1,815,236</u>



# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 21. Contingent liabilities

During the year, Student Castle Property Management Services Limited entered into contracts with 3 employees for retention bonuses amounting to £185,962 which will be paid in instalments every 6 months over 3 years if the employees continue in their employment.

The first instalments amounting to £26,756 were paid on 28 March 2021 and have been recognised as an expense in the Consolidated statement of comprehensive income. Included in accruals are instalments totaling £38,637 for the period 1 September 2021 to 31 March 2022.

The Directors have used historical data to assess the probability that the employees will remain in employment and have concluded that the probability is lower than 50%, therefore a provision for the remaining £120,569 has not been recognised in the financial statements.

### 22. Cash flow statement

Reconciliation of operating profit to cash generated from operations:

	2021 £	2020 £
Operating profit	13,315,670	3,913,543
Adjustments for:		
Depreciation	158,575	99,126
Operating cash flow before movement in working capital	13,474,245	4,012,669
Decrease / (increase) in stocks	6,942	(12,283)
(Increase) / decrease in debtors	(2,389,433)	9,229,910
(Decrease) / Increase in creditors	(1,999,222)	4,428,511
Decrease in provisions	-	(13,716)
<b>Cash generated by operations</b>	<b>9,092,532</b>	<b>17,645,091</b>
Income taxes paid	(506,246)	-
<b>Net cash from operating activities</b>	<b>8,586,286</b>	<b>17,645,091</b>

### Net debt reconciliation

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	9,036,991	4,284,877	13,321,868
Loans from parent company	(145,823,344)	-	(145,823,344)
<b>Total liabilities from financing activities</b>	<b>(136,786,353)</b>	<b>4,284,877</b>	<b>(132,501,476)</b>

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

#### Defined contribution

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

	2021 £	2020 £
Contributions payable by the Group for the year	63,812	51,992

Included in creditors at 31 August 2021 were £8,918 (2020: £11,221) relating to pension and other post-retirement benefit commitments.

### 24. Directors' remuneration

#### Company

The Directors are not remunerated for their services to the Company (2020: £nil). Directors who resigned in the prior year were remunerated by Student Castle Property Management Services Limited, and newly appointed Directors are remunerated by subsidiaries of the parent company that are outside the Student Castle Group, for services rendered to the Student Castle Group

#### Group

	2021 £	2020 £
Emoluments	-	856,834
Group contributions to money purchase pension schemes	-	17,363
	-	874,197

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

Remuneration for qualifying services	-	125,789
Company pension contributions to money purchase schemes	-	-

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
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### 25. Key management personnel remuneration

Key management personnel include Directors and members of the leadership team who have the authority and responsibility for planning, directing and controlling the activities of the Group. The remuneration paid to key management for employee services by Student Castle Property Management Services Limited is as follows:

	2021 £	2020 £
Remuneration	356,363	1,040,584
Group contributions to money purchase pension schemes	5,252	19,115
	361,615	1,059,699

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 26. Employees

#### Number of employees

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

	2021 Number	2020 Number
Administration staff	117	79

There were no employees within the parent company in the year (2020: nil).

#### Employment costs

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

	2021 £	2020 £
Wages and salaries	3,467,547	3,177,575
Social security costs	370,857	341,918
Other pension costs	63,812	51,992
	<u>3,902,216</u>	<u>3,571,485</u>

### 27. 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.

The ultimate controlling party is Singapore Press Holdings Limited, a company incorporated in Singapore and listed on the Singapore stock exchange.

### 28. Post balance sheet events

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

### 29. 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 provided a cash loan of £150,000 to Straits One (Jersey) Limited, trading as St Marks. The loan is unsecured, interest free, has no fixed date of repayment and is repayable on demand. The loan is still outstanding as at the year end.

During the year the Company provided a cash loan of £180,000 to Straits One (Jersey) Limited, trading as Clifton & Stewart House. The loan is unsecured, interest free, has no fixed date of repayment and is repayable on demand. The loan is still outstanding as at the year end.

# STUDENT CASTLE INVESTMENTS HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **29. Related party relationships and transactions (continued)**

During the year the Company provided a cash loan of £60,000 to Privilege L&S Limited, trading as Asa Briggs House (2020: £Nil). The loan is unsecured, interest free, has no fixed date of repayment and is repayable on demand. The loan is still outstanding as at the year end.

During the year the Company provided a cash loan of £60,000 to Privilege L&S Limited, trading as Sharman Court (2020: £Nil). The loan is unsecured, interest free, has no fixed date of repayment and is repayable on demand. The loan is still outstanding as at the year end.

During the year the Company provided a cash loan of £25,000 to Hampton Square Limited (2020: £Nil). The loan is unsecured, interest free, has no fixed date of repayment and is repayable on demand. The loan is still outstanding as at the year end.

During the year the Company paid expenses on behalf of Straits Capitol Trust Limited, amounting to £9,272 (2020: £Nil). These expenses were recharged to Straits Capitol Trust Limited and remained outstanding at the year end.

During the year the Company paid expenses on behalf of Privilege Midco Limited, amounting to £6,750 (2020: £Nil). These expenses were recharged to Privilege Midco Limited and remained outstanding at the year end.

During the year the Company paid interest on the loans from Straits Ten Pte Ltd, amounting to £8,151,809 (2020: £Nil). The interest was paid to Straits Ten Pte Ltd and no interest remained outstanding at the year end. The loan balance of £145,823,344 remained outstanding at the year end (2020: £145,823,344).

These companies are companies controlled by Singapore Press Holdings Limited, who is also the ultimate controlling party of Student Castle Property Management Services Limited.