PRIVILEGE MIDCO LIMITED

COMPANY NUMBER: 13237728 (ENGLAND AND WALES)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 MARCH 2022 TO 31 DECEMBER 2022

PRIVILEGE MIDCO LIMITED

COMPANY INFORMATION

Directors	Mr Foong Seong Khong (Appointed on 1 March 2022) Mr Chua Chi Boon (Appointed on 6 July 2022)
Company number	13237728 (England and Wales)
Registered office	Kintyre House 70 High Street Fareham Hampshire PO16 7BB United Kingdom
Independent auditor	KPMG Channel Islands Limited Statutory Auditor 37 Esplanade St. Helier Jersey
Business address	16 D'Arblay Street London W1F 8EA
Solicitor	Bryan Cave Leighton Paisner LLP Governors House 5 Laurence Pountney Hill London EC4R 0BR

PRIVILEGE MIDCO LIMITED

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PRIVILEGE MIDCO LIMITED

STRATEGIC REPORT

FOR THE PERIOD FROM 1 MARCH 2022 TO 31 DECEMBER 2022

The directors present their Strategic report on the affairs of Privilege Midco Limited (the 'Company') and its subsidiaries (together, the 'Group') for the period ended 31 December 2022. 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 Privilege Midco Limited 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 Group. The principal activity of the Group is that of purchasing, managing and leasing student accommodation.

Review of the business
The Directors report Group turnover of £8,793,309 (2 March 2021 to 28 February 2022: £6,895,718), net operating cash intflow of £3,050,709 (2 March 2021 to 28 February 2022: £2,586,084) and a profit before tax of £3,462,337 (2 March 2021 to 28 February 2022: £6,900,828).

The Group's turnover has increased from £6,895,718 in the prior period to £8,793,309 in the current period. Of the increase, £1,780,718 is attributable to student accommodation rental income resulting from higher occupancy as well as higher rent charged. Gross profit has increased from £6,343,572 to £7,550,894 with gross profit margin remaining in line with the prior period at 86% (2 March 2021 to 28 February 2022: 92%).

Administrative expenses have increased by £210,431 from £1,705,040 to £1,915,471 in the current period. The largest components of this increase are wages and salaries of £80,393.

Total Group profit before tax is £3,462,337 (2 March 2021 to 28 February 2022: £6,900,828) which is attributable to decrease in the gain on revaluation of investment property of £276,389 (2 March 2021 to 28 February 2022: £4,451,542), offset by increase in turnover of £1,780,718.

Group net assets are £59,427,845 (28 February 2022: £58,325,908). The £1,101,937 increase in net assets since the prior period is due to the profit recognised during the year.

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 £59,427,845. The Group's profitability and cash flow from operating activities has been positive during the period.

Principal risks and uncertainties

Going concern
The Group has seen good progress on bookings for the 2022/23 academic year, with booking occupancy at 66% as at 27 February 2023, compared to 19% at the same point a year ago for the 2022/2023 academic year.

As at 31 December 2022, the Group is in a net current liability position of £80,344,140 (28 February 2022: £82,419,688). This is primarily due to the loans and other amounts owed to the group undertakings of £84,969,667. The parent company of Privilege Midco Limited; Straits Ten Pte Ltd has provided a letter of undertaking stating that the amounts owed will not be recalled within the next 12 months from the signing date of the financial statements and has provided a letter of undertaking stating that they will continue to provide financial support to the Company. Accordingly, the Group continues to be supported by the parent company, Straits Ten Pte Ltd.

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

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 to assess the creditworthiness of guarantors.

Liquidity risk

As at 31 December 2022, the Group is in a net current liability position of £80,344,140 (28 february 2022: £82,419,688). This is primarily due to the loans and other amounts owed to the group undertakings of £84,969,667. The parent company of Privilege Midco Limited; Straits Ten Pte Ltd has provided a letter of undertaking stating that they will continue to provide financial support to the Company and that the amounts owed to them will not be recalled within the next 12 months from signing date of the financial statements.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 assets are loans from group undertakings and trade debtors. 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.

Future developments

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 recent COVID-19 pandemic.

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

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Mr Chua Chi Boon
Director
Date: 20 June 2023

The directors present their Directors' report and audited financial statements for the period ended 31 December 2022.

Group structure
These financial statements consolidate the accounts of Privilege Midco Limited and all its subsidiary undertakings (the 'Group'), drawn up to 31 December 2022. See the Strategic Report for further details on the structure of the consolidated accounts presented.

Directors
The following directors have held office since 1 March 2022 to the date of signing, except as stated:

Mr Foong Seong Khong (appointed on 1 March 2022)
Mr Chua Chi Boon (appointed on 6 July 2022)
Mr Chua Hwee Song (resigned on 6 July 2022)
Mr Jaspal Singh (resigned on 9 June 2022)

Dividends
No interim dividends were paid during the year and the directors do not recommend payment of a final dividend.

Future Developments

Details of future developments can be found in the Strategic Report on page 2.

Going concern

Details of going concern can be found in the Strategic Report on page 1.

Post balance sheet events
Details of post balance sheet events are contained in note 22 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 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.

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

This confirmation is given and should be interpreted in accordance with the provision of S418 of Companies Act 2006.

Auditors

Pursuant to Section 487 of the Companies Act 2006, KPMG Channel Islands Limited will be deemed to be reappointed and will therefore continue in office.

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

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Mr Chua Chi Boon
Director
Date: 20 June 2023

Independent Auditor's Report to the Member of Privilege Midco Limited

Our opinion

We have audited the consolidated financial statements of Privilege Midco Limited (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated and parent company balance sheet as at 31 December 2022, the consolidated statement of comprehensive income, consolidated and parent company statement of changes in equity and consolidated statement of cash flows for the period from 1 March 2022 to 31 December 2022, 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 December 2022 and of the Group's profit for the period 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.

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:

Independent Auditor's Report to the Member of Privilege Midco Limited (continued)

- 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.

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.

Independent Auditor's Report to the Member of Privilege Midco Limited (continued)

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 3, 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.

Independent Auditor's Report to the Member of Privilege Midco Limited (continued)

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

This report is made solely to the Company's member, 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 member 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 member, 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

21 June 2023

PRIVILEGE MIDCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 MARCH 2022 TO 31 DECEMBER 2022

	Note	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
Turnover	3	8,793,309	6,895,718
Cost of sales		(1,242,415)	(552,146)
Gross profit		7,550,894	6,343,572
Administrative expenses		(1,915,471)	(1,705,040)
Operating profit		5,635,423	4,638,532
Interest payable and similar charges	5	(2,449,475)	(2,189,246)
Gain arising on revaluation of investment property	10	276,389	4,451,542
Profit before tax	4	3,462,337	6,900,828
Tax charge	8	(2,360,400)	(2,999,469)
Profit after tax		1,101,937	3,901,359

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

There are no items of other comprehensive income for the period.

PRIVILEGE MIDCO LIMITED

CONSOLIDATED BALANCE SHEET

***AS AT* 31 DECEMBER 2022**

	Note	£	As at 31 December 2022 £	£	As at 28 February 2022 £
Fixed assets					
Tangible assets	**10**		145,164,914		144,555,100
Current assets					
Debtors	**12**	15,061,502		8,378,138	
		15,061,502		8,378,138	
Creditors: amounts falling due within one year	**13**	(95,405,642)		(90,797,826)	
Net current liabilities			(80,344,140)		(82,419,688)
Total assets less current liabilities			64,820,774		62,135,412
Creditors: amounts falling due after more than one year	**14**		(5,392,929)		(3,809,504)
Net assets			59,427,845		58,325,908
Capital and reserves					
Called up share capital	**16**		54,424,549		54,424,549
Profit and loss account	**17**		5,003,296		3,901,359
Shareholders funds			59,427,845		58,325,908

The consolidated financial statements of Privilege Midco Limited, registered number: 13237728, were approved and authorised for issue by the Board on 20 June 2023.

Signed on behalf of the Board

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Mr Chua Chi Boon
Director

PRIVILEGE MIDCO LIMITED

PARENT COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	£	As at 31 December 2022 £	£	As at 28 February 2022 £
Fixed assets					
Investments	**11**		54,424,551		54,424,551
Current assets					
Debtors	**12**	83,177,564		83,417,741	
		83,177,564		83,417,741	
Creditors: amounts falling due within one year	**13**	(83,364,718)		(83,592,061)	
Net current liabilities			(187,154)		(174,320)
Total assets less current liabilities			54,237,397		54,250,231
Net assets			54,237,397		54,250,231
Capital and reserves					
Called up share capital	**16**		54,424,549		54,424,549
Profit and loss account	**17**		(187,152)		(174,318)
Shareholders funds			54,237,397		54,250,231

The loss for the financial period dealt with in the financial statements of the parent company was £12,834 (2021: £174,318).

The financial statements of Privilege Midco Limited, registered number: 13237728, were approved and authorised for issue by the Board on 20 June 2023.

Signed on behalf of the Board

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Mr Chua Chi Boon
Director

CONSOLIDATED AND PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2022

Consolidated

	Note	Called up share capital	Profit and loss account	Total
		£	£	£
At 1 March 2022		54,424,549	3,901,359	58,325,908
Profit for the period		-	1,101,937	1,101,937
At 31 December 2022		54,424,549	5,003,296	59,427,845

Parent company

	Note	Called up share capital	Profit and loss account	Total
		£	£	£
At 1 March 2022		54,424,549	(174,318)	54,250,231
Loss for the period		-	(12,834)	(12,834)
At 31 December 2022		54,424,549	(187,152)	54,237,397

PRIVLEGE MIDCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 MARCH 2022 TO 31 DECEMBER 2022

	Note	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
Cash flows from operating activities			
Profit before tax		3,462,337	6.900.828
Adjustment for:			
Interest payable and similar expenses	5	2,449,475	2,189,246
Depreciation	10	59,159	62,275
Gain arising on revaluation of investment property	10	(276,389)	(4,451,542)
Operating cash flow before movement in working capital		5,694,582	4,700,807
(Increase) / Decrease in debtors		(1,924,946)	1,844,076
Increase in creditors		2,861,149	2,665,276
Decrease in amount owing by / (to) group undertakings		(3,580,076)	(6,832,723)
Net cash flows generated from operating activities		3,050,709	2,377,434
Cash flows from investing activities			
Payments for additions to investment property		(128,611)	(318,458)
Payments to purchase tangible fixed assets		(263,973)	(78,380)
Net cash flows used in investing activities		(392,584)	(396,838)
Cash flows from financing activities			
Interest paid and bank charges		(2,658,125)	(1,980,596)
Net cash flows used in financing activities		(2,658,125)	(1,980,596)
Net increase / (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		-	-

1. Accounting policies

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

1.1. Standards in issue but not yet effective

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

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

1.2. Basis of accounting

Privilege Midco 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 2.

These 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 Privilege Midco 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.

Privilege Midco 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.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.3. Basis of consolidation

The Group financial statements consolidate the financial statements of Privilege Midco Limited and its subsidiary undertakings drawn up to 31 December 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the statement of comprehensive income from the date that control commences until the date that control ceases. Control is established when the Company govern the operating and financial policies of an entity so as to obtain benefits from its activities. 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.

1. Accounting policies (continued)

1.4. Going concern

The Group has seen good progress on bookings for the 2022/23 academic year, with booking occupancy at 66% as at 27 February 2023, compared to 19% at the same point a year ago for the 2022/2023 academic year.

As at 31 December 2022, the Group is in a net current liability position of £80,344,140 (28 February 2022: £82,419,688). This is primarily due to the loans and other amounts owed to the group undertakings of £84,969,667 (28 February 2022: £83,791,325). The parent company of Privilege Midco Limited; Straits Ten Pte Ltd has provided a letter of undertaking stating that the amounts owed will not be recalled within the next 12 months from the signing date of the financial statements and has provided a letter of undertaking stating that they will continue to provide financial support to the Company. Accordingly, the Group continues to be supported by the parent company, Straits Ten Pte Ltd.

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

1.5. Tangible fixed assets

Tangible fixed assets, other than investment properties 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:

Electrical equipment	33% per annum
Furniture, fittings & equipment	15% 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 statement of comprehensive income when the changes arise.

1.6. Investments

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment.

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 comprehensive income.

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 comprehensive income when incurred.

1. Accounting policies (continued)

1.8. 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.

1.9. Financial instruments

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

(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.

1. Accounting policies (continued)

1.9. 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.

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 statement of comprehensive income 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.

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

Deferred tax is measured 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 to recover or settle the carrying amount of its assets and liabilities. Deferred tax balances are not discounted.

1.11. Turnover

Turnover represents rental income received during the course of the period, commissions and ancillary income. Rental income from operating leases is recognised on straight line basis over the rental contract term. 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. Commission is recognized when received. Turnover is stated net of VAT. The total turnover of the Group for the period has been derived from its principal activities and was wholly derived from the United Kingdom.

1. Accounting policies (continued)

1.12. 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 statement of comprehensive income.

1.13. 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..

1.14. Wages and Directors' remuneration

The parent Company does not have any employees, however there are employees in the Group, for which further detail is provided in note 6. Wages costs comprises gross salary, bonuses and employers' national insurance contributions. Wages are recognised as an expense in the period in which the service is received. Directors are remunerated by subsidiaries of the Cuscaden Peak Investments Pte Ltd that are outside the Privilege Midco Group, and they do not receive remuneration specifically for services rendered to Privilege Midco Group.

1.15. Pension

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of comprehensive income in the period they are payable. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.16. Business combination

A 'business combination involving entities or businesses under common control' is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination. The Company applies book value accounting for common control transactions. Where relevant, the difference between the consideration and book value of assets/liabilities transferred is recognised as a movement in other reserves.

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.

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

Key sources of estimation uncertainty

The Group 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. Investment property is held within a number of subsidiary companies.

A third party valuations have been carried out for all of the investment properties by Cushman & Wakefield Debenham Tie Leung Limited, an independent property consultancy. 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.

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.

The total valuation of the properties by Cushman & Wakefield Debenbam Tie Leung Limited as at 31 December 2022 is £144,855,000 (28 February 2022: £144,445,000).

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. No impairment charge arose during the period.

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.

3. Turnover

	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
Student rental income	8,472,941	6,692,223
Commercial rental income	287,409	172,121
Ancillary revenue from students	10,276	15,421
Commissions	22,683	15,953
	8,793,309	6,895,718

4. Profit / (loss) before taxation

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

	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
Depreciation of tangible fixed assets	59,159	62,275

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

	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
Fees payable to the Company's auditor for the audit of the Group's financial statements	145,666	101,250
Total audit fees	145,666	101,250
Interim review services		
Total non – audit fees	-	121,159
Total fees	145,666	222,409

5. Interest payable and similar charges

	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
Bank charges	169,224	154,905
On Qualifying Eurobonds	2,280,251	2,034,341
	2,449,475	2,189,246

6. Employees

Number of employees

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

	1 March 2022 to 31 December 2022 Number	2 March 2021 to 28 February 2022 Number
Administration staff	23	20

There were no employees within the parent company in the period.

Employment costs

The employment costs (including directors) for the Group during the period were:

	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
Wages and salaries	381,721	310,298
Social security costs	30,653	23,496
Other pension costs	6,493	4,680
	418,867	338,474

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

There were no unpaid balances as at 31 December 2022 (28 February 2022: £Nil) relating to pension and other post-retirement benefit commitments.

7. 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 personnel for employee services by a related group entity under common control, Student Castle Property Management Services Limited is as follows:

	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
Remuneration	546,685	690,124
Group contributions to money purchase pension schemes	8,952	11,618
	555,637	701,742

8. Tax charge

	1 March 2022 to 31 December 2022 £	2 March 2021 to 28 February 2022 £
The tax charge comprises:		
Current tax:		
UK corporation tax on profits for the period	776,975	508,420
Total current tax charge	776,975	508,420
Deferred tax:		
Origination and reversal of timing differences	1,203,404	1,577,967
Effect of changes in tax rates	380,021	913,082
Total deferred tax charge	1,583,425	2,491,049
Total tax charge on profit	2,360,400	2,999,469

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

Profit before tax	3,462,337	6,900,828
Tax on profit at standard UK corporation tax rate of 19.00% (2021: 19.00%)	657,844	1,311,157
Effects of:		
Expenses not deductible for tax purposes	287	16,956
Effects of other reliefs	-	(3,413)
Movement in deferred tax not provided for	1,322,248	761,687
Tax rate changes	380,021	913,082
Total tax charge for the period	2,360,400	2,999,469

9. Profit attributable to the parent company

As permitted by section 408 of the Companies Act 2006, the parent company's profit and loss account has not been presented within these financial statements. The loss for the financial year dealt within the financial statements of the parent company is £12,834 (2 March 2021 to 28 February 2022: £174,318).

10. Tangible fixed assets

	Investment Property	Electrical equipment	Furniture, fittings and equipment	Total
	£	£	£	£
Cost or valuation				
At 1 March 2022	144,445,000	93,995	78,380	144,617,375
Additions	128,611	-	263,973	392,584
Gain on revaluation	276,389	-	-	276,389
At 31 December 2022	144,850,000	93,995	342,353	145,286,348
Depreciation				
At 1 March 2022	-	56,396	5,879	62,275
Charge for the period	-	31,332	27,827	59,159
At 31 December 2022	-	87,728	33,706	121,434
Net book value				
At 31 December 2022	144,850,000	6,267	308,647	145,164,914
At 28 February 2022	144,445,000	37,599	72,501	144,555,100

The investment properties included in the accounts relate to student accommodations in Leeds, Sheffield and Southampton. The valuation of £144,850,000 recognised in these financial statements, was based on the valuation carried out by Cushman & Wakefield Debenham Tie Leung Limited, an entity registered with the Royal Institute of Chartered Surveyors, at 31 December 2022. See note 2 for further details on the valuation.

11. Fixed asset investments

	Group		Company	
	As at 31 December 2022	As at 28 February 2022	As at 31 December 2022	As at 28 February 2022
	£	£	£	£
Investment in subsidiary undertakings	-	-	54,424,551	54,424,551

Subsidiary undertakings	Country of Incorporation	Principal activity	Shares held	%
Privilege L & S Limited	England and Wales	Purchasing, managing and leasing student accommodation	Ordinary	100
Privilege Southampton Limited	England and Wales	Purchasing and leasing student accommodation	Ordinary	100
Hampton Square Living Limited	England and Wales	Managing and leasing student accommodation	Ordinary	100

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

11. Fixed asset investments (continued)

	Group £	Company £
Cost		
At 1 March 2022	-	54,424,551
Additions		-
At 31 December 2022	-	54,424,551
Provision for impairment		
At 1 March 2022	-	-
Impairment recognised		-
At 31 December 2022	-	-
Net book value		
At 31 December 2022	-	54,424,551
At 28 February 2022	-	54,424,551

12. Debtors

	Group		Company	
	As at 31 December 2022 £	As at 28 February 2022 £	As at 31 December 2022 £	As at 28 February 2022 £
Trade debtors	1,983,905	798,042	-	-
Amounts owed by group undertakings	12,204,902	7,446,484	83,177,564	83,376,852
VAT	476	835	-	-
Other debtors	678,852	31,665	-	-
Prepayments and accrued income	188,373	96,118	-	-
Corporate tax repayable	-	-	-	40,889
Deferred tax asset (see note 15)	4,994	4,994	-	-
	15,061,502	8,378,138	83,177,564	83,417,741

Amounts owed by group undertakings for the Company include loans of £83,177,564 (28 February 2022: £83,177,564) on which interest is charged at 3.27%. These loans are repayable on demand.

Other amounts 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	
	As at 31 December 2022 £	As at 28 February 2022 £	As at 31 December 2022 £	As at 28 February 2022 £
Trade creditors	265,935	93,659	-	-
Amounts owed to group undertakings	84,969,667	83,791,325	83,302,369	83,283,827
VAT	2,184	-	-	
Other creditors	245,484	246,845	-	-
Accruals	1,195,560	899,195	62,349	308,234
Deferred income	7,441,417	5,258,382	-	-
Corporation tax	1,285,395	508,420	-	-
	95,405,642	90,797,826	83,364,718	83,592,061

Amounts owed to group undertakings for the Group and the Company include listed Quoted Eurobonds of £83,177,564 (28 February 2022: £83,177,564) on which interest has been charged at 3.27%. These loans are repayable on demand.

Deferred income relates mainly to advance payments received from students or billings in advance to students in respect of student accommodation charges for the supply and services provided

Other amounts are unsecured, interest fee, have no fixed date of repayment and are repayable on demand.

14. Creditors: amounts falling due more than one year

	Group	
	As at 31 December 2022 £	As at 28 February 2022 £
Deferred tax liability (Note 15)	5,392,929	3,809,504
	5,392,929	3,809,504

15. Deferred taxation

	Group £
Movement in deferred tax (assets) / liabilities are as follows:	
At 1 March 2022	3,804,510
Charged to statement of income during the period	1,583,424
Balance at 31 December 2022	5,387,934

15. Deferred taxation (continued)

	Group As at 31 December 2022 £	As at 28 February 2022 £
Total deferred tax (assets) / liabilities is made up as follows:		
Fixed asset timing differences	296,822	154,262
Short term timing differences	(1,021)	(1,021)
Non trading timing differences	(3,973)	(3,973)
Timing differences on revaluation of investment properties	5,096,106	3,655,242
	5,387,934	3,804,510

The deferred tax asset is expected to be utilised against foreseeable profits and is therefore appropriate to recognize.

The net deferred tax liability amounts expected to reverse in 2023 in £nil.

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%.

16. Called-up share capital

	As at 31 December 2022 £	As at 28 February 2022 £
Allotted, called-up and fully-paid		
54,424,549 Ordinary shares of £0.001 each	54,424,549	54,424,549
	54,424,549	54,424,549

The ordinary shares carry equal voting rights.

17. Profit and loss account

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

18. Net debt reconciliation

The below is an analysis of changes in net debt of the Group from the incorporation date on 2 March 2021 to 28 February 2022.

	Borrowing due within one year £	Cash and cash equivalents £	Net debt £
Net debt analysis			
Balance at 1 March 2022	(83,177,564)	-	(83,177,564)
Cashflows	-	-	-
Balance at 31 December 2022	(83,177,564)	-	(83,177,564)

19. 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 intermediate controlling party is Cuscaden Peak Investments Private Limited (formerly known as Singapore Press Holdings Limited, a company incorporated in Singapore listed on the Singapore stock exchange). The ultimate controlling party is Cuscaden Peak Private Limited.

20. OPERATING LEASE RECEIVABLES

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

	As at 31 December 2022 £	As at 28 February 2022 £
Within one year	164,927	164,927
Between one and five years	586,002	640,767
After five years	518,867	601,646
	1,269,796	1,407,340

21. Related party relationships and transactions

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

22. Post balance sheet events

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

23. Change of year end

The financial year end of the Company was changed from 28 February to 31 December so as to coterminous with the year end of its ultimate holding company. Accordingly, the current financial statements are prepared for 10 months from 1 March 2022 to 31 December 2022 and as a result, the comparative figures stated in the statement of income and related notes are not comparable.