

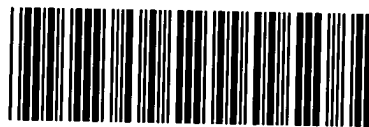
PRIVILEGE SOUTHAMPTON LIMITED

COMPANY NUMBER 13237940 (ENGLAND AND WALES)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

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PRIVILEGE SOUTHAMPTON LIMITED

COMPANY INFORMATION

DIRECTORS

Mr Foong Seong Khong (Appointed on 1 March 2022)
Mr Lim Tai Toon (Appointed on 9 June 2022)
Mr David Mathewson (Resigned on 1 March 2022)
Mr Murdo Mcilhagger (Resigned on 1 March 2022)
Mr Jaspal Singh (Resigned on 9 June 2022)

COMPANY NUMBER

13237940 (England and Wales)

REGISTERED OFFICE

Kintyre House
70 High Street
Fareham
Hampshire
PO16 7BB

BUSINESS ADDRESS

16 D'Arblay Street
London
W1F 8EA

INDEPENDENT AUDITORS

KPMG Channel Islands Limited
37 Esplanade
St. Helier
Jersey

SOLICITORS

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

PRIVILEGE SOUTHAMPTON LIMITED

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PRIVILEGE SOUTHAMPTON LIMITED

DIRECTORS' REPORT

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

The directors present their Directors' report and audited financial statements for the period ended 28 February 2022. This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. Accordingly, the directors have elected to take advantage of the exemption from preparing a Strategic report.

PRINCIPAL ACTIVITIES

The company was incorporated on 2 March 2021 and commenced trading on that date.

The principal activity of the company is that of purchasing, managing and leasing student accommodation.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £5,234,240. No interim dividends were paid during the period and the directors do not recommend payment of a final dividend.

DIRECTORS

The following directors have held office since 2 March 2021 to the date of signing:

Mr David Mathewson (appointed on 2 March 2021 and resigned on 1 March 2022)
Mr Murdo McIlhagger (appointed on 2 March 2021 and resigned on 1 March 2022)
Mr Jaspal Singh (appointed 2 March 2021 and resigned on 9 June 2022)
Mr Foong Seong Khong (appointed on 1 March 2022)
Mr Lim Tai Toon (appointed on 9 June 2022)

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 to 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 misstatements, 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.

PRIVILEGE SOUTHAMPTON LIMITED

DIRECTORS' REPORT (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

STATEMENT OF DISCLOSURE TO AUDITORS

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

- so far as the directors are aware, there is no relevant audit information of which the company's 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 the Companies Act 2006.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the principal risks and uncertainties facing the company to be equivalent to those facing the group, Privilege Midco Limited, as outlined within the Strategic report accompanying those consolidated financial statements for the period ended 28 February 2022, which are publicly available, see note 14.

GOING CONCERN

The Company has seen good progress on bookings for the 2022/23 academic year, with booking occupancy at 100% as at 7 November 2022.

As at 28 February 2022, the Company is in a net current liability position of £38,485,149. This is primarily due to the loans owed to the group undertakings of £39,360,400. The parent company of the Company; Privilege Midco Limited has provided a letter of undertaking stating that the amounts owed will not be recalled within the next 12 months and 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. Accordingly, the Company continues to be supported by the parent company.

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

POST BALANCE SHEET EVENTS

There are no significant events since the balance sheet date which require adjustment to or disclosure in the financial statements.

AUDITORS

KPMG Channel Islands Limited was appointed as auditors during the period.

ON BEHALF OF THE BOARD:



.....
Mr Lim Tai Toon
Director
Date: 25 April 2023

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

Our opinion

We have audited the financial statements of Privilege Southampton Limited (the "Company"), which comprise the balance sheet as at 28 February 2022, the statements of income and changes in equity for the period from 2 March 2021 (date of incorporation) to 28 February 2022, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2022 and of the Company's profit for the period from 2 March 2021 (date of incorporation) to 28 February 2022;
- 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 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 financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect 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 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 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 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 Southampton Limited (continued)

- enquiring of management as to the Company'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 Company'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 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 Company is subject to laws and regulations that directly affect the 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 Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of litigation or impacts on 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 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 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.

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

The directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

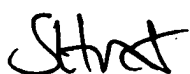
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

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

Independent Auditor's Report to the Member of Privilege Southampton 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

25 April 2023

PRIVILEGE SOUTHAMPTON LIMITED

STATEMENT OF INCOME

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

		Period from incorporation on 2 March 2021 to 28 February 2022
	Notes	£
TURNOVER	3	<u>2,175,864</u>
GROSS PROFIT		2,175,864
Administrative expenses		<u>(64,292)</u>
OPERATING PROFIT		2,111,572
Interest payable and similar expenses	5	(962,669)
Gain arising on revaluation of investment property	7	<u>6,144,636</u>
PROFIT BEFORE TAXATION	4	7,293,539
Tax charge	6	<u>(2,059,299)</u>
PROFIT AFTER TAXATION		<u><u>5,234,240</u></u>

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

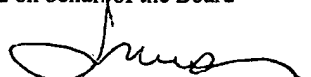
There are no items of other comprehensive income for the period.

PRIVILEGE SOUTHAMPTON LIMITED**BALANCE SHEET****AS AT 28 FEBRUARY 2022**

	Notes	£	2022 £
FIXED ASSETS			
Tangible assets	7		64,776,092
CURRENT ASSETS			
Debtors	8	<u>2,200,940</u>	
		2,200,940	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(40,686,089)</u>	
NET CURRENT LIABILITIES			<u>(38,485,149)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			26,290,943
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10		<u>(2,802,046)</u>
NET ASSETS			<u>23,488,897</u>
CAPITAL AND RESERVES			
Called up share capital	12		18,254,657
Profit and loss account	13		<u>5,234,240</u>
SHAREHOLDERS' FUNDS			<u>23,488,897</u>

The financial statements of Privilege Southampton Limited, registered number 13237940, were approved and authorised for issue by the Board on 25 April 2023.

Signed on behalf of the Board



Mr Lim Tai Toon
Director

PRIVILEGE SOUTHAMPTON LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

	Note	CALLED UP SHARE CAPITAL £	PROFIT AND LOSS ACCOUNT £	TOTAL EQUITY £
At 2 March 2021 (date of incorporation)		1	-	1
Issue of share capital	12	18,254,656	-	18,254,656
Profit for the period		-	5,234,240	5,234,240
At 28 February 2022		<u>18,254,657</u>	<u>5,234,240</u>	<u>23,488,897</u>

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current 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 year which have a significant impact on the Company's financial statements.

1.2. BASIS OF ACCOUNTING

Privilege Southampton Limited 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 are set out in the Directors' Report on pages 1 to 2.

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 Privilege Southampton Limited is pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are also presented in pounds sterling.

Privilege Southampton Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel. Privilege Southampton Limited is consolidated in the financial statements of Privilege Midco Limited, whose financial statements may be obtained at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB or from the companies house website.

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. GOING CONCERN

The Company has seen good progress on bookings for the 2022/23 academic year, with booking occupancy at 100% as at 7 November 2022.

As at 28 February 2022, the Company is in a net current liability position of £38,485,149. This is primarily due to the loans owed to the group undertakings of £39,360,400. The parent company of the Company; Privilege Midco Limited has provided a letter of undertaking stating that the amounts owed will not be recalled within the next 12 months and 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. Accordingly, the Company continues to be supported by the parent company.

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

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

1. ACCOUNTING POLICIES (continued)

1.4. 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

Furniture, fittings & equipment	15% per annum
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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 income when the changes arise.

1.5. 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.

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 when incurred.

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

1. ACCOUNTING POLICIES (continued)

1.6. IMPAIRMENT OF ASSETS

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

Non-financial assets

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

Financial assets

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

1.7. TAXATION

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance sheet date. Deferred tax is measured on a non-discounted basis.

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

1. ACCOUNTING POLICIES (continued)

1.8. TURNOVER

Turnover represents lease income from lease contracts and is recognised on a straight line basis over the lease term. Turnover is stated net of VAT and is wholly derived from the United Kingdom.

1.9. ADMINISTRATIVE EXPENSES

Administrative expenses comprise mainly of staff costs, property management expenses, office 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 income.

1.10. WAGES AND DIRECTORS' REMUNERATION

The Company has no employees. Directors are remunerated by subsidiaries of the Cuscaden Peak Investments Pte Ltd that are outside the Privilege Midco group, for services rendered to Privilege Southampton Limited.

1.11. 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.

1.12. FINANCIAL INSTRUMENTS

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

(i) Financial assets and liabilities

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

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

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

- a. The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b. The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer;

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

1. ACCOUNTING POLICIES (continued)

1.12. FINANCIAL INSTRUMENTS (continued)

- (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.

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

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

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

(ii) 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.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical accounting judgements

During the period, the Company acquired net assets of £57,615,056 of a related company under common control (Privilege Southampton S.a.r.l), issued 18,254,657 ordinary shares of £1 and interest bearing shareholders' loan of £39,360,400 by settlement of note issued by an intermediate parent entity, Straits Capitol Trust. The Directors have applied book value accounting as this transaction is deemed a common control transaction. Refer to note 15 for more details.

There are no other 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

Revaluation of investment properties

The Company carries its investment property at fair value, with changes in fair value being recognised in the Statement of Income. A third party valuation has been carried out by Cushman & Wakefield Debenham Tie Leung Limited (RICS regulated), an independent property consultancy. The valuations performed by Cushman & Wakefield Debenham Tie Leung Limited are based on a discounted cash flow model. The valuation conforms 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 company, including current rents, occupancy rates, operating costs, terms and conditions of leases and nomination agreements, capital expenditure, etc. This information is derived from the Company's financial systems and is subject to the Company'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 as at 28 February 2022 is £64,775,000.

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

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

3. TURNOVER

**Period from incorporation
on 2 March 2021
to 28 February 2022
£**

Inter-company rental income	<u>2,175,864</u>
	<u>2,175,864</u>

4. PROFIT BEFORE TAXATION

The profit before tax is stated after charging:

**Period from incorporation
on 2 March 2021
to 28 February 2022
£**

Depreciation of tangible assets	<u>89</u>
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The analysis of the auditor's remuneration is as follows:

Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>24,975</u>
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TOTAL AUDIT FEES	<u>24,975</u>
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5. INTEREST PAYABLE AND SIMILAR EXPENSES

**Period from incorporation
on 2 March 2021
to 28 February 2022
£**

Interest payable on amount owed to group undertakings	<u>962,669</u>
	<u>962,669</u>

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

6. TAX CHARGE

Period from incorporation
on 2 March 2021
to 28 February 2022
£

The tax charge comprises:

CURRENT TAX:

UK corporation tax on profits for the period

151,764

TOTAL CURRENT TAX CREDIT

151,764

DEFERRED TAX:

Origination and reversal of timing differences

1,235,044

Effect of changes in tax rates

672,491

TOTAL DEFERRED TAX CHARGE

1,907,535

TOTAL TAX CHARGE ON PROFIT

2,059,299

Profit before tax

7,293,539

Tax on profit at standard UK corporation tax rate of 19.00%

1,385,772

Effects of:

Expenses not deductible for tax purposes

1,104

Effects of other reliefs

(67)

Tax rate changes

672,491

Rounding

(1)

TOTAL TAX CHARGE FOR THE PERIOD

2,059,299

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

7. TANGIBLE FIXED ASSETS

	INVESTMENT PROPERTIES £	FIXTURES AND FITTINGS £	TOTAL £
COST			
Acquisition of assets (Note 15)	58,525,000	-	58,525,000
Additions	105,364	1,181	106,545
Profit on revaluation	<u>6,144,636</u>	<u>-</u>	<u>6,144,636</u>
At 28 February 2022	<u>64,775,000</u>	<u>1,181</u>	<u>64,776,181</u>
DEPRECIATION			
Charge for period	-	89	89
At 28 February 2022	<u>-</u>	<u>89</u>	<u>89</u>
NET BOOK VALUE			
At 28 February 2022	<u>64,775,000</u>	<u>1,092</u>	<u>64,776,092</u>

The investment property included in the accounts relates to student accommodation in Southampton. The valuation of £64,775,000 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 28 February 2022. See note 2 for further details on the valuation.

8. DEBTORS

	28 February 2022 £
Amount owed by group undertakings	2,175,865
Prepayments	<u>25,075</u>
	<u>2,200,940</u>

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2022 £
Amount owed to group undertakings	40,381,390
Other creditors	24,000
Accruals	128,935
Corporate tax	<u>151,764</u>
	<u>40,686,089</u>

Included in amounts owed to group undertakings is loans of £39,360,400 from Privilege Midco Limited on which interest is charged at 3.27% and is repayable on demand.

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

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

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

28 February 2022

	£
Deferred tax liability (Note 11)	<u>2,802,046</u>

11. DEFERRED TAXATION

28 February 2022

	£
Movement in deferred tax (assets) / liability are as follows:	
Acquisition of net assets (Note 15)	894,511
Charge to profit and loss account during the period	<u>1,907,535</u>
Balance as 28 February 2022	<u>2,802,046</u>

28 February 2022

	£
Deferred tax (assets) / liability are as follows:	
Fixed asset timing differences	88,898
Timing differences on revaluation of investment properties	<u>2,713,148</u>
	<u>2,802,046</u>

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

12. CALLED UP SHARE CAPITAL

ALLOTTED, ISSUED AND FULLY PAID:

28 February 2022

	£
18,254,657 Ordinary share of £1 each	<u>18,254,657</u>

During the period, Privilege Southampton Limited issued 18,254,657 ordinary shares of £1 for a consideration of £18,254,657 to Privilege Midco Limited. This was settled by capitalisation of notes transferred from Straits Capital Trust.

The ordinary shares carry equal voting rights.

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

13. PROFIT AND LOSS ACCOUNT

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

14. CONTROL

The direct parent entity is Privilege Midco Limited whose registered address is Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB. The ultimate controlling party is Cuscaden Peak Investments Pte Ltd (formerly known as Singapore Press Holdings Limited, a company incorporated in Singapore listed on the Singapore stock exchange). On 13 May 2022, Cuscaden Peak Investments Pte Ltd was acquired by Cuscaden Peak Pte Ltd and delisted from Singapore stock exchange.

The company's results are included in the consolidated financial statements of Privilege Midco Limited, whose financial statements can be obtained from their registered address at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB. This is the smallest group into which the results of the company are consolidated.

15. ACQUISITION OF NET ASSETS

On 1 June 2021, the Company acquired assets and liabilities from Privilege Southampton S.á.r.l. for an amount of £57,615,056. This is settled by note from Straits Capitol Trust. Straits Capitol Trust issued notes amounting to £137,602,112 for capital injection into Straits Ten Pte Ltd. Straits Ten Pte Ltd subscribed to 54,424,548 ordinary shares of £1 from Privilege Midco Limited and Quoted Euro Bond of £83,177,564 issued by Privilege Midco Limited. Privilege Midco Limited subscribed to 18,254,656 ordinary shares of £1 from Privilege Southampton Limited and recorded a shareholders loan of £39,360,400 owing by Privilege Southampton Limited.

	£
Investment Properties	58,525,000
Trade and other receivables	28,199
Trade and other payables	(43,632)
Deferred tax liabilities	<u>(894,511)</u>
Net assets acquired	57,615,056
Settled by:	
Issue of share capital	(18,254,656)
Interest bearing shareholders' loan	<u>(39,360,400)</u>
Net cash paid for the acquisition	<u>-</u>

16. RELATED PARTY 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 Cuscaden Peak Investments Pte Ltd, the ultimate parent company or any wholly owned subsidiary undertaking of the group.

17. SIGNIFICANT NON-CASH TRANSACTIONS

During the period, the Company acquired net assets of £57,615,056, issued 18,254,657 ordinary shares of £1 and interest bearing shareholders' loan of £39,360,400 by settlement of note issued by Straits Capitol Trust (Note 15).

PRIVILEGE SOUTHAMPTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD FROM INCORPORATION ON 2 MARCH 2021 TO 28 FEBRUARY 2022

18. POST BALANCE SHEET EVENTS

There are no significant events since the balance sheet date which require adjustment to or disclosure in the financial statements.