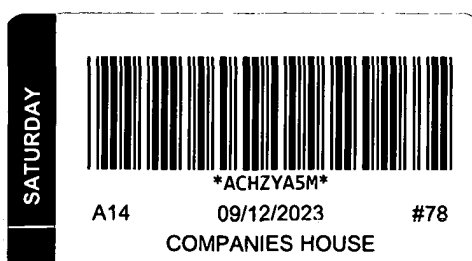


SC OSNEY LANE MANAGEMENT LIMITED

COMPANY NUMBER 08263813 (ENGLAND AND WALES)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022



SC OSNEY LANE MANAGEMENT LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | Mr Foong Seong Khong (Appointed on 1 March 2022) Mr Lim Tai Toon (Appointed on 9 June 2022) Mr Jaspal Singh (Resigned on 9 June 2022) Mr David Mathewson (Resigned on 1 March 2022) Mr Murdo McIlhagger (Resigned on 1 March 2022) |
| Company number | 08253813 |
| 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 |
| Bankers | HSBC Bank Plc 8 Canada Square London E14 5HQ |

SC OSNEY LANE MANAGEMENT LIMITED

CONTENTS

| | Page |
|--|---------------|
| Directors' report | 1 – 2 |
| Independent auditor's report | 3 – 6 |
| Statement of income and retained earnings | 7 |
| Balance sheet | 8 |
| Notes to the financial statements | 9 – 20 |

SC OSNEY LANE MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

The directors present their Directors' report and audited financial statements for the period ended 31 December 2022. This Directors' report has been prepared in accordance with the provision 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 principal activity of the Company is that of property development and property management.

Results and dividends

The profit for the period after taxation amounted to £5,841,644 (2021: loss of £3,580,972). No interim dividends were paid during the period (2021: £Nil) and the directors do not recommend payment of a final dividend (2021: £Nil).

Directors

The following directors have held office since 1 September 2021 to the date of signing:

Mr Foong Seong Khong (Appointed on 1 March 2022)

Mr Lim Tai Toon (Appointed on 9 June 2022)

Mr Jaspal Singh (Resigned on 9 June 2022)

Mr David Mathewson (Resigned on 1 March 2022)

Mr Murdo McIlhagger (Resigned on 1 March 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 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.

SC OSNEY LANE MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the Company to be equivalent to those facing the group, Student Castle Investments Holdco Limited, as outlined within the Strategic report accompanying those consolidated financial statements for the period ended 31 December 2022, which are publicly available, see note 16.

Going concern

The Company has seen good progress on bookings for the 2023/24 academic year, with booking occupancy at 29% as at 27 February 2023, compared to 12% at the same point a year ago for the 2022/23 academic year. The Company is in a net asset position and continues to be supported by Student Castle Investments Holdco Limited, an intermediate parent company of the Company.

As at 31 December 2022, the Company is in a net current liability position of £29,114,757 (31 August 2021: £31,818,642). This is primarily due to accruals for investment property development costs owing to the direct parent company, SC Osney Lane Limited of £37,917,692. Student Castle Investments Holdco Limited 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.

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

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



.....
Mr Lim Tai Toon

Director

Date of signing: 5th December 2023

Independent Auditor's Report to the Member of SC Osney Lane Management Limited

Our opinion

We have audited the financial statements of SC Osney Lane Management Limited (the "Company"), which comprise the Balance Sheet as at 31 December 2022, the Statement of Income and Retained Earnings for the period from 1 September 2021 to 31 December 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 31 December 2022 and of the Company's profit for the period from 1 September 2021 to 31 December 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.

Independent Auditor's Report to the Member of SC Osney Lane Management Limited (Continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- enquiring of management as to the 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 SC Osney Lane Management 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 period 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

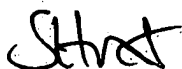
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 SC Osney Lane Management 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

06 December 2023

SC OSNEY LANE MANAGEMENT LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS****FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022**

| | | 1 September 2021 to 31 December 2022 £ | 1 September 2020 to 31 August 2021 £ |
|---|-------------|---|---|
| | Note | | |
| Turnover | 3 | 9,017,571 | 3,875,628 |
| Cost of sales | | (862,800) | (670,067) |
| Gross profit | | 8,154,771 | 3,205,561 |
| Administrative expenses | | (5,059,401) | (3,150,750) |
| Operating profit | | 3,095,370 | 54,811 |
| Interest payable and similar charges | 6 | (19,789) | (52,918) |
| Gain /(loss) arising on revaluation of investment property | 8 | 4,609,324 | (3,899,724) |
| Profit / (loss) before tax | 4 | 7,684,905 | (3,897,831) |
| Tax (charge) / credit | 7 | (1,843,261) | 316,859 |
| Profit / (loss) after tax | | 5,841,644 | (3,580,972) |
| | | | |
| Retained earnings at the beginning of the period / year | | 5,246,498 | 8,827,470 |
| | | | |
| Retained earnings at the end of the period / year | | 11,088,142 | 5,246,498 |

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

SC OSNEY LANE MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | Note | £ | As at 31 December 2022 £ | £ | As at 31 August 2021 £ |
|--|------|--------------|-----------------------------------|--------------|---------------------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 43,550,590 | | 38,909,651 |
| Current assets | | | | | |
| Stocks | 9 | | - | | 856 |
| Debtors | 10 | 16,184,835 | | 3,726,205 | |
| Cash at bank and in hand | | 371,186 | | 2,134,522 | |
| | | | 16,556,021 | 5,861,583 | |
| Creditors: amounts falling due within one year | 11 | (45,670,778) | | (37,680,225) | |
| Net current liabilities | | | (29,114,757) | | (31,818,642) |
| Total assets less current liabilities | | | 14,435,833 | | 7,091,009 |
| Creditors: amounts falling due after more than one year | 12 | | (3,347,690) | | (1,844,510) |
| Net assets | | | 11,088,143 | | 5,246,499 |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 1 | | 1 |
| Profit and loss account | 15 | | 11,088,142 | | 5,246,498 |
| Shareholder's funds | | | 11,088,143 | | 5,246,499 |

The financial statements of SC Osney Lane Management Limited, registered number: 08253813, were approved and authorised for issue by the Board on 5th December 2023.

Signed on behalf of the Board



Mr Lim Tai Toon
Director

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

1. Accounting policies

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

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. General information and basis of accounting

SC Osney Lane Management 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 SC Osney Lane Management 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.

SC Osney Lane Management 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. SC Osney Management Lane Limited is consolidated in the financial statements of Student Castle Investments Holdco Limited which may be obtained at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB or from company 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 2023/24 academic year, with booking occupancy at 29% as at 27 February 2023, compared to 12% at the same point a year ago for the 2022/23 academic year. The Company is in a net asset position and continues to be supported by Student Castle Investments Holdco Limited, an intermediate parent company of the Company.

As at 31 December 2022, the Company is in a net current liability position of £29,114,757 (31 August 2021: £31,818,642). This is primarily due to accruals for investment property development costs owing to the direct parent company; SC Osney Lane Limited of £37,917,692. Student Castle Investments Holdco Limited 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.

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

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 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

| | |
|---------------------------------|---------------|
| Website costs | 33% per annum |
| Computer 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 income and retained earnings 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 and retained earnings.

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

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 recognised.

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

1. Accounting policies (continued)

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.

1.8. Turnover

Turnover represents rental income received during the course of the period, commissions and ancillary income. Rental income is recognised on a 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 recognised when received. Turnover is stated net of VAT. The total turnover of the Company for the year has been derived from its principal activities and was wholly derived from the United Kingdom.

1.9. 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 income and retained earnings.

1.10. 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 income and retained earnings.

1.11. Wages and Directors' remuneration

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 Cuscaden Peak Investments Pte Ltd that are outside the Student Castle Group, and they do not receive remuneration specific to services rendered to SC Osney Lane Management Limited.

1.12. Pensions

The Company 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 year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

1. Accounting policies (continued)

1.13. 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 statement of income and retained earnings, 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; (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.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through statement of income and retained earnings.

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.

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

1. Accounting policies (continued)

1.13. Financial Instruments (Continued)

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.

Critical accounting judgements

Classification of leases

The Directors have applied critical accounting judgements on the classification of the intercompany lease on the investment property with its immediate parent company, SC Osney Lane Limited. The Directors have recognised the lease as an operating lease due to the fact that, at inception, the annual lease payments are variable per the contractual terms. Therefore, the present value of the minimum lease payments at inception cannot be calculated and therefore cannot be accounted for as a finance lease.

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 property included within investment property at the year end relates to a student accommodation development in Oxford. SC Osney Lane Limited holds the freehold interest in the land and has developed the foundations. The site has been leased to SC Osney Lane Management Limited which has developed the Student Accommodation on the site. The directors note that whilst the property and freehold interests sit within separate entities, both of these remain under common control within the Student Castle Group. This common control allows the property and freehold interest to be effectively managed as one, providing the ability to exercise changes to the terms of the underlying agreements, receive the full benefit from the combined interests and it is also the view of the directors that should the interest ever be sold, they would be done so as a combined property. In arriving at the basis for valuation of the freehold interest within these financial statements, the marriage value, representing control over the overall property asset, is therefore deemed to be protected and is included within the valuations. Should the property and freehold interest ever be split and separately sold, this marriage value would be lost and the valuation of each component would be expected to be adversely impacted.

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

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

The Company carries its investment property at fair value, with changes in fair value being recognised in the statement of comprehensive 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 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 property by Cushman & Wakefield as at 31 December 2022 is £120,625,000 (31 August 2021 : £121,332,168). The Directors have apportioned a valuation of £77,113,000 at 31 December 2022 to SC Osney Lane Limited (31 August 2021: £82,430,000) and £43,512,000 to SC Osney Lane Management Limited (31 August 2021: £38,902,168). The method of apportioning the value between the entities is based on a discounted cash flow model, carried out by the Directors. The key inputs used by the Directors in this calculation are the same as those stated above for the overall valuation, but on an individual entity level and the expected lease payments.

3. Turnover

| | 1 September 2021 to 31 December 2022 £ | 1 September 2020 to 31 August 2021 £ |
|---------------------------------|--|--|
| Student rental income | 8,963,471 | 3,852,523 |
| Ancillary revenue from students | 31,932 | 9,487 |
| Commissions | 22,168 | 13,618 |
| | <u>9,017,571</u> | <u>3,875,628</u> |

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

4. Profit / (loss) before taxation

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

| | 1 September 2021 to 31 December 2022 £ | 1 September 2020 to 31 August 2021 £ |
|---------------------------------------|--|--|
| Depreciation of tangible fixed assets | 14,186 | 1,914 |

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

| | | |
|--|--------------|--------------|
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | 9,360 | 6,192 |
| Total audit fees | 9,360 | 6,192 |

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of Student Castle Investments Holdco Limited, an intermediate parent company of the Company (note 16).

5. Employees

Number of employees

The average monthly number of employees during the period / year was:

| | 1 September 2021 to 31 December 2022 Number | 1 September 2020 to 31 August 2021 Number |
|----------------------|---|---|
| Administration staff | 9 | 11 |

Employment costs

The employment costs for the Company during the period / year was:

| | 1 September 2021 to 31 December 2022 £ | 1 September 2020 to 31 August 2021 £ |
|-----------------------|--|--|
| Wages and salaries | 298,367 | 185,709 |
| Social security costs | 23,739 | 14,152 |
| Other pension costs | 4,748 | 2,234 |
| | 326,854 | 202,095 |

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

Included in accruals at 31 December 2022 were £262 (31 August 2021: £119) relating to pension and other post-retirement benefit commitments.

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

| | | |
|--|---|---|
| 6. Interest payable and similar charges | 1 September 2021 to 31 December 2022 £ | 1 September 2020 to 31 August 2021 £ |
| Interest payable on amounts owed to group undertakings | 1,802 | 1,119 |
| Bank charges | 18,187 | 51,799 |
| | 19,789 | 52,918 |
| 7. Tax charge / (credit) | 1 September 2021 to 31 December 2022 £ | 1 September 2020 to 31 August 2021 £ |
| The tax charge / (credit) charge comprises: | | |
| Current tax: | | |
| UK corporation tax on profits/(loss) for the period | 515,359 | (1,082) |
| Adjustment in respect of previous periods | (250,629) | (481) |
| Total current tax charge / (credit) | 264,730 | (1,543) |
| Deferred tax: | | |
| Origination and reversal of timing differences | 944,799 | (739,526) |
| Adjustment in respect of previous periods | 329,775 | - |
| Effect of changes in tax rates | 303,957 | 424,210 |
| Total deferred tax charge (see note 13) | 1,578,531 | (315,316) |
| Total tax charge / (credit) on profit /(loss) | 1,843,261 | (316,859) |
| The total tax charge / (credit) for the period can be reconciled to the profit / (loss) per the income statement as follows: | | |
| Profit / (loss) before tax | 7,684,905 | (3,897,831) |
| Tax on loss at standard UK corporation tax rate of 19.00% (2021: 19.00%) | 1,460,133 | (740,588) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 25 | - |
| Adjustment in respect of previous periods | 79,146 | (481) |
| Effect of changes of tax rate | 303,957 | 424,210 |
| Total tax charge / (credit) for the period | 1,843,261 | (316,859) |

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

8. Tangible fixed assets

| | Investment Property | Computer equipment | Furniture, fittings and equipment | Total |
|----------------------------|------------------------|-----------------------|---|-------------------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 September 2021 | 38,902,168 | 4,097 | 5,300 | 38,911,565 |
| Additions | 508 | 45,293 | - | 45,801 |
| Gain on revaluation | 4,609,324 | - | - | 4,609,324 |
| At 31 December 2022 | 43,512,000 | 49,390 | 5,300 | 43,566,690 |
| Depreciation | | | | |
| At 1 September 2021 | - | 1,317 | 597 | 1,914 |
| Charge for the period | - | 13,126 | 1,060 | 14,186 |
| At 31 December 2022 | - | 14,443 | 1,657 | 16,100 |
| Net book value | | | | |
| At 31 December 2022 | 43,512,000 | 34,947 | 3,643 | 43,550,590 |
| At 31 August 2021 | 38,902,168 | 2,780 | 4,703 | 38,909,651 |

The investment property included in the accounts relates to student accommodation developed in Oxford. The valuation of £43,512,000 recognised in these financial statements was determined by the Directors, 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.

9. Stock

| | As at 31 December 2022 £ | As at 31 August 2021 £ |
|-------|-----------------------------------|---------------------------------|
| Stock | - | 856 |
| | - | 856 |

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

10. Debtors

| | As at 31 December 2022 £ | As at 31 August 2021 £ |
|------------------------------------|-----------------------------------|---------------------------------|
| Trade debtors | 2,770,970 | 884,201 |
| Amounts owed by group undertakings | 13,156,158 | 2,839,581 |
| Other debtors | 250,994 | 1,426 |
| Other taxes and social security | | - |
| Prepayments and accrued income | 6,700 | 20,997 |
| Deferred tax asset (see note 13) | 13 | - |
| | <u>16,184,835</u> | <u>3,726,205</u> |

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

11. Creditors: amounts falling due within one year

| | As at 31 December 2022 £ | As at 31 August 2021 £ |
|---------------------------------------|-----------------------------------|---------------------------------|
| Trade creditors | 37,260 | 21,102 |
| Amounts owed to group undertakings | 38,951,135 | 34,590,458 |
| Other taxes and social security costs | 20,256 | 14,954 |
| Other creditors | 84,699 | 70,685 |
| Accruals | 1,026,382 | 466,195 |
| Deferred income | 5,551,046 | 2,516,833 |
| | <u>45,670,778</u> | <u>37,680,225</u> |

Included in amounts owed to group undertakings is accruals of £37,917,692 (2021: £34,414,627) due to the direct parent company; SC Osney Lane Limited in respect of development costs for the investment property. Amounts are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

12. Creditors: amounts falling due after more than one year

| | As at 31 December 2022 £ | As at 31 August 2021 £ |
|---------------------------------------|-----------------------------------|---------------------------------|
| Amounts owed to group undertakings | 1,603 | 76,967 |
| Deferred tax liability (see note 13). | 3,346,087 | 1,767,543 |
| | <u>3,347,690</u> | <u>1,844,510</u> |

Amounts owed to group undertakings represents loans of £1,603 (2021: £76,967) from Student Castle Investments Holdco Limited on which 10% interest is charged and is repayable by 9 October 2024.

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

13. Deferred taxation

| | Deferred tax £ | |
|--|-------------------|-----------|
| Movement in deferred tax (assets) / liabilities are as follows: | | |
| At 1 September 2021 | | 1,767,543 |
| Adjustment in respect of prior years | | 329,775 |
| Charged to statement of income and retained earnings during the period | | 1,248,756 |
| Balance at 31 December 2022 | | 3,346,074 |

| | As at 31 December 2022 £ | As at 31 August 2021 £ |
|--|-----------------------------------|---------------------------------|
| Total deferred tax (assets) / liabilities is made up as follows: | | |
| Short term timing differences | (13) | - |
| Fixed asset timing differences | 428,084 | 1,871 |
| Timing differences on revaluation of investment properties | 2,918,003 | 1,765,672 |
| | 3,346,074 | 1,767,543 |

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

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%.

14. Called-up share capital

| | As at 31 December 2022 £ | As at 31 August 2021 £ |
|------------------------------------|-----------------------------------|---------------------------------|
| Allotted, called-up and fully-paid | | |
| 1 Ordinary share of £1 each | 1 | 1 |
| | 1 | 1 |

The ordinary shares carry equal voting rights.

15. Reserves

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

SC OSNEY LANE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

16. Control

The direct parent entity is SC Osney Lane Limited whose registered address is the same as Student Castle Investments Holdco Limited stated below. The immediate holding company is Cuscaden Peak Investments Pte Ltd (formerly known as Singapore Press Holdings Limited, a company incorporated in Singapore listed on the Singapore stock exchange). The ultimate holding company is Cuscaden Peak Pte Ltd.

The Company's results are included in the consolidated financial statements of a parent company, Student Castle Investments Holdco Limited, whose financial statements can be obtained from their registered address at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB or from company house website. This is the smallest group into which the results of the Company are consolidated.

17. 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.

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.

19. Change of year end

The financial year end of the Company was changed from 31 August to 31 December so as to coterminous with the year end of its ultimate holding company. Accordingly, the current financial statements are prepared for 16 months from 1 September 2021 to 31 December 2022 and as a result, the comparative figures stated in the statement of income and retained earnings and related notes are not comparable.