REGISTERED NUMBER: 10292514 (England and Wales)

Strategic Report, Directors' Report and

Audited Financial Statements for the Year Ended 30 June 2019

for

Campus Living Villages (Dashwood London)
UK Limited

Campus Living Villages (Dashwood London) UK Limited

Contents of the Financial Statements
for the Year Ended 30 June 2019

Company Information
for the Year Ended 30 June 2019

DIRECTORS:	J K Chadwick L M Mclean
REGISTERED OFFICE:	7th Floor Digital World Centre 1 Lowry Plaza, Salford Quays Manchester United Kingdom M50 3UB
REGISTERED NUMBER:	10292514 (England and Wales)
INDEPENDENT AUDITOR:	KPMG LLP 1 St Peter's Square Manchester M2 3AE
BANKER:	Barclays Bank Level 25 1 Churchill Place London E14 5HP

Strategic Report
for the Year Ended 30 June 2019

The directors present their strategic report for the year ended 30 June 2019.

REVIEW OF BUSINESS

Campus Living Villages (Dashwood London) UK Limited ("CLV Dashwood London") was incorporated on 22 July 2016 in order to provide the equity funding for a property portfolio consisting of student accommodation.

The principal activity of the company was the provision of equity funding to hold a 10% investment in Dashwood London Holding (2016) plc ("Holdco"). CLV Dashwood London's investment in Holdco is funded in its entirety by loan notes from Arlington Student Holdings (No.5) Limited ("ASH5").

ASH5 owns the remaining 90% investment in Holdco.

Dashwood London Holding (2016) plc owns 100% of Dashwood Bond Issuer Plc ("Bond Issuer") which was incorporated on 7 June 2016 for the purposes of issuing listed debt securities on the Irish Stock Exchange.

The funds raised from the issuance of these securities were used to purchase the Dashwood portfolio which has 1,500 beds on one site in South East London.

RESULTS

The results of the company for the year are shown in the Profit and Loss Account. Profit on ordinary activities before taxation was £32k (30 June 2018: £56k).

The Balance Sheet shows that the company has a net asset position as at 30 June 2019 of £127k (30 June 2018: £95k).

KEY PERFORMANCE INDICATOR

Given the nature of the company's activities described above, the directors use two principal measures of overall performance: profit/loss for the year and net assets/liabilities, details of which are shown above.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks:

- Underperforming assets meaning debt obligations cannot be met.
- Student numbers being lower than expected.
- Credit risk
- Ongoing viability of Universities in London.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with major banks and financial institutions as well as credit exposure to students and universities, including outstanding receivables and committed transactions, which impact the company via its associated entities. Credit granted to customers is monitored regularly and past due receivables are followed up with customers. Student deposits are used as security, and applied against outstanding amounts.

The financial assets of the company are neither past due nor impaired.

Liquidity risk

Cash flow forecasts are utilised to manage liquidity risk. Capital expenditure is funded through borrowings and cash calls from investors. Repayments of borrowings are funded through cash generated from operations, refinancing and cash calls from investors where required.

Cash flow interest rate risk

Interest rates are monitored regularly by management and forward looking sensitivity analysis is performed.

Market risk

Changes in Government policy (such as Higher Education funding and immigration) and Brexit may negatively affect student numbers, which in turn would affect profitability and asset values. Risks are mitigated by ongoing monitoring of changes and their implications to international students studying in UK. The outlook for the student accommodation section remains positive despite the uncertainty around Brexit. Student numbers continue to increase year on year which is supported by average rental increases of 3% on sites close to a University Campus such as the site at Dashwood Studios. Student numbers typically increase in the event of any economic downturn, as people look to up-skill or stay in higher education. Although we anticipate Brexit will see a reduction in new EU students, Universities expect to see an increase in Non-EU student with the weakening of the pound.

ON BEHALF OF THE BOARD:

....

J K Chadwick - Director

Date: 20 December 2019

7th Floor Digital World Centre
1 Lowry Plaza, Salford Quays
Manchester
United Kingdom
M50 3UB

Directors' Report
for the Year Ended 30 June 2019

The directors present their report with the financial statements of the company for the year ended 30 June 2019.

DIVIDENDS
No dividends have been paid in the period (30 June 2018: £nil).

FUTURE DEVELOPMENTS
The directors expect the general level of activity to remain consistent with the period to 30 June 2018 in the forthcoming year. This is consistent with the long-term strategy of the company and no other significant events since the balance sheet date have occurred.

DIRECTORS
The directors who have held office during the period from 1 July 2018 to the date of this report are as follows:

L J Brown - appointed 18 July 2018 - resigned 7 March 2019
P J Berry - resigned 18 July 2018
J K Chadwick - appointed 6 March 2019
M P Hadland - resigned 18 July 2018
L M Mclean - appointed 6 March 2019
M J Panopoulos - appointed 18 July 2018 - resigned 7 March 2019

POLITICAL DONATIONS AND EXPENDITURE
No donations were made to any political party during the year (30 June 2018: £nil).

GOING CONCERN

Notwithstanding net current liabilities of £1.4m (2018: £1.5m) as at 30 June 2019, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 30 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, and the current cash balance, the company will have sufficient funds, to meet its external liabilities as they fall due for that period.

Those forecasts are dependent on a related party, Arlington Student Holding (No.5) Limited not seeking repayment of the amounts currently due from the company, which at 30 June 2019 amounted to £1.5m. Arlington Student Holding (No.5) Limited has indicated that it does not intend to seek repayment of these amounts for at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The related party loan payable to Arlington Student Holdings No.5 Limited by the Company, treated as payable within one year, is a long term investment and its repayment is reliant on the performance of the Dashwood group headed by Dashwood London Holding (2016) Limited (the 'group').
Whilst the group is currently loss making, based on the long term cash flow model that has been prepared, the group is expected to become cash generative. To date, the group's actual revenue achieved is slightly behind amounts expected in this model. In addition the group has also fallen behind this model in relation to operating costs. Any shortfall in the model will result in a lower return on the shareholder loans over the long term. The directors have therefore taken actions to ensure that operating costs are controlled going forward and for the year ended 30 June 2019 revenue exceeded the amount included for the year. This is expected to continue going forward.

The outlook for the student accommodation sector remains positive despite the uncertainty around Brexit. Student numbers continue to increase year on year which is supported by average rental increases of 3% on sites close to a University Campus such as the site at Dashwood Studios. Student numbers typically increase in the event of any economic downturn, as people look to up-skill or stay in higher education. Although we anticipate Brexit will see a reduction in new EU students, Universities expect to see an increase in Non-EU students with the current weakness of the pound.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

AUDITOR
The auditor, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
J K Chadwick - Director

Date: 20 December 2019

7th Floor Digital World Centre
1 Lowry Plaza, Salford Quays
Manchester
United Kingdom
M50 3UB

Statement of Directors' Responsibilities for the Year Ended 30 June 2019

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 estimates that are reasonable and prudent;

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and a directors' report that complies with that law and those regulations.

Independent Auditor's Report to the Members of
Campus Living Villages (Dashwood London)
UK Limited

1. Our opinion is unmodified

We have audited the financial statements of Campus Living Villages (Dashwood London) UK Limited ("the Company") for the year ended 30 June 2019 which comprise of the Statement of Profit and Loss, Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 the FRC Ethical Standard as applied to SME's and the FRC Ethical Standard (ES) provisions for listed entities that are SMEs have been applied. Consult Ethics & Independence for guidance on when these provisions may be applied. listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2018):

	The risk	Our response
The impact of uncertainties due to the UK exiting the European Union on our audit Refer to page 3 (principal risks), page and page 19 (accounting policies).	**Unprecedented levels of uncertainty** All audits assess and challenge the reasonableness of estimates, in particular as described in recoverability of debt due from group entities below, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements (see below). All of these depend on assessments of the future economic environment and the company's future prospects and performance. Brexit is one of the most significant economic events for the UK and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown.	**Our procedures included:** We developed a standardised firm-wide approach to the consideration of the uncertainties arising from Brexit in planning and performing our audits. Our procedures included: - Our Brexit knowledge - We considered the directors' assessment of Brexit-related sources of risk for the company's business and financial resources compared with our own understanding of the risks. We considered the directors' plans to take action to mitigate the risks. - Sensitivity analysis - When addressing recoverability of debt due from group entities and other areas that depend on forecasts, we compared the directors' analysis to our assessment of the full range of reasonably possible scenarios resulting from Brexit uncertainty and, where forecast cash flows are required to be discounted, considered adjustments to discount rates for the level of remaining uncertainty. - Assessing transparency - As well as assessing individual disclosures as part of our procedures on the recoverability of debt due from group entities we considered all of the Brexit related disclosures together, including those in the strategic report, comparing the overall picture against our understanding of the risks. **Our results:** As reported under the recoverability of debt due from group entities, we found the resulting estimates and related disclosures of recoverability and disclosures in relation to going concern to be acceptable. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

	The risk	Our response
Recoverability of debt due from group entities (£1.6 million; 2018: £1.4 million) Refer to page 21 (accounting policy) and page 27 (financial disclosures).	**Low risk, high value** The carrying amount of the intra-group debtor balance represents 99.7% (2018: 99.7%) of the company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the company financial statements, this is considered to be the area that had the greatest effect on our overall audit.	**Our procedures included:** - Tests of detail: Assessed 100% of group debtors to identify, with reference to the relevant debtors' historic and future cash flows, the ability of the debtor to fund the repayment of the receivable as it falls due. **Our results:** We found the company's assessment of the recoverability of the group debtor balance to be acceptable (2018: acceptable).

3 Our application of materiality and an overview of the scope of our audit
Materiality for the financial statements as a whole was set at £16,480 (30 June 2018: £16,300), determined with reference to a benchmark of total assets of £1.6m (30 June 2018: £1.6m) (of which it represents 1% (30 June 2018: 1%).

We consider total assets to be the most appropriate benchmark given that the entities principle function is the holding of listed debt securities and lending to other group entities.

We agreed to report to the directors any corrected or uncorrected identified misstatements exceeding £800 (30 June 2018: £800) at a company level, in addition to other identified misstatements that warranted reporting on qualitative grounds.

4 We have nothing to report on 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").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. 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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

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. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:

- Long term profitability of European Property (Walworth Road) Lettings LP and European Property (Walworth Road) Property LP, and therefore the ability of their parent company to pay the amount due to the company.

As these were risks that could potentially cast significant doubt on the Company's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Company's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts, such as the impact of Brexit.

Based on this work, we are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6 We have nothing to report on the other 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 by the Company, 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.

We have nothing to report in these respects.

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 7, 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 other irregularities (see below), 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, other irregularities 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.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rehman Minshall

Rehman Minshall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date: 20 December 2019

Campus Living Villages (Dashwood London) UK Limited

Statement of Profit or Loss for the Year Ended 30 June 2019

	Notes	2019 £'000	2018 £'000
CONTINUING OPERATIONS			
Revenue		-	2
Administrative expenses		(72)	-
OPERATING (LOSS)/PROFIT		(72)	2
Finance costs	4	(68)	(97)
Finance income	4	172	151
PROFIT BEFORE INCOME TAX	5	32	56
Income tax	6	-	-
PROFIT FOR THE YEAR		32	56

The notes on pages 18 to 29 form part of these financial statements

Campus Living Villages (Dashwood London) UK Limited

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2019

	2019 £'000	2018 £'000
PROFIT FOR THE YEAR	32	56
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	32	56

The notes on pages 18 to 29 form part of these financial statements

Statement of Financial Position
30 June 2019

	Notes	2019 £'000	2018 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments	7	5	5
Trade and other receivables	8	1,573	1,401
		1,578	1,406
CURRENT ASSETS			
Trade and other receivables	8	-	226
TOTAL ASSETS		1,578	1,632
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	9	-	-
Retained earnings	10	127	95
TOTAL EQUITY		127	95
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,451	1,537
TOTAL LIABILITIES		1,451	1,537
TOTAL EQUITY AND LIABILITIES		1,578	1,632

The financial statements were approved by the Board of Directors on 20 December 2019 and were signed on its behalf by:

....
J K Chadwick - Director

Campus Living Villages (Dashwood London) UK Limited

Statement of Changes in Equity for the Year Ended 30 June 2019

	Retained earnings £'000	Total equity £'000
Balance at 1 July 2017	39	39
Changes in equity		
Total comprehensive income	56	56
Balance at 30 June 2018	95	95
Changes in equity		
Total comprehensive income	32	32
Balance at 30 June 2019	127	127

The notes on pages 18 to 29 form part of these financial statements

Campus Living Villages (Dashwood London)
UK Limited

Statement of Cash Flows
for the Year Ended 30 June 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Cash generated from operations	17	9	-
Interest paid		(9)	-
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

The notes on pages 18 to 29 form part of these financial statements

1. **STATUTORY INFORMATION**

Campus Living Villages (Dashwood London) UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

There are currently no critical accounting judgements or key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

New standards, amendments to standards or interpretations
The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

Standard or interpretation	**Content**	**Applicable for financial years beginning on or after**
IFRS 16	Leases	1 July 2019
IFRIC 23	Uncertainty over income tax treatments	1 July 2019

The financial impact of IFRS 16 is expected to be £nil.

continued...

2. **ACCOUNTING POLICIES - continued**

Going concern

Notwithstanding net current liabilities of £1.4m (2018: £1.5m) as at 30 June 2019, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 30 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, and the current cash balance, the company will have sufficient funds, to meet its external liabilities as they fall due for that period.

Those forecasts are dependent on a related party, Arlington Student Holding (No.5) Limited not seeking repayment of the amounts currently due from the company, which at 30 June 2019 amounted to £1.5m. Arlington Student Holding (No.5) Limited has indicated that it does not intend to seek repayment of these amounts for at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The related party loan payable to Arlington Student Holdings No.5 Limited by the Company, treated as payable within one year, is a long term investment and its repayment is reliant on the performance of the Dashwood group headed by Dashwood London Holding (2016) Limited (the 'group').
Whilst the group is currently loss making, based on the long term cash flow model that has been prepared, the group is expected to become cash generative. To date, the group's actual revenue achieved is slightly behind amounts expected in this model. In addition the group has also fallen behind this model in relation to operating costs. Any shortfall in the model will result in a lower return on the shareholder loans over the long term. The directors have therefore taken actions to ensure that operating costs are controlled going forward and for the year ended 30 June 2019 revenue exceeded the amount included for the year. This is expected to continue going forward.

The outlook for the student accommodation sector remains positive despite the uncertainty around Brexit. Student numbers continue to increase year on year which is supported by average rental increases of 3% on sites close to a University Campus such as the site at Dashwood Studios. Student numbers typically increase in the event of any economic downturn, as people look to up-skill or stay in higher education. Although we anticipate Brexit will see a reduction in new EU students, Universities expect to see an increase in Non-EU students with the current weakness of the pound.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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2. **ACCOUNTING POLICIES - continued**

Changes in accounting policies

IFRS 9 'Financial Instruments':

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The main financial statement caption effected is receivables. As a result of the adoption of IFRS 9, the new single expected credit loss impairment model is now applied in calculating the provision for credit losses. Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial assets or financial liabilities and therefore there have been no measurement or recognition adjustments made to the current or prior period financial statements.

Financial instruments
(policy applicable from 30th June 2018)

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

continued...

2. ACCOUNTING POLICIES - continued

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in joint ventures are carried at cost less impairment.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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2. **ACCOUNTING POLICIES - continued**

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

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2. **ACCOUNTING POLICIES - continued**

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk. Measurement of ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Policy applicable prior to 30th June 2018:

(i) Classification of financial instruments issued by the Company
Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

continued...

2. **ACCOUNTING POLICIES - continued**

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

(ii) Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities
Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

(iii) Impairment
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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2. **ACCOUNTING POLICIES - continued**

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised

Deferred tax is determined using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Interest expense
Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

Effective interest method
The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that assets or liabilities net carrying amount.

Related parties
For the purposes of these financial statements, a party is considered to be related to the company if the party:
(i) has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
(ii) and the company are subject to common control;
(iv) is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
(v) is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 30 June 2019 nor for the year ended 30 June 2018.

The directors are paid by Campus Living Villages UK Limited and no fees were apportioned or charged to Campus Living Villages (Dashwood London) UK Limited. There were no employees of the company for the current period.

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4. NET FINANCE INCOME

	2019 £'000	2018 £'000
Finance income:		
Related party interest income	172	151
Finance costs:		
Related party interest expense	(68)	(97)
Net finance income	104	54

5. PROFIT BEFORE INCOME TAX

Auditor's remuneration for the audit of the financial statements of the company for the year to 30 June 2019 is £2,520 (30 June 2018: £2,100).

Fees payable to KPMG LLP and its associates for non-audit services to the company during the period were £nil (30 June 2018: £nil).

6. INCOME TAX

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 30 June 2019 nor for the year ended 30 June 2018.

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation	32	56
Tax at the UK tax rate of 19% (30 June 2018: 19%)	6	11
Effects of:		
Expenses not deductible for tax purposes	13	18
Non-taxable income	(33)	(29)
Loss not utilised	14	-
Total taxation charge	-	-

Corporation tax is computed at the main rate of 19% (30 June 2018 19%).

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

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7. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 July 2018	
and 30 June 2019	5
NET BOOK VALUE	
At 30 June 2019	5
At 30 June 2018	5

The company has investments in the ordinary share capital of following subsidiary undertaking.

Entity	Holding	Place of incorporation	Registered address
Dashwood London Holdings (2016) Plc	10%	England	11 Pilgrim Street, London, United Kingdom, EC4V 6RN

8. TRADE AND OTHER RECEIVABLES

	2019 £'000	2018 £'000
Current:		
Amounts owed by group undertakings	-	226
Non-current:		
Amounts owed by group undertakings	1,573	1,401
Aggregate amounts	1,573	1,627

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £'000	2018 £'000
10	Ordinary shares	£1	-	-

10. RESERVES

	Retained earnings £'000
At 1 July 2018	95
Profit for the year	32
At 30 June 2019	127

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11. TRADE AND OTHER PAYABLES

	2019 £'000	2018 £'000
Current:		
Amounts owed to group undertakings	1,451	1,392
Amounts payable to related parties	-	142
Accrued expenses	-	3
	1,451	1,537

12. FINANCIAL INSTRUMENTS

Fair values

	Carrying amount 2019 £'000	Fair value 2019 £'000	Carrying amount 2018 £'000	Fair value 2018 £'000
Financial assets				
Trade and other debtors	-	-	226	226
Loans to other related entities	1,573	1,573	1,401	1,401
Financial liabilities				
Trade and other payables	-	-	145	145
Loans and receivables	1,451	1,451	1,392	1,392

The fair value of non-derivative financial assets and liabilities are consistent with the carrying values. The directors do not believe there is any interest rate risk as the financial liability represents Secured Amortising Notes at a fixed base rate of interest. There are no hedging instruments. The risk management policy of the company has been set out in the Strategic Report.

13. ULTIMATE PARENT COMPANY

The company's ultimate controlling party is Campus Living UK Trust (formerly named Campus Living Overseas Trust). The largest and smallest group in which the results of the Company are consolidated is that headed by Campus Living UK Trust, a trust company domiciled in Australia. The registered office address is Triniti II, Level 6, 39 Delhi Road, North Ryde, NSW 2113.

14. CONTINGENT LIABILITIES

The Directors have not identified any contingent liabilities at 30 June 2019 (30 June 2018: None).

15. CAPITAL COMMITMENTS

There are no capital commitments at 30 June 2019 (30 June 2018: none)

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16. RELATED PARTY DISCLOSURES

30 June 2019	Balance due to/(from) in less than one year £'000	Balance due to/(from) in more than one year £'000	Interest in the year £'000
Dashwood London Holdings (2016) Plc receivable	-	1,573	173
Arlington Student Holdings (No.5) Limited loan	(1,451)	-	(68)

30 June 2018	Balance due to/(from) in less than one year £'000	Balance due to/(from) in more than one year £'000	Interest in the year £'000
Dashwood London Holdings (2016) Plc receivable	226	1,400	151
Arlington Student Holdings (No.5) Limited loan	(1,534)	-	(97)

17. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2019 £'000	2018 £'000
Profit before income tax	32	56
Finance costs	68	97
Finance income	(172)	(151)
	(72)	2
Decrease in trade and other receivables	226	-
Decrease in trade and other payables	(145)	(2)
Cash generated from operations	9	-