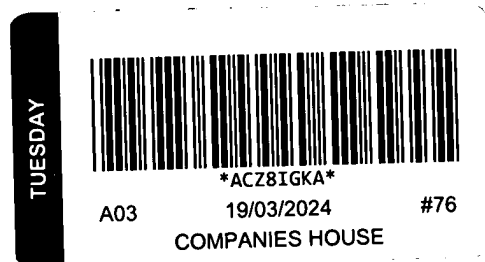


DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

COMPANY REGISTRATION NUMBER : 11471147 (ENGLAND AND WALES)

REPORT AND AUDITED STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

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DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

DIRECTORS AND OTHER INFORMATION

DIRECTORS

J. Withrington (Appointed on 1 September 2023)
A. Golam (Appointed on 1 September 2023)
A. LeJune (Appointed on 22 April 2022 and resigned on 1 September 2023)
C. Rossi (Appointed on 14 July 2023 and resigned on 1 September 2023)
O. Adeuja (Appointed on 22 April 2022 and resigned on 14 July 2023)
C. Matta (Resigned on 22 April 2022)

REGISTERED OFFICE

2nd Floor
107 Cheapside
London
EC2V 6DN
United Kingdom

REGISTERED NUMBER

11471147

AUDITOR

Deloitte LLP
2 New Street Square
London EC4A 3BZ
United Kingdom

BANKERS

HSBC UK Bank PLC
60 Victoria Street
London EC4N 4TR
United Kingdom

SOLICITORS

Fieldfisher LLP
Riverbank House
2 Swan Lane
London EC4R 3TT
United Kingdom

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

DIRECTORS' REPORT

The Directors present the annual report on the affairs of DaVinci Glasgow Property Owner Limited (the "Company") and the financial Statements of the Company for the year ended 31 December 2022.

The comparative period relates to a 12-month period from 1 January 2021 to 31 December 2021.

Principal activities

The Company was formed for the purpose of developing and investing in purpose-built student accommodation in the UK.

Review of the development of the business and state of affairs

The Company acquired a site in 2018 in Glasgow with the aim to develop it into purpose-built student accommodation. Construction was delayed but completed in Q1 2022 for academic year 2021/2022. The building achieved c95% occupancy in the launch year and c95% for 2022, with residential revenue of £4.58m (2021: £1.47m) generated by the Company's subsidiary, DaVinci Glasgow Property Operator LP in the period to 31 December 2022. Turnover of £2.93m (2021: £0.91m) presented in these financial statements represents headlease income earned from DaVinci Glasgow Property Operator LP in the year to 31 December 2022.

Director

C. Matta resigned on 22 April 2022 following a change in the Company's ownership. As noted on page 3, A. LeJune and O. Adeuja were appointed as directors on 22 April 2022 and resigned on 1 September 2023 and 14 July 2023 respectively. C. Rossi was appointed as director on 14 July 2023 and resigned on 1 September 2023. J. Withrington and A. Golam were appointed as directors on 1 September 2023 and remain as directors up until approval of the financial statements.

Directors' indemnities

The Directors are entitled to be indemnified by the Company, to the extent permitted by UK Company law, per section 234 and 235 of the Companies Act 2006, and the Company's Articles of Association, in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. Such indemnities were in force throughout the financial period and will remain in force at the date of this report.

Financial risk management objectives and policies

The Company's principal financial instruments comprise borrowings, which exposes the Company to interest rate risk. Throughout the period covered by these financial statements the Company was compliant with its lenders covenant requirements. Cash flow is monitored closely to address liquidity risk, with projections of operational cash flows generated by the Company's subsidiary, DaVinci Glasgow Property Operator LP, as well as associated headlease income arising thereon.

The Company is exposed to credit risk through cash held at bank. Cash balances are held with financial institutions with high credit ratings.

The Company changed ownership on 25 April 2022, and the borrowings that were in place on 31 December 2021 were repaid. New Senior and Mezzanine Loan facilities with A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l. have been in place since and they are repayable in demand at the balance sheet date. Post year end, long term loan agreements were entered into such that these are now repayable on 22 April 2032.

DAVINCI GLASGOW PROPERTY OWNER LIMITED

(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

DIRECTORS' REPORT - (CONTINUED)

Russia / Ukraine war

In February 2022, a number of countries (including US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022.

The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as significant depreciation of the rouble against the US dollar and the Euro. It is expected that these events may affect the activities of enterprises in various sectors of the economy.

Although neither the Company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the Company.

Cost of living crisis

Management continues to monitor the impact of the cost of living crisis on the property's residents as well as on direct operating costs of running the building, which are incurred by its subsidiary, DaVinci Glasgow Property Operator LP. This has been considered in giving the Directors' assessment of going concern below.

Climate change

Management continues to monitor the impact of climate change in respect of the activities of the Company as well as ensuring compliance with related environmental standards. Following construction, the building achieved an EPC rating of B+.

Going concern

The Directors, after carrying out necessary enquiries, believe that the Company has adequate sources of funding to meet its future operations and the payment of its expenses and is well placed to manage its business risk successfully.

As at 31 December 2022, the Company had net current liabilities of £57,789,927 (2021: £415,751 (net assets)) with long term borrowings of £nil (2021: £56,623,923) outstanding. Subsequent to the change of ownership in April 2022, the borrowings at 31 December 2021 were repaid and replaced by new Senior and Mezzanine Loan facilities with A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l., which are repayable on demand. Following the 31 December 2022 year end, both the Senior and Mezzanine loan facilities were adjusted and reclassified as long term loans expiring on 22 April 2032.

As at 31 December 2022, the Company had net assets of £17,931,473 (2021: £13,225,608).

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

DIRECTORS' REPORT - (CONTINUED)

Going concern - (Continued)

Despite the Company having a net current liability position, the intermediate parent entity, A-A Euro Investment Fund (Lux) SCSp, has agreed to provide adequate funds to enable the Company to meet in full its financial obligations as they fall due for a period of at least twelve months from the date when the financial statements are authorised for issue. The directors have considered the ability, intent and wider group cashflow forecasts of the intermediate parent entity to provide this support and are satisfied that this will remain available. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Statement as to disclosure of information to the auditor

The Directors at the date of approval of this report confirm that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any 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 provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

In preparing this report, the directors have taken advantage of the small companies' regime provided by the Companies Act 2006.

Approved and authorised for issue by the Board



Julian Xavier Withrington, Director

Date: 15 March 2024
2nd Floor,
107 Cheapside
London EC2V 6DN

DAVINCI GLASGOW PROPERTY OWNER LIMITED

(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing their 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 and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVINCI GLASGOW PROPERTY OWNER LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of DaVinci Glasgow Property Owner Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVINCI GLASGOW PROPERTY OWNER LIMITED - (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVINCI GLASGOW PROPERTY OWNER LIMITED - (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including valuations specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud to be in management's incentive to manipulate the assumptions used by the external valuer in their estimation of the fair value of the investment property. Our specific procedures performed to address it are described below:

- We have used internal property valuation experts to challenge and benchmark the key yield and market rent assumptions used in the valuation against industry data.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVINCI GLASGOW PROPERTY OWNER LIMITED - (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



Andy Siddorns FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 15 March 2024

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		£	£
Turnover	2	2,934,530	907,605
Administrative expenses		<u>(925,380)</u>	<u>(769,835)</u>
Operating profit		2,009,150	137,770
Fair value profit on interest rate cap		-	303
Fair value profit on investment property	6	9,551,925	24,097,656
Interest payable and similar charges		<u>(3,391,899)</u>	<u>(917,478)</u>
Profit on ordinary activities before taxation		8,169,176	23,318,251
Taxation	5	<u>(3,463,311)</u>	<u>(1,169,420)</u>
Profit for the year		4,705,865	22,148,831

All activities derive from continuing operations.

There are no items of other comprehensive income in either the current or preceding financial year other than as shown in retained earnings.

(The notes on pages 14 to 23 form an integral part of these financial statements.)

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Fixed assets			
Investment property – Completed	6	80,340,000	70,603,000
Investment in subsidiaries	13	200	200
		80,340,200	70,603,200
Current assets			
Debtors	7	55,654	354,649
Related parties receivable	8	80,600	920,234
Cash at bank	9	750,744	707,018
		886,998	1,981,901
Creditors: amounts falling due within one year	11	(3,023,323)	(1,566,150)
Intercompany Borrowings	10	(55,653,602)	-
Net current (liabilities) / assets		(57,789,927)	415,751
Total assets less current liabilities		22,550,273	71,018,951
Creditors: amounts falling due after more than one year			
Borrowings from Banks	10	-	(56,623,923)
Provision for other liabilities	12	(4,618,800)	(1,169,420)
Net assets		17,931,473	13,225,608
Capital and reserves			
Share capital	14	1,000	1,000
Members' contributions	15	4,268,580	4,268,580
Retained earnings		13,661,893	8,956,028
Shareholders' funds		17,931,473	13,225,608

The directors have taken advantage of the small companies' regime provided by the Companies Act 2006.

The financial statements of DaVinci Glasgow Property Owner Limited (Company number: 11471147) were approved by the board of Directors and authorised for issue on 15 March 2024. They were signed on its behalf by:



Julian Xavier Withrington
Director
Date: 15 March 2024

(The notes on pages 14 to 23 form an integral part of these financial statements.)

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called-up share capital	Profit and loss account	Members' contribution	Total
	£	£	£	£
Balance as at 1 January 2021	1,000	(13,192,803)	4,268,580	(8,923,223)
Profit for the financial year	-	22,148,831	-	22,148,831
As at 31 December 2021	1,000	8,956,028	4,268,580	13,225,608
Profit for the financial year	-	4,705,865	-	4,705,865
As at 31 December 2022	1,000	13,661,893	4,268,580	17,931,473

(The notes on pages 14 to 23 form an integral part of these financial statements.)

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Reporting entity

DaVinci Glasgow Property Owner Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 2nd Floor 107 Cheapside, London, England, EC2V 6DN. The Company's name was changed from CASL Glasgow Property Owner Limited on 27 April 2022 following a change of ownership.

The principal activities of the Company is set out in the Directors' report on page 3.

2 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) Accounting convention

The financial statements have been prepared in accordance with generally accepted accounting principles in the United Kingdom under the historical cost convention, modified to include certain items at fair value, and in accordance with section 1A of Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting

The Company has taken advantage of the exemption under the small companies regime to enable group financial statements not to be prepared, as per Companies Act 2006 section 399.

The Company qualifies as a small Company and has taken the following exemptions:

- preparing a cash flow statement.

(b) Going concern

The Directors, after carrying out necessary enquiries, believe that the Company has adequate sources of funding to meet its future operations and the payment of its expenses and is well placed to manage its business risk successfully.

As at 31 December 2022, the Company had net current liabilities of £57,789,927 (2021: £ 415,751 (net assets)) with long term borrowings of £nil (2021: £56,623,923) outstanding. Subsequent to the change of ownership in April 2022, the borrowings at 31 December 2021 were repaid and replaced by new Senior and Mezzanini Loan facilities with A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l., which are repayable on demand. Following the 31 December 2022 year end, both the Senior and Mezzanine loan facilities were adjusted and reclassified as long term loans expiring on 22 April 2032.

As at 31 December 2022, the Company had net assets of £17,931,473 (2021: £13,225,608).

Despite the Company having a net current liability position, the intermediate parent entity, A-A Euro Investment Fund (Lux) SCSp, has agreed to provide adequate funds to enable the Company to meet in full its financial obligations as they fall due for a period of at least twelve months from the date when the financial statements are authorised for issue. The directors have considered the ability, intent and wider group cashflow forecasts of the intermediate parent entity to provide this support and are satisfied that this will remain available. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Statement of accounting policies - (continued)

(c) Turnover

(d) Functional and presentational currency

The Company's financial statements have been prepared in Pound Sterling (rounded to the nearest pound unless otherwise indicated), which is the presentation currency and the functional currency of the Company because that is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are translated into the Company entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(e) Financial assets and liabilities

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

Financial assets and liabilities are only offset in the balance sheet 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.

All debt instruments comply with all of the conditions of paragraph 11.9 of FRS 102 are classified as 'basic'. Instruments classified as 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

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

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

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Statement of accounting policies - (continued)

(f) Investment property

Investment property comprises property that has been developed with the intention of being held to earn rental income or for capital appreciation, or both. Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes and professional fees to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value (see Note 3). Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the period in which they arise under FRS 102 Section 16 - Investment Property.

Investment properties cease to be recognised when they have been disposed of or withdrawn permanently from use and no future economic benefit is expected. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

(g) Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

(h) 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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

DAVINCI GLASGOW PROPERTY OWNER LIMITED
(FORMERLY CASL GLASGOW PROPERTY OWNER LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Statement of accounting policies - (continued)

(h) Taxation - (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) Fixed asset investments

Fixed asset investments, including shares in participating interests, are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The directors do not consider there to be any critical accounting judgements in preparing the financial statements.

Estimates and underlying assumptions are reviewed on an on-going basis; revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Investment property

The fair value of the Company's investment property is a key source of estimation uncertainty. The valuation of the Company's property portfolio is inherently subjective as this involves the use of estimates. Key estimates in the valuation are the yield, future rental values and the costs to complete the construction.

As a result, the valuations the Company places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market and as such if any assumptions made by the property valuer prove to be false, this may have a material effect on the Company's financial condition.

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
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3 Critical accounting judgements and key sources of estimation uncertainty - (continued)

The completed property was valued at 31 December 2022 by Knight Frank valuers with recognised and relevant professional qualifications and with recent experience in the location and category of the investment property being valued. The valuation was performed in accordance with RICS Valuation – Professional Standards (incorporating the International Valuation Standards) and in accordance with FRS 102 section 17.

Market value is the price that would be received to sell the property in an orderly transaction between market participants at the measurement date.

4 Profit before tax

There were no employees in the Company in the current or prior period.

The Directors received no remuneration for their services to the Company in either period.

Auditor's remuneration for the audit of these financial statements amounted to £30,500 (2021: £36,813).

The auditor issued invoices in relation to tax compliance totalling £4,500 in the year (2021: £nil).

5 Taxation

	2022 £	2021 £
Profit before tax	<u>8,169,176</u>	<u>23,318,251</u>
Tax on profit at standard UK corporation tax rate of 19%	1,552,143	4,430,468
Effects of:		
- Deferred tax - origination and reversal of timing differences	3,449,380	-
- Deferred tax not recognised	276,653	742,845
- Income not taxable for tax purposes	(1,814,866)	(4,578,555)
- Adjustments to tax charge in respect of previous periods - deferred tax	-	294,002
- Remeasurement of deferred tax for changes in tax rates	-	280,660
Total tax charge for the year	<u>3,463,311</u>	<u>1,169,420</u>

The UK corporation tax rate for the year was 19% (2021: 19%). On 14 October 2022, the government announced that Corporation Tax would increase to 25% from April 2023.

The Company had trading losses carried forward of £1,667,847 (2021: £285,098). No deferred tax asset has been recognised in respect of the trading losses due to there being insufficient certainty about the ability to offset these against future taxable profits.

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

6 Investment property

	2022	2021
	£	£
As at 1 January	70,603,000	22,390,000
Capitalised development expenditure	185,075	20,340,910
Capitalised interest on developments under construction	-	3,774,434
Fair value gain	9,551,925	24,097,656
At 31 December	<u>80,340,000</u>	<u>70,603,000</u>

During 2021 the Investment property was completed and was therefore transferred from Investment property in the course of development to Investment Property - Completed.

7 Debtors

	2022	2021
	£	£
VAT recoverable	40,202	349,508
Other debtors	15,452	5,141
	<u>55,654</u>	<u>354,649</u>

8 Related party balances

	2022	2021
	£	£
(a) Amounts due to other related parties		
DaVinci Glasgow Property Operator LP	1,764,212	-
DaVinci Glasgow Operator GP Limited	-	100
DaVinci Edinburgh Property Owner Limited	181,020	171,020
	<u>1,945,232</u>	<u>171,120</u>
(b) Amounts due from other related parties		
CA Europe UK Operating Company Limited	-	4,961
DaVinci Dart Square Property Owner Limited	80,600	5,000
DaVinci Glasgow Property Operator LP	-	908,206
CA Europe Management Services PM Limited	-	2,067
	<u>80,600</u>	<u>920,234</u>
(c) Borrowings and interest due to related party		
A-A Euro Investment Davinci Glasgow PropCo C S.à r.l.	<u>55,869,822</u>	<u>-</u>

All amounts above are repayable on demand and (a) and (b) do not bear interest.

All parties, with the exception of CA Europe UK Operating Company Limited and CA Europe Management Services PM Limited, above are related as they are under common control of the Company's ultimate parent as per Note 16.

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
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9 Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	750,744	707,018
	<u>750,744</u>	<u>707,018</u>

10 Borrowings

	2022	2021
	£	£
Intercompany Senior loan	41,786,763	-
Intercompany Mezzanine loan	13,866,839	-
Bank borrowing drawn	-	52,849,489
Interest capitalised	-	3,774,434
	<u>55,653,602</u>	<u>56,623,923</u>

The maturity and effective interest rates on bank borrowings are as follows:

The Company had a Senior Loan facility with Investec Bank PLC and a Mezzanine Loan facility with Pramerica Real Estate Capital VI S.à r.l. until April 2022 when they were repaid.

Interest on the senior loan was charged quarterly at 3.25% + LIBOR per annum plus mandatory costs. The interest charge and commitment charge on the undrawn balance was accrued each quarter, capitalised, and added to the principal amount of the loan. The interest charge was treated as drawn down at the end of each quarter.

Interest on the Mezzanine Loan facility with Pramerica Real Estate Capital VI S.à r.l. was charged quarterly at 12% per annum plus mandatory costs. The interest charge and commitment charge on the undrawn balance were accrued each quarter, capitalised and added to the principal amount of the loan, as well as to the investment property until the property reached practical completion. The interest charge was treated as drawn down at the end of each quarter.

Undrawn facility balance at 31 December 2022 was £nil (2021: £2,007,821).

Bank loans and overdrafts were secured by a debenture over lands and other assets owned by the Company. The Company changed ownership on 25 April 2022, and the borrowings that were in place on 31 December 2021 were redeemed.

On 20 April 2022, the Senior and Mezzanine Loan facilities with Investec Bank PLC and Pramerica Real Estate Capital VI S.à r.l. were repaid and the Company entered into new unsecured Senior and Mezzanine Loan facilities with A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l.. Interest on the Senior Loan was initially charged at SONIA + 2.5% up to 7 November 2022 and at 5.93% p.a. thereafter. Interest on the Mezzanine Loan was charged at 8% p.a. Both the Senior and Mezzanine Loans are repayable on demand at the balance sheet date. Post year end, long term loan agreements were entered into such that these are now repayable on 22 April 2032.

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	67,758	778,380
Related party payable (see Note 8)	1,945,232	171,120
Related party interest payable	216,221	-
Corporate Income Tax	13,931	-
Accrued expenses	780,181	616,650
	<u>3,023,323</u>	<u>1,566,150</u>

12 Provision for other liabilities

The company had the following provisions during the year:

	2022	2021
	£	£
Deferred tax provision		
As at 1 January	1,169,420	-
Additions dealt with in profit or loss	3,449,380	1,169,420
As at 31 December	<u>4,618,800</u>	<u>1,169,420</u>

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	2022	2021
	£	£
Fixed asset timing differences	6,577,908	1,727,214
Short term timing differences	(1,959,108)	(7,445)
Losses and other deductions	-	(550,349)
Total provision	<u>4,618,800</u>	<u>1,169,420</u>

13 Investment in subsidiaries

	2022	2021
	£	£
Investment in subsidiary as at 1 January and 31 December	200	200
	<u>200</u>	<u>200</u>

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
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13 Investment in subsidiaries - (continued)

Entity	Country of incorporation and operation	Number and class of shares held by the Company	Company holding %
DaVinci Glasgow Operator GP Limited	England	100	100%
DaVinci Glasgow Property Operator LP*	England	100	100%

The registered address of all subsidiaries is 2nd Floor 107 Cheapside, London, England, EC2V 6DN. The principal activity of all subsidiaries relates to property investment. During the year, DaVinci Glasgow Property Operator LP began trading following the completion of the property and the commencement of the 20/21 Academic Year. DaVinci Glasgow Operator GP Limited was dormant in the year.

* The Company directly owns 99.5% of this entity. The remaining 0.5% is indirectly held by virtue of the Company's 100% ownership of DaVinci Glasgow Operator GP Limited.

14 Share capital

	2022	2021
	£	£
<i>Issued, called up and fully paid:</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

15 Members' contributions

	2022	2021
	£	£
A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l.	4,268,580	-
CASL Glasgow Mezzanine Limited	-	4,268,580
	<u>4,268,580</u>	<u>4,268,580</u>

The Company changed ownership on 25 April 2022, and the members' contributions that were in place on 31 December 2021 were transferred to A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l.

16 Related party transactions

Related party balances and transactions in the year are shown in Note 8. A list of all subsidiaries is shown in Note 13.

The Company signed a development agreement with CA Student living UK Operating Company Limited in August 2019 which was an affiliate up until 25 April 2022 (being the date of sale of the Company). The fees charged to the Company during the year were £3,967 (2021: £553,977).

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
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16 Related party transactions - (continued)

The Company also signed a property management agreement with CA Europe Management Services PM Limited in August 2019 which was an affiliate up until 25 April 2022 (being the date of sale of the Company). The fees charged to the Company during the year were £nil (2021: £96,299).

At year end, the immediate parent of the Company was A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l., with registered address of 412F, route d'Esch, L-1471 Luxembourg, Grand Duchy of Luxembourg. The Company's ultimate parent was Apollo Global Management Inc., with registered address of 42nd Floor, 9 West 57th Street, New York, NY 10019, United States.

The Company is not included in any consolidated accounts. The financial statements presented above represent the separate financial statements of DaVinci Glasgow Property Owner Limited.

17 Post balance sheet events

On 4th October 2023, the Company entered into Senior and Mezzanine loan agreements with A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l. Interest on the Senior Loan was initially charged at SONIA + 2.5% up to 7 November 2022 and at 5.93% p.a. thereafter. Interest on the Mezzanine Loan was charged at 8% p.a. Both the Senior and Mezzanine Loans are repayable on 22 April 2032 or as agreed between the Company and A-A Euro Investment DaVinci Glasgow PropCo B S.à r.l.