Victus European Student Accommodation Fund IC Limited
(Registered number: 56015)

Annual Report and Audited Consolidated Financial Statements

For the year ended 31 August 2014

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Officers and Professional Advisors

Directors
Andrew Henton (Chairman)
Gunther Gommes
Kerry-Anne Marais
James Metcalf
Andrew Jamieson (alternate Director to James Metcalf)

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St Peter Port
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GY1 4EU

Designated Manager, Administrator, Registrar and Secretary
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Property Advisor
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Auditor
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Property Manager
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CISE Listing Sponsor
Carey Commercial Limited (appointed 28 February 2014)
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Les Ruettes Brayes
St Peter Port
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GY1 4LX

Mourant Ozannes Securities Limited (resigned 28 February 2014)
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St Peter Port
Guernsey
GY1 4HP

Promoter
Crosslane Fund Managers LLP
Manchester International Office Centre
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Styal Road
Manchester
M22 5WB

Custodian and Principal Bankers
Royal Bank of Canada (Channel Islands) Limited
Canada Court
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St Peter Port
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GY1 3BQ

Valuation Agent
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33 Margaret Street
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W1G 0JD

Legal Advisor as to the laws of Guernsey
Carey Olsen (with effect from 15 November 2013)
Carey House
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St Peter Port
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GY1 4BZ

Mourant Ozannes (up to 15 November 2013)
Advocates & Notaries
1 Le Marchant Street
St Peter Port
Guernsey
GY1 4HP

Legal Advisor as to the laws of England
Squire Patton Boggs (UK) LP (formerly Squire Sanders (UK) LLP)
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Leeds
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LS3 1ES

Tax Advisor
PricewaterhouseCoopers CI LLP (with effect from 14 May 2014)
Royal Bank Place
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St Peter Port
Guernsey
GY1 4ND

Grant Thornton (up to 14 May 2014)
Lefebvre House
Lefebvre Street
St Peter Port
Guernsey
GY1 3TF

Company Summary

The Company

Victus European Student Accommodation Fund IC Limited (the "Company") is an open-ended incorporated cell of Victus Capital ICC Limited (the "ICC"). The ICC is a registered as an open-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission.

Objective

The Company has been established to take advantage of the developing European student accommodation sector and will provide investors with exposure to this evolving market. The objective of the Company is to generate long term capital appreciation which will be achieved by investing in existing purpose-built student accommodation units, the conversion or renovation of existing commercial property units into modern student accommodation and the acquisition and development of new build opportunities.

Management

The Property Advisor of the Company is Crosslane Property Advisor (Guernsey) Limited. The Property Advisor was appointed to provide all property investment advice to the Company in respect of property assets owned or to be acquired or developed. The Property Advisor is able to draw upon significant student accommodation experience in the United Kingdom ("UK") and the Directors of the Company believe that the skills, experience and track record gained in the UK are directly transferrable into the targeted European Union ("EU") markets that have been identified.

Capital Structure

The Company can issue an unlimited number of shares subject to and in accordance with the authority contained in the Articles. The Directors may allot and issue shares as Management Shares of no par value or as Redeemable Participating Shares of no par value.

The Company has one Management Share of no par value in issue. The Management Share is non-redeemable. The holder of the Management Share is entitled to one vote on a show of hands or one vote for each Management Share on a poll. The Management Share does not carry any right to dividends.

CISE Listing

The Company and the ICC were admitted to the official list of the Channel Islands Stock Exchange on 4 March 2013. On 20 December 2013, the listings transferred over to the Channel Islands Securities Exchange ("CISE").

As at 31 August 2014 the following shares of the Company were listed on the CISE:

GBP · Class A	7,402,759.05
EUR · Class A	13,669,102.94
CHF · Class A	3,074,293.81
USD · Class A	5,379,869.85
GBP · Class B	3,482,700.30
EUR · Class B	883,830.78
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USD · Class B	2,765,353.89

As at 27 February 2015 the following shares of the Company were listed on the CISE:

GBP · Class A	8,142,493.77
EUR · Class A	16,435,407.59
CHF · Class A	3,236,342.10
USD · Class A	7,188,436.18
GBP · Class B	4,543,167.69
EUR · Class B	1,166,879.21
CHF · Class B	594,134.52
USD · Class B	3,028,122.29

Chairman's Statement

On behalf of your Board of Directors, I am pleased to present the second annual report for Victus European Student Accommodation Fund IC Limited ("the Company").

The Company was formed on 13 December 2012 and its Shares were admitted to the official list of the Channel Islands Securities Exchange on 4 March 2013. The Company was established to allow investors to participate in the experience and track record of the Crosslane Group of companies, a successful developer and manager of purpose built student accommodation. A particular point of differentiation is the ability of the Company to target opportunities in continental Europe as well as the UK. This not only affords the benefit of geographic diversification, but also allows investors access to markets that share the same attractive features as the UK, but where there is less competition from professional developers.

Company performance

The Company's objective is to deliver annualised returns of 9% - 12% per annum measured on a NAV basis from inception. This target rate of return was achieved for all share classes as at 31 August 2014. During the period covered by this report the institutional Sterling class B shares delivered a return of 10.3%. Other institutional share classes also performed in line with expectations. The retail class A shares, which carry higher fees, returned between 7.9% - 8.9% depending on currency class. You will find performance figures for all share classes at www.victus-capital.com. Movements in valuation are based on monthly assessments performed by independent professional advisors.

The Company has only acquired assets which are (i) already in operation as student accommodation properties, but which will benefit from refurbishment and better management under our ownership; and (ii) sites which lend themselves to wholesale redevelopment into custom built student accommodation. The significant majority of the appreciation in Net Asset Value has been attributable to the capital value added from a combination of land uplift, refurbishment and development. Recognising this, your Board is giving active consideration to selling selected operating assets in order both to crystallise the value created, but also to allow capital redeployment from mature, operating assets into more value accretive investments. Current market conditions lend themselves to this approach since there has been greatly increased investor interest in student accommodation during 2014. There is thus increased demand for high quality operating assets (such as those developed by the Company) from institutional investors. The performance of the Company, and its ability both to identify attractive opportunities and to develop those sites, evidences the capability of the advisory team that has been deployed by the Crosslane Group.

International Financial Reporting Standards ("IFRS") require that investment properties are recorded for accounting and Consolidated Statement of Financial Position purposes on a different basis to that which is used for valuations. For example, all establishment costs and property transaction costs are required to be expensed immediately under IFRS. This approach would not be equitable for investors (early subscribers would be penalised) and so for valuation purposes such costs are spread over a number of years. IFRS does thus generate a lower reported Net Asset Value per share than that which is reported for valuation purposes; a reconciliation of the numbers for each share class is included at note 29 in these Consolidated Financial Statements.

Portfolio Construction, Market Outlook and Events After the Reporting Period

The Company completed five acquisitions during the period covered by this report. A further acquisition was completed between 31 August 2014 and 31 March 2015, which is reported as an Event After the Reporting Period, see note 30. To date, the Company has not sold any assets. As at the accounting period end the size of the Company was £33.5m, and as at 27 February 2015 being the date of the latest published NAV it was £43.3m.

The current portfolio (as at 31 March 2015) comprises six sites in the UK, two in Germany and two in France. By stage of development, the portfolio comprises five development sites that are being built out, and five operating assets that either have been or are undergoing refurbishments that will enhance income generation. The mix of asset types and locations is deliberate and intended to provide the benefits of diversification. As was flagged in my report last year, transactions in the UK are likely to remain development opportunities, and those on the Continent operating assets requiring refurbishment. This is a function of where the Board sees the opportunity for generating returns being greatest. The Company continues to generate its own proprietary transaction flow in the UK and Europe.

A number of student accommodation portfolios came onto the market during 2014. These included assets owned by Mansion Grove, Opal and Brandeaux. This volume of sales is unprecedented in the market, and as a Board we did at the time have some concerns about the impact of a sudden supply glut on asset prices. Without exception however, these portfolios attracted significant investor interest and all were sold successfully. There were in fact several under bidders who were disappointed, evidencing demand in excess of supply. These portfolio sales have thus in fact served to drive up prices in the market, and to attract new investors to the asset class. In consequence, the Company is currently giving serious and active consideration to selling one or more of its UK properties in order to realise profit.

Your attention is drawn to the Property Advisor's Report that appears on pages 4 to 6, which provides more analysis and narrative about the portfolio and market outlook.

Risk management

As a general policy, the Board has a stated aim of maintaining cash balances equivalent to 10% of the size of the Company. This is a discretionary policy which reflects the Board's desire to retain a cash buffer to deal with periodic investor redemptions. Maintaining cash on the Consolidated Statement of Financial Position dilutes returns, and hence the policy must be balanced against the desire to continue generating attractive returns. Cash balances in fact vary from month to month depending on net subscriptions, and the availability of investment opportunities. As at 27 February 2015 being the date of the latest published NAV, cash balances were £1,727,327, representing only 3.9% of the Company. Whilst recognising that cash balances at the reporting date and 27 February 2015 represent less than the 10% benchmark, the Board is comfortable with the position given current plans to recycle a number of the Company's operating assets, which will generate cash sales proceeds.

I look forward to reporting further progress and positive returns to investors during 2015/16.

Andrew Henton

Chairman

31 March 2015

Property Advisor's Report

Market Background

UK Market

The student accommodation sector has had an exceptional period leading up to the end of March 2015, with the sales of the Brandeaux property portfolio, Liberty Living, for £1.1bn and the sale of the Carlyle 'Pure' portfolio for £532m both completing in the month of March 2015.

Transactions totalling c.£1.85bn across investment and land acquisitions had been completed in 2014, with very robust transaction volumes evident throughout the year as the appeal to institutions broadens.

Institutions have now embraced the direct let market and are starting to understand the demand, risk and occupancy challenges around this type of investment product.

Institutional funds are also set to increase their weighting to specialist sectors, such as healthcare and student housing by 3-5% over 2015, according to research from Knight Frank. Specialist property, classified as ‘other’ by the Investment Property Databank ("IPD"), made up 7.3% of the index as at the end of 2014, which as a direct comparison with a decade ago, is a 4.0% increase and could expand further.

Notably, there is evidence of an increase in different investment structures being developed, including bond issues (Campus Living Villages, UNITE), REIT ("Real Estate Investment Trust") and further bond raises from Empiric towards the end of the calendar year.

<u>Scotland</u>
With the result of the Scottish Referendum determined in 2014, confidence has been restored to the student housing market north of the border, with Scottish students retaining the opportunity to receive university education for free.

Therefore the expectation is that application rates will remain stable with strong university cities located throughout Scotland, and the general pipeline in certain cities suggests there is confidence in well placed assets where there is strong student demand.

European Market

Compared to the UK and US markets, the volumes of sales in the European markets are still relatively small.

The latest figures available from the Savills UK and European student and housing performance report show that in 2014, c.£1.85bn of assets had been traded in the UK compared to c.£250m across 10 western European countries. The European market is still in its infancy in terms of availability of transactional data, however Savills report that there is increasing interest from both international private equity working with local partners to secure pipelines in European countries and institutional investor appetite from European entities. It is expected that further partnerships and transactions will evolve in the European markets over the next 12-24 months.

Bouwfonds Investment Management completed the second closing of the Bouwfonds European Student Housing Fund in 2014 using a special fund vehicle (in accordance with the German Investment Act) with a core risk profile which offers investors a rate of return ("IRR") of 5.5% to 6.5% with a maximum loan-to value ratio of 40%.

Bouwfonds are focusing on France, Germany, UK, Spain, Italy and Poland for further development of their platform, but will be relying on third party management companies to run the accommodation.

<u>Germany</u>
The German student market shows continued activity, particularly focused on the new development of schemes.

There have been a number of new entrants into the market place. However the main challenge remains little emphasis on the 'student experience' and quality of accommodation within amenities currently on offer in Germany. There is an expectation that this will change over the coming years as the market matures, and the Company is already in the advanced stages of planning the upgrade of its assets currently held within the portfolio.

New entrants into the German market include International Campus, who have a pipeline of c.6,000 beds secured, and Pickstock Group, who have plans for scaling up to 15,000 beds over the next five years with a modular form of construction to minimise build costs.

There continue to be a number of UK developers and investors looking at the German market. Some have secured pipelines and are going through pre-application negotiations for planning permits.

<u>France</u>
Interest in the student market in France underwent some change towards the end of 2014 with a continuing increase in planning applications across a number of cities. Gecina (major French institutional investor) have secured a pipeline of c.2,500 beds to be delivered by 2016 across ten locations.

Typically, the French market has developed through smaller schemes of c.100-150 studios, with developers disposing of units on an individual basis to investors.

Recent transactions over the last year prove assets are being traded and an uptake in activity suggests restored confidence within the student housing market across France with more investors demonstrating interest in the sector.

The Company acquired its second French asset with the acquisition of a former Aparthotel in Bordeaux. The intention is for this asset to be utilised as student accommodation to satisfy demand in the area which Savills had identified.

Property Advisor's Report (continued)

Netherlands
According to the Savills spotlight on Student Housing report, the number of students in Holland is estimated to increase by c.45,000 by 2025, albeit that new legislation currently being discussed in the House of Representatives may impact the future growth of students as the current state grant is converted into a loan.

The growth of foreign students is expected to continue and approximately 17,000 new beds within purpose built student accommodation are planned to be released in the coming years, reducing the undersupply of student housing.

The projected growth of both national and international students, and projected new developments are keeping interest from national and international investors for the Dutch student housing market high. This is reflected in stable yields starting at 5.75% as reported by Savills in the summer 2014 spotlight on Netherlands student housing.

Future considerations

LBTT – Scotland
A new Land and Building Transaction Tax ("LBTT") is being introduced on 1 April 2015 which will replace Stamp Duty Land Tax ("SDLT") in Scotland. This will result in a 4.5% LBTT rate on non-residential land or property purchases over £350,000. This will apply to site sales and purchases of existing student housing.

Where the average unit value is within the zero rated band the Scottish Government have proposed a minimum LBTT level be imposed at a "prescribed proportion". The level has been consulted on but is still to be defined and is currently described as being at a level "that results in an LBTT outcome that the Scottish Government believes is fair".

The impact of the LBTT on the Student Accommodation Market remains unknown until the LBTT is introduced in April 2015.

Energy Act 2011
The Energy Act 2011 came into force on 18 October 2014. This will regulate the minimum energy efficiency standards achieved in residential or commercial premises being rented out from April 2018.

This will impact the student market and those aged assets, typically University and older Purpose Built Student Housing ("PBSH") and the Houses in Multiple Occupation ("HMO") private landlord market. The pending introduction of this Act will also see more attention paid to capital expenditure both by existing investors on their current portfolio and new investors into the market.

Current Company Portfolio Overview

The current portfolio is a balanced mixture of developing and operational assets. Prior to the commencement of the 2014/2015 academic year, two of the development assets in Newcastle and Bristol reached Practical Completion ("PC") in August 2014 and September 2014 respectively. These are now fully operational schemes, entering into the second academic years of operation in September 2015.

Three additional assets in the UK are currently under development and refurbishment, and are scheduled to complete in advance of the next academic intake in September 2015.

Operating Assets
The portfolio is managed, either directly or indirectly, by Prime Student Living who have maintained consistently high occupancy levels for the 2014/2015 academic year across the portfolio.

As at 1 March 2015, the occupancy levels on the two assets which reached PC ahead of the September 2014 intake are 100% and 96% respectively.

The average percentage of rooms under offer in advance of the academic year commencing September 2015 was 73% across the three UK operating assets, as at the start of March 2015. This further illustrates that the end product is not only meeting the market demand of students, but maintaining the standards required to attract new students.

One of these recently completed assets is now in the first year of a three year nomination agreement with a highly regarded University ranked within the top 50 UK Universities in the Guardian University league table for 2015. Entering into exclusivity agreements with Universities further enhances and maintains consistent occupancy levels whilst also underpinning rental income.

Developing Assets
There are currently three buildings within the Company's portfolio undergoing development in the UK. These include two new build, purpose built student accommodation schemes, and one full internal redevelopment of a former office block. All three of these schemes are scheduled, and currently on programme, for completion in July/August 2015.

There are currently no active developing assets in the European market.

Planned refurbishment programmes
The continual assessment of assets held within the Company's portfolio has identified the two German assets sited in Osnabrück and Oldenburg as those in most need of refurbishment. Therefore, phase II of the refurbishment programme to include both external and internal upgrades is due to commence in mid-2015 with expectations of significant upturns in occupancy levels of both assets.

The interest in refurbished units has been market tested by illustrating to new tenants the impending asset upgrade which they will benefit from on completion of the works. Despite this requiring some of the tenants renewing Lease Agreements beyond the current terms, and moving between rooms mid-tenancy, having newly refurbished units of accommodation has proved enough of an incentive for occupancy levels to reach 100% of available rooms for the first time since acquiring the assets.

There are currently no UK properties which require immediate refurbishment. However, ongoing asset management of assets within the portfolio will ensure that returns and value on each asset within the portfolio are maximised.

Property Advisor's Report (continued)

Current Company Portfolio Overview (continued)

Planned refurbishment programmes (continued)
The December 2014 acquisition of the former Aparthotel in Bordeaux, France has not only further diversified the Company's portfolio, but provides the option to increase the value of the property by carrying out refurbishment works. These upgrades will involve an initial soft refurbishment of rooms, in addition to the creation of additional units of student accommodation by converting first floor commercial space into additional residential units. This work is scheduled to commence in April/May 2015.

Pipeline Assets
Crosslane continues to have a strong pipeline of asset opportunities throughout the UK and Europe. Currently, strategic partnerships have been formed in European jurisdictions including France and Netherlands.

Going forward Crosslane see attractive opportunities for student accommodation in continental Europe, where the sector is still in its infancy. The future expansion of the Company is therefore expected to concentrate outside of the UK, with the acquisitions team focusing on France and the Netherlands. There are a number of potential investment and development sites which have been identified for 2015, providing a geographical spread across major University cities in Europe and further diversifying the existing portfolio mix in the process.

Crosslane Property Advisor (Guernsey) Limited
March 2015

CROSSLANE
INVESTING IN THE FUTURE

Board of Directors

Andrew Henton (chairman)

Andrew graduated from Oxford University in 1991 and subsequently qualified as a Chartered Accountant with PricewaterhouseCoopers in London, specialising as a corporate tax consultant. He spent eight years working in the City as a corporate finance advisor with HSBC Investment Bank and as a principal of the Baring English Growth Fund, a private equity fund focused on mid market transactions sponsored by ING Barings. He has extensive transaction analysis and execution experience that is directly relevant to structured property acquisitions. In 2002 Andrew was relocated to Guernsey by Close Brothers Group plc to take responsibility for integrating and reorganising a number of regulated banking, custody, asset management and fiduciary administration businesses that the bank had acquired in Jersey, Guernsey and Isle of Man. Their activities included the administration of over £1 billion of property assets held in open-ended investment funds and in Special Purpose Vehicles. He was Head of Offshore Businesses for Close Brothers Group plc until the division he managed was sold to Kleinwort Benson in 2011. He has wide board experience of both regulated and non regulated businesses (including listed Funds) in both executive and non executive capacities. Specifically he was Chairman of Close Global Funds Limited, a Jersey domiciled retail fund which had a specific asset allocation to property assets. Andrew is British and resident in Guernsey.

Gunther Gommes

Gunther graduated from HELMo University in 1986 in Accounting and Finance. Gunther has over 25 years' international business experience in senior positions. He started his career in Luxembourg in 1987 joining Banque Internationale a Luxembourg's ('BIL') Fund administration unit. In May 2000, Gunther went on to join Credit Suisse AM Fund Services in Luxembourg; he transferred on an international assignment to Credit Suisse Fund Administration in Guernsey in 2006, where he was Head of Operations, Co-Chief Operating Officer and Director of the Executive Board. Gunther brings relevant board experience and is fluent in English, German, French and Luxemburgish and conversational in Swiss, German and Dutch. Gunther is Belgian and resident in Guernsey.

Kerry-Anne Marais

Kerry-Anne graduated from Heriot Watt University in 1995 and went on to qualify as a Chartered Accountant becoming a Member of the Institute of Chartered Accountants in Scotland in 1999. Over the years Kerry-Anne has held senior positions offshore including financial controller for HSBC Private Bank (Funds), Managing Director of Augentius Fund Administration (Guernsey) Limited and Managing Director of Augentius Trust Company (Guernsey) Limited. Kerry-Anne has also acted as designated compliance officer and MLRO. She has had varied Board experience including Director of a Guernsey regulated general partner to a property fund and Director of a property group which was ultimately sold to a London Stock Exchange listed company. She has also obtained relevant qualifications to compliment her experience including the MLRO Diploma, Diploma in Trust creation (law and practice) and the Investment Management Certificate. Kerry-Anne is British and resident in Guernsey.

James Metcalf

James studied Mathematics, Computing and Law at Liverpool and Manchester universities. He spent over 20 years in the computing industry operating in sales and senior management at global companies including Tandem and Oracle where he managed multi business sectors. He has Board experience as a Director at several companies and has acted as fund manager previously including those in the Crosslane group of companies which he founded in 2007. James is British and is resident in the United Kingdom.

Andrew Jamieson (alternate Director to James Metcalf)

Andrew graduated from Liverpool John Moores University in 1996 in Estate Management. In 2000 he became a member of the Royal Institution of Chartered Surveyors and has 18 years' property experience. He started his career with the Littlewoods Organisation, acquiring, developing and disposing of retail units. In 1999 he joined National Car Parks reporting to a variety of venture capitalist owners during his tenure and becoming one of 40 shareholders in the business. In 2006 Andrew transferred to the student sector and commenced employment with UNITE, a FTSE 250 student accommodation developer. Andrew’s role was to oversee the northern development office responsible for the acquisition and development of a number of schemes with over 3,000 student bedrooms. Andrew then joined the Mansion Group where he was Head of Acquisitions overseeing the procurement of over 5,000 student beds. In 2012 Andrew joined Crosslane and now specialises in the acquisition and development of European student accommodation assets predominantly for consideration by the Victus fund. Andrew is British and is resident in the United Kingdom.

Directors' Report

The Directors present their Annual Report and Consolidated Financial Statements of Victus European Student Accommodation Fund IC Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 August 2014.

Company status

The Company is an incorporated cell of Victus Capital ICC Limited (the "ICC"). The ICC, is a Registered open-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission. The Company was incorporated on 13 December 2012.

The Company was admitted to the official list of the Channel Islands Stock Exchange on 4 March 2013. On 20 December 2013, the listings transferred over to the Channel Islands Securities Exchange ("CISE").

As at 31 August 2014 the following Shares of the Company were listed on the CISE:

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EUR - Class B	883,830.78
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EUR - Class B	1,166,879.21
CHF - Class B	594,134.52
USD - Class B	3,028,122.29

Principal activity

The Company has been established to take advantage of the developing European student accommodation sector and will provide investors with exposure to this evolving market. The objective of the Company is to generate long term capital appreciation which will be achieved by investing in existing purpose-built Student Accommodation units, the conversion or renovation of existing commercial property units into modern student accommodation and the acquisition and development of new build opportunities.

To achieve its investment objective Crosslane Property Advisor (Guernsey) Limited (the "Property Advisor") has been appointed as the property advisor to the Company whilst Crosslane Fund Managers LLP (the "Promoter") is the promoter.

Results and dividends

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 12.

No dividends were paid during or declared for the year ended 31 August 2014 (31 August 2013: £nil). It is not intended that the Company will distribute any of its income, as such all income will be rolled up and reflected in the Net Asset Value ("NAV") of the Redeemable Participating Shares.

Listing requirements

Throughout the year the Company complied with the conditions set out in the CISE Rules for Companies.

Going concern

The Board conducts regular assessments of Victus European Student Accommodation Fund's ("VESAF") operational and financial risks with reference to cash flow requirements, the debt position and the liquidity of its investments. Recognising that property investments are relatively illiquid, the policy of the Board is to maintain, where possible, cash balances equivalent to 10% of the net asset value as a contingency to meet investor redemption requests. The Board also maintains an ongoing dialogue with property agents so that it is able to identify and act upon attractive opportunities to sell assets at above carrying value as and when those opportunities may present themselves.

As at 31 August 2014 cash balances stood at £1,753,127, equivalent to 5.51% of net asset value at that date. As at the date of the most recently published NAV (27 February 2015), cash balances stood at £1,737,327, equivalent to 3.9% of net asset value. Cash balances are managed on a monthly basis in order to balance the need to maintain liquidity for potential redemptions with the goal of being fully invested to achieve target returns. VESAF has also fully drawn down current debt facilities which total £33,057,124 including interest payable.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the Consolidated Financial Statements were:

Andrew Henton
Gunther Gommes
Kerry-Anne Marais
James Metcalf
Andrew Jamieson (alternate Director to James Metcalf)

Directors' Report (continued)

Directors' fees

During the year, the Directors received the following remuneration in the form of fees:

	Year ended 31 August 2014	Period from 13 December 2012 to 31 August 2013
	£	£
Andrew Henton	**37,030**	18,342
Gunther Gommes	**32,030**	18,342
Kerry-Anne Marais	**32,030**	18,342
James Metcalf	**32,030**	18,342
Andrew Jamieson	**-**	-
	133,120	73,368

Directors' interests

The Directors did not hold any shares in the Company during the year ended 31 August 2014 (31 August 2013: nil), and subsequently.

Management

The Property Advisor of the Company is Crosslane Property Advisor (Guernsey) Limited and was appointed to provide all property investment advice to the Company in respect of property assets owned or to be acquired or developed. The Property Advisor is able to draw upon significant UK student accommodation experience and the Directors of the Company believe that the skills, experience and track record gained in the United Kingdom ("UK") are directly transferrable into the targeted European Union ("EU") markets that have been identified.

Corporate Governance

It is the Company's policy to follow best practice on good corporate governance applicable to the Company in line with the Code of Corporate Governance, issued by the Guernsey Financial Services Commission.

Anti-Bribery and Corruption

The Company adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003. In consideration of the recently enacted UK Bribery Act 2010 which came into force on 1 July 2011, the Board abhors bribery and corruption of any form and expects all the Company's business activities to be undertaken, whether directly by the Directors themselves or on the Company's behalf by third parties to be transparent, ethical and beyond reproach.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") became effective on 1 January 2013. The legislation is aimed at determining the ownership of assets of US persons in foreign accounts and improving US tax compliance with respect to those assets. The States of Guernsey has recently entered into an intergovernmental agreement ("IGA") with US Treasury in order to facilitate the requirements under FATCA and is currently in negotiations with regards to how this is to be implemented and, as a result, the impact this will have on the Company remains unknown. The Board is in the process of ensuring the Company complies with FATCA's requirements.

Alternative Investment Fund Managers Directive ("AIFMD")

The AIFMD, which was implemented across the EU on 22 July 2013 with a transition period ending 22 July 2014, aims to harmonise the regulation of Alternative Investment Fund Managers ("AIFMs") and imposes obligations on managers who manage or distribute Alternative Investment Funds ("AIFs") in the EU or who market shares in such funds to EU investors.

The Company is classified as a Non-EU Alternative Investment Fund ("Non-EU AIF") under AIFMD. The Company is self managing and therefore also acts as its own AIFM. However, by virtue of its size, the Company is deemed sub-threshold and is therefore exempt from the provisions of the AIFMD.

Independent Auditor

BDO Limited has expressed its willingness to continue in office. A resolution to re-appoint BDO Limited as Independent Auditor of the Company will be proposed at the next Annual General Meeting.

Secretary

JTC (Guernsey) Limited held the office of Secretary during the year, and subsequently.

On behalf of the Board

Andrew Henton
Director

Gunther Gommes
Director

31 March 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable Guernsey law and generally accepted accounting principles.

Guernsey company law requires the Directors to prepare Financial Statements for each financial period. Under that law, the Directors have elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law. ☐

Under Guernsey 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 Group and of the profit or loss of the Group for that year.

In preparing these Consolidated 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 IFRS as adopted by the EU have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements; and
- prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Financial Statements comply with the Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 1987. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that so far they are aware, there is no relevant audit information of which the Company’s auditor is unaware and each Director has taken all of the steps that he ought to have taken, to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor's Report
to the Members of Victus European Student Accommodation Fund IC Limited

We have audited the Consolidated Financial Statements of Victus European Student Accommodation IC Limited for the year ended 31 August 2014 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Change in Net Assets Attributable to holders of Redeemable Participating Shares, the Consolidated Statement of Cash Flows and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

This report is made solely to the parent company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work is undertaken so that we might state to the parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and auditor
As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Consolidated Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Consolidated Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the Consolidated Financial Statements
An audit involves obtaining evidence about the amounts and disclosures in the Consolidated Financial Statements sufficient to give reasonable assurance that the Consolidated Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Consolidated Financial Statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited Consolidated Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on the Consolidated Financial Statements
In our opinion the Consolidated Financial Statements:

- give a true and fair view of the state of the group's affairs as at 31 August 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company; or
- the Consolidated Financial Statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

BDO Limited
Chartered Accountants
Place du Pré
Rue du Pré
St Peter Port
Guernsey

31 March 2015

Consolidated Statement of Comprehensive Income
for the year ended 31 August 2014

	Notes	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Income			
Revenue	4	**1,494,787**	188,690
Property operating costs	11	**(763,087)**	(117,070)
Net rental income		**731,700**	71,620
(Loss)/gain on foreign exchange		**(865,522)**	7,630
Surplus on revaluation of investment properties			
- completed investment property	16	**400,590**	483,314
- property under development	17	**2,475,951**	892,623
Total income		**2,742,719**	1,455,187
Expenditure			
Administration fees	5	**189,607**	76,878
Formation expenses		**-**	32,144
Annual management charge	6	**425,152**	111,136
Reporting fees	6	**120,000**	-
Performance fees	6	**20,663**	81,664
Custodian's fees	7	**10,148**	5,014
Directors' fees	8	**133,120**	73,368
Property advisor's fees	9	**8,362**	9,318
Legal and professional fees		**220,080**	149,754
Other expenses	12	**294,198**	58,024
Total operating expenditure		**1,421,330**	597,300
Operating profit		**1,321,389**	857,887
Finance expenses	13	**(394,509)**	(71,922)
Movement in fair value of forward foreign exchange contracts	21	**(56,804)**	(46,520)
Movement in fair value of interest rate swap	21	**17,727**	(45,757)
Profit before tax		**887,803**	693,688
Tax expense	14	**(536,187)**	(215,898)
Profit for the financial year/period		**351,616**	477,790
Other comprehensive expense			
Items that may be subsequently reclassified to profit or loss:			
Foreign currency translation differences		**(463,772)**	(185,488)
Other comprehensive expense for the year/period		**(463,772)**	(185,488)
Total comprehensive (expense)/income for the year/period		**(112,156)**	292,302
Attributable to			
Holders of Redeemable Participating Shares		**(112,156)**	292,302
Earnings per share (basic and diluted)	15		
GBP - class A (GBP Pence per share)		**5.88**	5.54
EUR - class A (GBP Pence per share)		**(2.73)**	4.36
CHF - class A (GBP Pence per share)		**(0.23)**	3.06
USD - class A (GBP Pence per share)		**0.44**	0.96
GBP - class B (GBP Pence per share)		**5.80**	5.79
EUR - class B (GBP Pence per share)		**(2.27)**	5.58
CHF - class B (GBP Pence per share)		**3.39**	2.52
USD - class B (GBP Pence per share)		**2.43**	N/A

All of the items above derive from continuing operations.

The accompanying notes on pages 16 to 44 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position
As at 31 August 2014

	Notes	2014 £	2013 £
Non-current assets			
Completed investment property	16	**44,706,436**	10,215,524
Investment property under development	17	**30,929,290**	12,861,553
Total non-current assets		**75,635,726**	23,077,077
Current assets			
Trade and other receivables	18	**4,835,903**	2,185,104
Cash and cash equivalents		**1,753,127**	3,207,656
Forward foreign exchange derivative assets	21	**29,339**	7,961
Total current assets		**6,618,369**	5,400,721
Total assets		**82,254,095**	28,477,798
Equity			
Management Share	23	**1**	1
Total equity		**1**	1
Liabilities			
Current liabilities			
Borrowings	19	**13,179,419**	43,224
Trade and other payables	20	**16,500,935**	2,120,499
Forward foreign exchange derivative liabilities	21	**86,143**	54,481
Income tax	14	**26,452**	-
Total current liabilities		**29,792,949**	2,218,204
Non-current liabilities			
Borrowings	19	**19,877,705**	8,676,323
Interest rate swap derivative liabilities	21	**28,030**	45,757
Deferred tax liabilities	14	**725,633**	215,898
Total non-current liabilities		**20,631,368**	8,937,978
Total liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		**50,424,317**	11,156,182
Net assets attributable to holders of Redeemable Participating Shares	24	**31,829,777**	17,321,615
Net asset value per share	24		
GBP - class A (GBP per share)		**1.0756**	0.9878
EUR - class A (GBP per share)		**0.8341**	0.8409
CHF - class A (GBP per share)		**0.6925**	0.6844
USD - class A (GBP per share)		**0.6437**	0.6360
GBP - class B (GBP per share)		**1.1408**	1.0444
EUR - class B (GBP per share)		**0.8849**	0.8863
CHF - class B (GBP per share)		**0.6911**	0.6772
USD - class B (GBP per share)		**0.5903**	N/A

The Consolidated Financial Statements on pages 12 to 44 were approved and authorised for issue by the Board of Directors on 31 March 2015.

Signed on behalf of the Board

Andrew Henton	**Gunther Gommes**
Director	Director

The accompanying notes on pages 16 to 44 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Change in Net Assets Attributable to Holders of Redeemable Participating Shares
for the year ended 31 August 2014

	Notes	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Net assets attributable to holders of Redeemable Participating Shares at the beginning of the year/period		**17,321,615**	-
Proceeds from Redeemable Participating Shares issued	23	**17,893,181**	18,173,296
Redemption of Redeemable Participating Shares	23	**(2,618,437)**	(63,688)
Issuance costs	23	**(654,426)**	(1,080,295)
Profit for the financial year/period attributable to holders of Redeemable Participating Shares		**351,616**	477,790
Other comprehensive expense for the year/period attributable to holders of Redeemable Participating Shares		**(463,772)**	(185,488)
Net assets attributable to holders of Redeemable Participating Shares at the end of the year/period		**31,829,777**	17,321,615

The accompanying notes on pages 16 to 44 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows
for the year ended 31 August 2014

	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Profit for the financial year/period	**351,616**	477,790
Adjustment for:		
Finance expense	**394,509**	71,922
Movement in fair value of forward foreign exchange contracts	**56,804**	46,520
Movement in fair value of interest rate swaps	**(17,727)**	45,757
Taxation	**536,187**	215,898
Loss/(gain) on foreign exchange	**865,522**	(7,630)
Surplus on revaluation of investment properties	**(2,876,541)**	(1,375,937)
Operating cash flows before movements in working capital	**(689,630)**	(525,680)
Increase in trade and other receivables	**(2,650,799)**	(484,829)
Increase in trade and other payables	**607,313**	479,432
Net cash outflow from operating activities	**(2,733,116)**	(531,077)
Investing activities		
Purchase of investment properties	**(9,579,139)**	(9,180,178)
Subsequent expenditure on investment properties	**(190,250)**	(403,196)
Purchase of investment properties under development	**(8,061,256)**	(7,350,000)
Subsequent expenditure on investment properties under development	**(17,250,219)**	(3,569,803)
Net cash outflow from investing activities	**(35,080,864)**	(20,503,177)
Financing activities		
Proceeds on issues of shares	**18,224,281**	18,173,296
Payments on redemptions of shares	**(2,618,437)**	(63,688)
Issuance costs paid	**(654,426)**	(1,080,295)
Interest paid	**(1,518,475)**	(501,967)
Proceeds from borrowings	**23,621,131**	7,925,209
Repayment of borrowings	**(186,775)**	(32,792)
Net cash inflow from financing activities	**36,867,299**	24,419,763
(Decrease)/increase in cash and cash equivalents during the year/period	**(946,681)**	3,385,509
Cash and cash equivalents at start of the year/period	**3,207,656**	-
Exchange differences on cash and cash equivalents	**(507,848)**	(177,853)
Cash and cash equivalents at end of the year/period	**1,753,127**	3,207,656

The accompanying notes on pages 16 to 44 form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014

1 CORPORATE INFORMATION

Victus European Student Accommodation Fund IC Limited (the "Company") is an incorporated cell of Victus Capital ICC Limited (the "ICC"). The ICC is a Registered Open-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission. The Company was incorporated on 13 December 2012. The registered office of the Company and the ICC is shown on page 1.

The Company may issue an unlimited number of shares as either Management Shares or Redeemable Participating Shares. The Redeemable Participating Shares have been issued as A shares and B shares denominated in various currencies. On 4 March 2013, GBP Class A shares, EUR Class A shares, USD Class A shares, CHF Class A shares, GBP Class B shares and EUR Class B shares were listed on the Channel Island Stock Exchange ("CISX"). On 26 April 2013, CHF Class B shares were listed on the CISX. On 18 November 2013, USD Class B Shares were listed on the CISX. On 20 December 2013, the listings transferred over to the Channel Islands Securities Exchange ("CISE").

A shares are available to Retail Investors with minimum subscription amounts of GBP10,000, EUR10,000, CHF15,000 and USD15,000 respectively. A shares also incur a 5% sales and marketing allowance fee and exit fees. Further details are disclosed in note 6.

B shares are available to Institutional Investors with minimum subscription amounts of GBP1,000,000, EUR1,000,000, CHF1,500,000 and USD1,500,000 respectively. No sales and marketing allowance fees nor exit fees are payable on B shares.

The Company has been established to take advantage of the developing European student accommodation sector and will provide investors with exposure to this evolving market. The objective of the Company is to generate long term capital appreciation which will be achieved by investing in existing purpose-built student accommodation units, the conversion or renovation of existing commercial property units into modern student accommodation and the acquisition and development of new build opportunities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Consolidated Financial Statements (the "Financial Statements") are set out below.

2.1 Basis of preparation

The Financial Statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") which comprise standards and interpretations issued by the International Accounting Standards Board ("IASB"), and International Accounting Standards and Standing Interpretations approved by the International Financial Reporting Interpretation Committee ("IFRIC") that remain in effect and to the extent they have been adopted by the EU and in accordance with the applicable Guernsey law. The Financial Statements have been prepared on the historical cost basis as modified by the revaluation of investment properties and derivative instruments.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis. Judgements made by management in the application of IFRS that have a significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are disclosed in note 3.

2.2 Changes in accounting policies and disclosures

Application of new and revised International Financial Reporting Standards ("IFRS")

The following new/revised standards relevant to the Group were effective for the year ended 31 August 2014 and thus have been adopted in the preparation of these Financial Statements:

- Amendment to International Accounting Standard ("IAS") 1 'Presentation of Financial Statements - Presentation of Other Comprehensive Income'.
  The amendments to IAS 1 change the grouping of items presented in Other Comprehensive Income ("OCI"). Items that could be reclassified to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. In these Financial Statements items that can be reclassified and therefore are deemed to be OCI include: foreign exchange gains and losses arising from the translation of financial statements of a foreign operation and effective portion of gains and losses on hedging instruments in a cash flow hedge. Items that cannot be reclassified into profit or loss and therefore not deemed OCI include: changes in the revaluation of completed investment property.
- Amendment to IFRS 7 'Disclosures - Offsetting Financial Assets and Financial Liabilities'.
  The amendment clarifies the disclosure for all financial assets and financial liabilities which are offset in accordance with IAS 32 'Financial Instruments: Presentation'. The amendment requires the disclosure of the following in tabular form: the gross amounts of those recognised financial assets and recognised financial liabilities; the amounts that are off set when determining the net amounts presented in the statement of financial position; the net amounts presented in the Consolidated Statement of Financial Position; and the amounts subject to an enforceable master netting arrangement or similar agreement.
- IFRS 13, 'Fair Value Measurement'.
  IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures. Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures required are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is detailed in note 22.

New, revised and amended standards not yet adopted

At the date of approval of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:

- IFRS 10, 'Consolidated Financial Statements'. Applicable from 1 January 2013, EU endorsement does not commence until 1 January 2014.
- IFRS 12, 'Disclosure of Interests in Other Entities'. Applicable from 1 January 2013, EU endorsement does not commence until 1 January 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies and disclosures (continued)

New, revised and amended standards not yet adopted (continued)

- Amendments to IFRS 10, IFRS 12 and IAS 27, 'Exception from Consolidation for 'Investment Entities'. These amendments are effective for accounting periods commencing on or after 1 January 2013, EU endorsement does not commence until 1 January 2014.
- Amendments to IFRS 10, IFRS 12 and IAS 27, 'Investment Entities'. These amendments are effective for accounting periods commencing on or after 1 January 2013, EU endorsement does not commence until 1 January 2014.
- IFRS 3, 'Business Combinations'. Applicable for business combinations where the acquisition date is on or after 1 July 2014. EU endorsement is outstanding.
- Amendment to IAS 32, 'Offsetting Financial Assets and Financial Liabilities'. This amendment is effective for accounting periods commencing on or after 1 January 2014.
- Amendment to IFRS 13, 'Fair Value Measurement'. This amendment is effective for accounting periods commencing on or after 1 July 2014, EU endorsement is outstanding.
- IAS 24, 'Related Party Disclosures'. This amendment is effective for accounting periods commencing on or after 1 July 2014, EU endorsement is outstanding.
- IFRS 9, 'Financial Instruments'. Effective for accounting periods commencing on or after 1 January 2018.
- Amendments to IFRS 7 and IFRS 9 'Mandatory Effective Date and Transition Disclosures'. These amendments are effective for accounting periods commencing on or after 1 January 2015.
- Amendment to IAS 40, 'Investment Property'. This amendment is effective for accounting periods commencing on or after 1 July 2014, EU endorsement is outstanding.

These standards and interpretations will be adopted when they become effective.

The Directors anticipate that the adoption of these standards and interpretations in future periods will not have a material impact on the Financial Statements of the Group, with the exception of IFRS 9.

IFRS 9, "Financial Instruments" (effective for accounting periods commencing on or after 1 January 2018). IFRS 9 reflects the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. This will have an effect on the classification and measurement of the Company's financial assets, but is not expected to have any impact on classification and measurement of financial liabilities.

2.3 Consolidation

The Financial Statements of the Group incorporate the Financial Statements of the Company and the entities controlled by the Company (subsidiaries) made up to 31 August 2014. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date control is transferred to/from the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Where necessary, accounting policies of subsidiaries are changed to ensure consistency of accounting policies across the Group.

Where properties were acquired through a corporate acquisition, consideration was given to whether this represented a business. Where there were no significant assets or liabilities other than property, the acquisition was treated as an asset acquisition.

Details of the subsidiary undertakings which the Company held as at 31 August 2014 are as follows:

Name of subsidiary undertaking	**Holding**	**Country of incorporation**	**Principal activity**
Victus Holdings (Guernsey) Limited	100%	Guernsey	Holding Company
Victus Holdings (Europe) S.à.r.l.	100%	Luxembourg	Holding Company
Victus (Guernsey) 1 Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 1 Developments Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 2 Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 2 Developments Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 3 Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 4 Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 4 Developments Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 5 Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 5 Developments Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 6 Limited	100%	Guernsey	Property Investment
Victus (Guernsey) 6 Management Company Limited (formerly Victus (Guernsey) 6 Developments Limited)	100%	Guernsey	Property Investment
St Lawrence Manco Limited	100%	United Kingdom	Management Company*
CBC Acquico 1 S.à.r.l	100%	Luxembourg	Property Investment
CBC Acquico 2 S.à.r.l	100%	Luxembourg	Property Investment
FHC Chambery	100%	France	Property Investment

* Dormant as at 31 August 2014.

Post year end changes to the Group structure are detailed in note 30.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Operating segments

The Directors have considered the requirements of IFRS 8 'Operating Segments'. The Company is open-ended with all subscriptions and redemptions of shares being directly dealt with by the Company. As a result the Company is outside the scope of IFRS 8.

2.5 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of each of the Group entities are measured in the currency of the primary economic environment in which the entity operates (the "functional currency"). The Consolidated Financial Statements are presented in Sterling ("£" or "GBP").

(b) Transactions and balances

Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end date, monetary assets and liabilities that are denominated in foreign currencies are revalued at the rates prevailing at the year end date. Non-monetary assets and liabilities carried at fair value which are denominated in foreign currencies are revalued at the rates prevailing at the date when the fair value was determined. Gains and losses arising on revaluation are recognised in the Consolidated Statement of Comprehensive Income.

(c) Foreign exchange on consolidation

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the year end date. Income and expenses are translated at the average exchange rates for the period unless exchange rates fluctuate significantly, in which case items of income and expenditure are translated at the rate ruling on the date of the transaction. Exchange differences arising, if any, are recognised as other comprehensive income in the Consolidated Statement of Comprehensive Income and are transferred to the Group's translation reserve. Such translation differences are included in Consolidated Statement of Comprehensive Income in the period in which the operation is disposed.

2.6 Income and property operating costs

Income comprises rental revenues. Rental revenues are accounted for on a straight-line basis in the Consolidated Statement of Comprehensive Income. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably. Direct expenses incurred in relation to completed investment property and property under development ("Property operating costs") are included within income in the Consolidated Statement of Comprehensive Income in order to disclose the net rental income generated by the properties.

Property operating costs comprise property management fees, insurance and operational expenses, see note 11 for further details.

2.7 Expenses

Expenses are recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of property are added to the costs of those assets until such times as the assets are substantially ready for their intended use. The capitalisation rate is arrived at by reference to the actual rate payable on borrowing acquired for the targeted property, or with regard to an acquisition financed out of general borrowings to the average rate. All other borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.9 Finance costs

Finance costs comprise loan interest, loan arrangement fees and debt arrangement fees. All finance costs arise on financial liabilities measured at amortised cost using the effective interest rate method. Loan interest, loan arrangement fees and debt arrangement fees are initially capitalised against the property under development. When the costs arise on completed investment property, these costs are amortised and released to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the associated loan.

2.10 Taxation

The Company has applied for and gained tax exempt status in Guernsey. Current tax arising in jurisdictions other than Guernsey is based on taxable profit for the period and is calculated using tax rates that have been enacted or substantially enacted. The Company has subsidiary undertakings in Guernsey, United Kingdom, Luxembourg, France and the Company holds German assets via Luxembourg registered companies.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other periods or that are never taxable or deductible.

Deferred tax is the tax arising on differences on the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. 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 taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Completed investment property

Properties which are occupied, or are ready to be occupied, are classified as "completed investment property". These properties are held for the long-term, to earn rentals and/or for capital appreciation and are stated at fair value at the period end date. Fair value is determined as the market value as determined by professionally qualified independent external valuers (see note 22 for further details). Gains or losses arising from changes in fair value of investment property are included in the Consolidated Statement of Comprehensive Income for the year in which they arise.

Realised gains or losses on disposal of completed investment properties are recognised in the Consolidated Statement of Comprehensive Income in the year the disposal takes place.

2.12 Investment property under development

Property that is in the process of being constructed or developed for future use as investment property is classified as "investment property under development" and stated at its fair value as at the year end date. All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure for the development are capitalised as part of the cost. Fair value is determined by the Directors giving consideration to the anticipated capital expenditure required to complete the development project, compared with the valuation as provided by the Valuation agent (see note 22 for further details). Gains or losses arising from changes in fair value of investment property are included in Consolidated Statement of Comprehensive Income for the year in which they arise. Further explanation of the use of estimates in arriving at the fair value of investment property under development is detailed in section 3.2 below and note 22. On practical completion of the property, investment property under development is transferred to completed investment property.

Certain borrowing costs are capitalised against investment property under development. Any subsequent expenditure on completed investment properties is expensed in the Consolidated Statement of Comprehensive Income in the year in which they arise.

2.13 Financial assets

2.13.1 Classification

The Group classifies its financial assets as held for trading and loans and receivables. The classification depends on the nature and purpose for which the financial assets are used and is determined at the time of initial recognition by Management. The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the assets was acquired.

Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for the transactions. The Group has not classified any of its financial assets as fair value through profit or loss or held to maturity or available for sale. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

(a) Financial assets held for trading
Financial assets held for trading comprises "in the money" financial derivatives.

(b) Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise trade and other receivables and also incorporate other types of contractual monetary assets.

2.13.2 Recognition and measurement

Purchases and sales of financial assets are recognised on the trade date (the date on which the Group commits to purchase or sell the asset). Loans and receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition, and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The effect of discounting on these financial assets is not considered to be material.

"In the money" financial derivatives are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognised in the Consolidated Statement of Comprehensive Income. The fair value of the Group's derivatives are detailed in note 21 and are valued in accordance with note 22.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, such impairments directly reduce the carrying amount of the impaired assets and are recognised against the relevant income category in the Consolidated Statement of Comprehensive Income.

Financial assets (in whole or in part) are derecognised either:
• when the Group has transferred substantially all the risks and rewards of ownership; or
• when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the asset or a portion of the asset; or
• when the contractual right to receive cash flow has expired.

Fair value is defined as the amount for which an asset or liability could be exchanged between knowledgeable willing parties in an arm's length transaction.

Gains or losses arising from changes in the fair value of the forward foreign exchange derivative assets and liabilities and interest rate swap derivative liabilities are presented in the Consolidated Statement of Comprehensive Income in the year in which they arise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial liabilities

Financial liabilities consist of trade and other payables, borrowings, interest rate swaps, forward foreign exchange contracts and Redeemable Participating Shares. The Group classifies its financial liabilities as financial liabilities at fair value, held for trading, or financial liabilities measured at amortised cost depending on the purpose for which the liability was issued and its characteristics. All financial liabilities are initially recognised at fair value net of transaction costs incurred.

Although the Group uses derivative instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions. All purchases of financial liabilities are recorded on the trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

2.14.1 Financial liabilities held for trading

This category comprises only "out of the money" financial derivatives. They are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognised in the Consolidated Statement of Comprehensive Income. The fair value of the Group's derivatives are detailed in note 21 and are valued in accordance with note 22.

2.14.2 Financial liabilities measured at amortised cost

These include trade and other payables and borrowings. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. Borrowings are initially recognised at fair value net of attributable transaction costs incurred. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

2.14.3 Redeemable Participating Shares

In accordance with the revised IAS 32, Redeemable Participating Shares are required to be shown as liabilities rather than as part of Shareholders' funds, owing to the fact that holders of Redeemable Participating Shares are entitled on each dealing day to request a redemption of their holdings and that they are not the most subordinated share class, this being the Management Share.

The liabilities arising from the Redeemable Participating Shares are carried at the redemption amount, being the net asset value calculated in accordance with IFRS.

The Company issues shares at the net asset value of the existing Redeemable Participating Shares. The holder of Redeemable Participating Shares can redeem them, in accordance with redemption requirements as set out in the Information Memorandum, for cash equal to the Company's net asset value per Redeemable Participating Share.

The Company's net asset value per Redeemable Participating Share is calculated by dividing the net assets attributable to Redeemable Participating Shareholders (calculated in accordance with redemption requirements as set out in the Information Memorandum) by the number of shares in issue.

Incremental costs directly attributable to the issue of new Redeemable Participating Shares are shown in share premium as a deduction from the proceeds. See note 23 for further details.

2.14.4 Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Consolidated Statement of Comprehensive Income.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.16 Management Share

The Management Share is non-redeemable and classified as equity.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision only affects that year, or in the year of the revision and future years if the revision affects both current and future years. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Completed investment property

The gross property value is the price that would be received from selling an asset in an orderly transaction between market participants as at the measurement date. Transaction costs normally borne by the seller are not deducted in arriving at gross property value, in accordance with IAS 40. The fair value is calculated by deducting the costs normally borne by the purchaser from the gross property value. Fair value is not intended to represent the liquidation value of the property, which would be dependant upon the price negotiated at the time of sale less any associated selling costs. The fair value is largely based on estimates using property appraisal techniques and other valuation methods as outlined below. Such estimates are inherently subjective and actual values can only be determined in a sales transaction.

The Group's valuers derive the fair value by applying the methodology and valuation guidelines as set out by the Royal Institution of Chartered Surveyors in the United Kingdom in accordance with IFRS. The method used was the investment method and the key assumptions driving the valuations include rental income, operating expenditure, occupancy and investment yields, see note 22 for more details on these assumptions. As at 31 August 2014 the carrying amount of investment property is £44,706,436 (2013: £10,215,524).

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

3.2 Investment property under development

In arriving at the carrying value of such developments, the Directors have given consideration to the anticipated capital expenditure required to complete the development project, compared with the valuation as provided by the Valuation agent. Existing development projects are subject to a Development Management and Advisory Services Agreement (the "Development Agreement") whereby Crosslane Property Advisor (Guernsey) Limited ("CPA(G)L") shall co-ordinate and oversee the detailed design, development and negotiation of the building contract with the building contractor and developer. In return for these services, CPA(G)L shall be remunerated by way of a Land Development Management Fee (the "LDMF") whereby they shall receive a fee equal to an agreed percentage (ranges between 95% and 99%) of the Open Market Value of the Property at Practical Completion ("PC") less development costs, initial land valuation, developer's fee as well as an agreed return of 12% to the Group for amounts paid towards development costs from the Group's own equity. In this regard, any anticipated LDMF payable upon PC has been considered by the Directors in arriving at their valuation of Investment Properties under Development. Such LDMF is accrued on a basis that represents the stage of completion. Investment property under development is valued using a recognised valuation technique to reflect the stage reached in construction and the costs already incurred, see note 22 for more detail on these assumptions. As at 31 August 2014 the carrying amount of investment property under development is £30,929,290 (2013: £12,861,553).

3.3 Income and deferred tax

The Group is subject to income and capital gains taxes in numerous jurisdictions. Significant judgement is required in determining the total provision for income and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the income and deferred tax provisions in the period in which the determination is made.

3.4 Fair value of derivative contracts

The Group estimates fair values of derivative contracts based on valuation techniques. These techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. The forward foreign exchange contracts are accounted for when any contract becomes binding and are valued in the Consolidated Statement of Financial Position at the period end present value of the quoted forward price. Realised and unrealised gains and losses are included in the Consolidated Statement of Comprehensive Income. The interest rate swap has been valued by reference to third party quotes. The Directors believe these methods to be the best estimate of fair value. See note 22 for further information.

4 OPERATING LEASE REVENUE

Revenue consists of rental income. The Group accounts for its tenancy contracts offered to individual student tenants as operating leases. The renting of student accommodation is short-term with contracts lasting for a period of less than 12 months. The future minimum lease payments under operating leases within 1 year is £3,799,719 (31 August 2013: £790,622). Revenue derived from operating leases for the year ended 31 August 2014 amounted to £1,494,787 (2013: £188,690) of which £285,996 was due at the year end (2013: £nil).

5 ADMINISTRATION FEES

In respect of its duties as administrator, secretary and registrar of the Company, JTC (Guernsey) Limited (the "Administrator") receives an annual fee calculated and accrued as at each relevant Dealing Day, being the second business day of each calendar month, and payable by the Company in arrears on or before the fifteenth business day in the month following the relevant Dealing Day. The fee is based on the Gross Net Asset Value less any fees (except for the Performance Fee), due at the relevant valuation point (the "Preliminary Net Asset Value") of the Notional Shares used for the allocation of shares classes into the participating portfolio, at the following rates, and is subject to a minimum fee of £35,000 per annum plus disbursements:

- 0.11% per annum of the Preliminary Net Asset Value up to £100,000,000;
- 0.085% per annum of the Preliminary Net Asset Value amount in excess of £100,000,000 and up to £250,000,000;
- 0.06% per annum for the amount of Preliminary Net Asset Value amount in excess of £250,000,000 will apply.

In addition to the fees detailed above, the Administrator also receives a set administration fee of £5,000 per annum (2013: £5,000) for each active Share Class of the Company which is not payable until the first shares have been issued in respect of each Share Class.

The fees are allocated pro-rata between all active classes based on the proportion that the Net Asset Value ("NAV") of the Class represents to the NAV of the Company.

The Company pays the Administrator a fixed fee of £6,000 per annum (2013: £6,000) to undertake the administration of the foreign exchange hedging transactions on the absolute instruction of Crosslane Fund Managers LLP (the "Promoter"). Such fees do not become payable until the first hedging transaction has been arranged. The Administrator is entitled to receive a property transaction fee of £2,000 per transaction (2013: £2,000) in respect of every acquisition of property by the Company or any subsidiary. The Administrator is also entitled to receive an additional one-off fee of £2,000 (2013: £2,000) in respect of each subsidiary established to hold property assets of the Company, payable at the date of incorporation and an annual fee of £3,000 per annum (2013: £3,000) in respect of each subsidiary thereafter.

For the year ended 31 August 2014, the Administrator was entitled to fees totalling £189,607 (2013: £76,878) of which £40,911 is outstanding at the year end (2013: £6,041).

6 PROMOTER'S FEES

Annual Management Charge
The Promoter receives an Annual Management Charge of 1.5% of the NAV per annum, calculated at a rate of 0.125% of the NAV per month, this is charged to the Company and is payable monthly in arrears. For the year ended 31 August 2014, the Promoter was entitled to an annual management charge of £425,152 (2013: £111,136) of which £86,468 is outstanding at the year end (2013: £23,440).

Performance Fee
The Promoter is entitled to a performance fee of 20% of the amount by which the Preliminary Net Asset Value per Notional Share exceeds both, (i) the High Water Mark and (ii) the Hurdle. The Performance Fee charged at the Participating Portfolio level is reflected in the NAV. This method of calculation ensures that (1) any Performance Fee paid to the Promoter is charged only if the management of the core objectives of the Company has resulted in an appreciation in value, and (2) the gain or loss of Share Class hedging is not considered as an over or under performance.

The Performance Fee is calculated on each Dealing Day falling in the respective Financial Year (a "Performance Period"). The Performance Fee is deemed to accrue at each Valuation Point. Pursuant to the Information Memorandum, the Valuation Point is midnight in Guernsey on the last Business Day of each calendar month or such other time as the Directors may determine.

The high water mark ("High Water Mark" or "HWM") for each Performance Period is:

- in respect of the first Performance Period, and the second Performance Period if no Performance Fee was due in the first Performance Period, the Initial Subscription Price of the Notional Share; and
- once a Performance Fee is paid, the NAV of the Notional Share on the last Valuation Day of the Performance Period in respect of which a Performance Fee was last paid; and
- after two consecutive Performance Periods without a Performance Fee crystallisation, the higher of the average NAV of the Notional Share over the past two Performance Periods or the initial Subscription Price of the Notional Shares.

The Hurdle is determined by reference to the following formula: High Water Mark multiplied by 1 plus the Hurdle Rate and where there is no positive performance in the first year of a performance period, this may be extended to two years with compounding being applied in the second year.

The Hurdle Rate ("Hurdle Rate"), expressed as a percentage, for each Performance Period is 10%.

If the Promoter Agreement is terminated during a Performance Period, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period.

For the year ended 31 August 2014, the Promoter was entitled to a performance fee totalling £20,663 (2013: £81,664) all of which is outstanding at the year end (2013: £81,664).

Debt Arrangement Fee
The Promoter will receive a debt arrangement fee of an amount equal to 1.5% of any debt agreed to be lent to the Group to complete an acquisition or to fund any development costs or fee in relation to any property investments held or to be acquired by the Group. The fee shall be payable as soon as monies are drawn down from a lender. The debt arrangement fee is amortised over the term of the relevant loan and is capitalised against property whilst the property is under development. When the property is completed or is in relation to a completed property the amount is released to the Consolidated Statements of Comprehensive Income. See note 27 for amounts incurred in the current year and preceding period.

Equity Arrangement Fee
The Promoter is entitled to receive an equity arrangement fee equal to 3% of the equity provided by the Company towards any development costs incurred under a Development Management Agreement or the purchase of land that is not funded by Debt Finance provided that the Company receives a rate of return thereon at a rate that is set out in the relevant heads of terms or as otherwise agreed between the Company and the Promoter. The equity arrangement fees are capitalised against property in the period that they are incurred and are excluded from the LDMF calculation. See note 27 for amounts incurred in the current year and preceding period.

Financial Fee
The Promoter will be reimbursed for its reasonable actual costs incurred by it in providing financial performance data to the Administrator or the Company as they shall request for the year ended 31 August 2014 was not entitled to any reimbursements (period ended 31 August 2013: £nil).

Reporting fees
Pursuant to the terms of the Supplemental Agreement to the promoter agreement dated 12 September 2013, the promoter will, for a period of twelve months commencing on the date of the agreement, provide quarterly performance reports to the Board. For providing this service, the Company will pay the promoter £10,000 per month for the period of twelve months commencing on the date of the agreement. For the year ended 31 August 2014, £20,000 is outstanding (2013: £nil).

Sales and Marketing Allowance
The Promoter will be entitled to receive an initial sales and marketing allowance calculated as 5% of the gross amount invested by subscribers in A Shares. The sales and marketing allowance is offset against share premium in the period the allowance is incurred.

7 CUSTODIAN'S FEES

The Custodian's fee is 0.03% of the NAV of the Company, calculated and accrued as at each dealing date, subject to a minimum fee of £10,000 per annum and transaction fees of £30 per transaction. The Custodian also charged an initial set up fee of £5,000.

For the year ended 31 August 2014, the Custodian was entitled to fees totalling £10,148 (2013: £5,014) of which £1,729 is outstanding at the year end (2013: £822).

8 DIRECTORS' FEES

Each Director of the Company is entitled to receive out of the assets of the Company a fee of £15,000 per annum with the Chairman receiving an additional £5,000, plus £2,500 per annum for each property holding subsidiary utilised by the Company (capped at a total of £50,000 per Director per annum). In addition, a daily fee of £750 will be paid for any days worked resulting from exceptional travel or work in relation to the Company. The aggregate remuneration payable to the Directors, exclusive of any exceptional daily fee as referred to above, from the Company in respect of each financial year shall not exceed £250,000.

For the year ended 31 August 2014, the Directors were entitled to fees totalling £133,120 (2013: £73,368) of which £64,351 is outstanding at the year end (2013: £20,712).

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014 (continued)

9 PROPERTY ADVISOR'S FEES

Crosslane Property Advisor (Guernsey) Limited (the "Property Advisor") provides property services to the Company on every transaction and makes recommendations to the Company in line with the Company's objectives. In return, the Property Advisor will receive a transactional fee of 1% of the acquisition and disposal price of each property asset. Where the Company acquires land, the Property Advisor will receive a fee of 2% of the land purchase price. Where the Company enters into a forward purchase agreement with a vendor the Property Advisor receives a fee of 3% of any loan amount also entered into pursuant to those agreements.

For the year ended 31 August 2014, the Property Advisor was entitled to fees totalling £346,884 (2013: £266,506) of which £346,884 was capitalised against property and the remaining £8,362 expensed in the Consolidated Statement of Comprehensive Income. At the reporting date £122,500 remains outstanding (2013: £nil), see note 27 for further details.

The agreements entered into by the Company and the Property Advisor will include a Development Management Fee for the Property Advisor of 10% of defined development costs and professional fees. In addition, there will be an overage profit due to the Property Advisor, where the increase in value after all costs is shared equally between the Property Advisor and the Company. In the case where the Company acquires land and enters into a Land Development Management Agreement to develop that land, the Property Advisor will receive a Land Development Management Fee which is equivalent to the residual amount of increased value of the Property Investment after the Company has taken into consideration the purchase of the land, all development costs including fees and an agreed return to the Company. Such LDMF is accrued on a basis that represent the stage of completion and capitalised as part of property costs, see note 20 for amounts accrued as at 31 August 2015.

10 PROPERTY MANAGEMENT FEES

In consideration of its services under its Property Management Agreement, Prime Student Living Limited (the "Property Manager") will receive 6.25% of the total annual rent and other income received in respect of each Property. In the case where its services are required ahead of a completion of an acquisition the Property Manager will receive a fixed mobilisation fee of £10,000. In addition, a daily fee of £500 will be paid to attend meetings at the Company's request.

For the year ended 31 August 2014, the property manager was entitled to fees totalling £95,806 (2013: £1,706) of which £14,620 is outstanding at the year end (2013: £nil) Details of fees paid and amounts outstanding to the Property Manager are detailed in note 27.

11 PROPERTY OPERATING COSTS

	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Property management fees	**95,806**	1,706
Operational expenses	**573,333**	104,007
Insurance costs	**93,948**	11,357
	763,087	117,070

Operational expenses comprise electricity, repairs and servicing, security, broadband, maintenance and cleaning.

Direct expenses incurred in relation to the investment properties that generated rental income during the year is £691,935 (2013: £32,565).

12 OTHER EXPENSES

	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Advertising expenses	**31,808**	-
Audit fees	**111,500**	24,500
Bank charges	**17,902**	3,365
Listing fees	**4,442**	1,342
Travel expenses	**34,562**	41
Valuation agent fees	**76,688**	3,900
Miscellaneous expenses	**17,296**	24,876
	294,198	58,024

The Group has no employees. The Directors are the only key personnel of the Group, details of the amounts the Directors received in the form of remuneration is disclosed in note 8.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014 (continued)

13 FINANCE EXPENSES

	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Loan interest	**321,593**	64,439
Loan arrangement fees	**53,022**	4,276
Debt arrangement fees	**19,894**	3,207
	394,509	71,922

The above finance expenses arise on financial liabilities measured at amortised cost using the effective interest rate method. In accordance with the Group's accounting policies certain borrowing costs have been capitalised (see note 17).

14 TAX EXPENSE

Victus European Student Accommodation Fund IC Limited is an open-ended investment scheme and is therefore exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance (Amendment), 1989. As such, the Company was only liable to pay a fixed annual fee, currently £600 (2013: £600). The Group is liable to foreign tax arising in the overseas activities including Luxembourg and the United Kingdom. Other than the deferred tax charge no taxation arose on its subsidiaries for the year (2013: £nil).

The tax charge for the year comprises:	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Current tax:		
Luxembourg taxation	**26,452**	-
Deferred tax:		
Taxable temporary differences on recognition of future disposals of properties at fair value	**509,735**	215,898
Income tax expense reported in the Consolidated Statement of Comprehensive Income	**536,187**	215,898
Profit for the year/period before tax from continuing operations	**887,803**	693,688
At Guernsey's statutory income tax rate of 0% (2013: 0%)	-	**-**
At Luxembourg's statutory income tax rate of 29.22% (2013: 29.22%)	**26,452**	**-**
Temporary differences (below)	**509,735**	215,898
Income tax recognised in the Consolidated Statement of Comprehensive Income	**536,187**	215,898

Deferred taxation	**Consolidated Statement of Financial Position**		**Consolidated Statement of Comprehensive Income**	
	2014	2013	**Year ended 31 August 2014**	Period from 13 December 2012 to 31 August 2013
Deferred tax liability	**£**	£	**£**	£
Revaluation of investment property to fair value	**725,633**	215,898	**509,735**	215,898
	725,633	215,898	**509,735**	215,898

15 EARNINGS PER SHARE (BASIC AND DILUTED)

The basic and diluted profits per Redeemable Participating Share for the Company are based on the profit for the year/period and on the total weighted average number of shares in issue for that year/period. Profit is attributable to the share classes after deducting share class specific expenditure and deducting the remaining expenses on a weighted average basis.

	Profit for the year (Currency)	**Profit for the year £**	**Weighted average number of shares in issue**	**Earnings per share (Currency)**	**Earnings per share £ (pence)**
Year ended 31 August 2014					
GBP - Class A	**382,493**	**382,493**	**6,508,401.00**	**5.88**	**5.88**
EUR - Class A	**(344,208)**	**(293,618)**	**10,768,724.00**	**(3.20)**	**(2.73)**
CHF - Class A	**(7,351)**	**(5,099)**	**2,245,767.00**	**(0.33)**	**(0.23)**
USD - Class A	**26,951**	**17,386**	**3,932,628.00**	**0.69**	**0.44**
GBP - Class B	**216,398**	**216,398**	**3,733,909.00**	**5.80**	**5.80**
EUR - Class B	**(18,060)**	**(15,406)**	**679,766.00**	**(2.66)**	**(2.27)**
CHF - Class B	**7,776**	**5,394**	**159,288.00**	**4.88**	**3.39**
USD - Class B	**68,315**	**44,068**	**1,809,830.00**	**3.77**	**2.43**
		351,616			

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014 (continued)

15 EARNINGS PER SHARE (BASIC AND DILUTED) (continued)

	(Currency)	£		Earnings per share (Currency)	Earnings per share pence
Period from 13 December 2012 to 31 August 2013					
GBP - Class A	134,826	134,826	2,431,725.35	5.54	5.54
EUR - Class A	161,978	138,171	3,166,064.61	5.12	4.36
CHF - Class A	43,394	30,101	982,758.62	4.42	3.06
USD - Class A	16,756	10,809	1,130,051.90	1.48	0.96
GBP - Class B	147,914	147,914	2,554,700.72	5.79	5.79
EUR - Class B	17,870	15,244	273,396.10	6.54	5.58
CHF - Class B	1,045	725	28,735.63	3.64	2.52
		477,790			

Subsequent to the year end further shares have been issued as detailed in note 30.

16 COMPLETED INVESTMENT PROPERTY

	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Opening balance	**10,215,524**	-
Acquired	**13,692,753**	9,590,335
Subsequent expenditure	**190,250**	141,875
Surplus on revaluation	**400,590**	483,314
Exchange differences on translation of foreign currencies	**(867,681)**	-
Transfers from investment property under development	**21,075,000**	-
Closing balance	**44,706,436**	10,215,524

The Directors have engaged Savills (UK) Limited, Chartered Surveyors, as valuers of the investment properties. The properties' fair value have been based on these valuations (see note 22 for further details).

As at 31 August 2014 the Group owned the following completed investment property:

- Student housing accommodation at Keiller Court, 66 Horsewater Wynd, Dundee, Scotland, United Kingdom (Victus (Guernsey) 3 Limited).
- Student housing accommodation at 105/106 Eichenstrasse, 26131 Oldenburg, Germany (CBC Acquico 1 S.à.r.l.).
- Student housing accommodation at 29/31 Martinsburg, D-49078 Osnabrück, Germany (CBC Acquico 2 S.à.r.l.).
- Student housing accommodation at 73370 Le Bourget-du-Lac, Chambery, France (FHC Chambery).
- Student housing accommodation at Pitt Street, Newcastle, England, United Kingdom (Victus (Guernsey) 1 Limited.

For further details regarding the security held against Investment Property in respect of borrowing facilities of the Group see note 19. The property held by FHC Chambery is the only asset above which is not secured. The fair value of the property held by FHC Chambery as at 31 August 2014 is £7,686,436 (€9,710,000).

Subsequent to the year end, the Group acquired additional completed investment property. See note 30 for further details.

17 INVESTMENT PROPERTY UNDER DEVELOPMENT

	Year ended 31 August 2014 £	Period from 13 December 2012 to 31 August 2013 £
Opening balance	**12,861,553**	-
Acquired	**12,015,030**	7,918,523
Subsequent expenditure	**22,301,223**	3,701,312
Capitalised interest and amortised costs (see note 13)	**2,350,533**	349,095
Surplus on revaluation	**2,475,951**	892,623
Transfers to completed investment property	**(21,075,000)**	-
Closing balance	**30,929,290**	12,861,553

17 INVESTMENT PROPERTY UNDER DEVELOPMENT (continued)

The Directors have engaged Savills (UK) Limited, Chartered Surveyors, as valuers of the investment properties under development. The Directors have determined the fair value of the investment property under construction with reference to the valuer's valuation at the year end date as detailed in note 22.

As at 31 August 2014 the Group owned the following development properties:

- Student housing accommodation at 10 Anchor Road, Bristol, England, United Kingdom (Victus (Guernsey) 2 Limited)
- Student housing accommodation at Vauxhall Road, Liverpool, England, United Kingdom (Victus (Guernsey) 4 Limited)
- Student housing accommodation at Pitt Street, Newcastle, England, United Kingdom (Victus (Guernsey) 5 Limited)
- Student housing accommodation at St Lawrence, Bristol, England, United Kingdom (Victus (Guernsey) 6 Limited)

For further details regarding the security held against Investment Property in respect of borrowing facilities of the Group see note 19.

In September 2014, Anchor Road reached Practical Completion and was transferred to completed investment property.

The below table outlines the budget for each development project, the amounts spent on those properties at 31 August 2014 and the expected future outflows. The Pitt Street budget has not been revised to reflect actual and expected overspend.

31 August 2014

Property	**Budgeted costs**	**Spent to date**	**Expected future outflows**
	£	**£**	**£**
Anchor Road	**6,954,239**	**6,954,239**	**-**
Vauxhall Road	**13,304,974**	**2,786,270**	**10,518,704**
Pitt Street II	**10,315,788**	**1,842,315**	**8,473,473**
St Lawrence	**8,267,524**	**268,739**	**7,998,785**
Total	**38,842,525**	**11,851,563**	**26,990,962**

31 August 2013

Property	Budgeted costs	Spent to date	Expected future outflows
	£	£	£
Pitt Street	10,620,022	2,030,218	8,589,804
Anchor Road	6,925,053	466,701	6,458,352
Total	17,545,075	2,496,919	15,048,156

18 TRADE AND OTHER RECEIVABLES

	2014	2013
	£	£
VAT receivable	**2,771,149**	713,093
Third party deposit accounts	**641,845**	1,333,029
Other receivables	**1,006,385**	34,971
Prepayments	**130,528**	104,011
Accrued income	**285,996**	-
	4,835,903	2,185,104

The third party deposit accounts consist of monies held by third parties on behalf of the Group towards contractual development costs and property management income and expenditure.

The Directors have assessed that none of the receivables are past due, renegotiated or impaired and as such all of the receivables are expected to be recovered.

19 BORROWINGS

Lender	2014 £ Loan Principal	2014 £ Accrued Interest	2014 £ Impact of effective interest calculation	2014 £ Carrying amount
Non-current Portion				
AREO S.à.r.l	**3,975,044**	**40,513**	**(75,044)**	**3,940,513**
The Co-operative Bank p.l.c	**6,764,041**	**131,458**	**(160,248)**	**6,735,251**
Deutsche Genossenschafts-Hypothekenbank Aktiensgesellschaft	**5,471,666**	**-**	**(118,901)**	**5,352,765**
National Westminster Bank p.l.c	**2,883,821**	**-**	**(59,741)**	**2,824,080**
Titlestone Property Lending	**993,255**	**16,753**	**15,088**	**1,025,096**
	20,087,827	**188,724**	**(398,846)**	**19,877,705**
Current Portion				
AREO S.à.r.l	**5,500,000**	**1,241,270**	**(187,800)**	**6,553,470**
The Co-operative Bank p.l.c	**935,000**	**-**	**(62,026)**	**872,974**
Deutsche Genossenschafts-Hypothekenbank Aktiensgesellschaft	**116,652**	**26,981**	**(34,746)**	**108,887**
National Westminster Bank p.l.c	**145,304**	**15,708**	**(22,388)**	**138,624**
Titlestone Property Lending	**5,529,172**	**295,889**	**(319,597)**	**5,505,464**
	12,226,128	**1,579,848**	**(626,557)**	**13,179,419**
Total loans payable	**32,313,955**	**1,768,572**	**(1,025,403)**	**33,057,124**

Lender	2013 £ Loan Principal	2013 £ Accrued Interest	2013 £ Impact of effective interest calculation	2013 £ Carrying amount
Non-current Portion				
AREO S.à.r.l.	5,500,000	246,031	(1,624)	5,744,407
The Co-operative Bank p.l.c	-	-	(144,815)	(144,815)
Titlestone Property Lending	212,392	3,058	(86,025)	129,425
National Westminster Bank p.l.c	3,029,435	-	(82,129)	2,947,306
	8,741,827	249,089	(314,593)	8,676,323
Current Portion				
AREO S.à.r.l.	-	-	(23,833)	(23,833)
The Co-operative Bank p.l.c	-	-	23,246	23,246
Titlestone Property Lending	-	-	(87,297)	(87,297)
National Westminster Bank p.l.c	137,773	15,723	(22,388)	131,108
	137,773	15,723	(110,272)	43,224
Total loans payable	8,879,600	264,812	(424,865)	8,719,547

AREO S.à.r.l (formerly Auster Real Estate Opportunities S.à.r.l)

On 24 May 2013, Victus (Guernsey) 1 Limited had fully drawn down upon a loan facility of £5,500,000. The mezzanine loan facility bears interest at a fixed rate of 16.35% per annum payable on maturity of the loan, being 31 October 2014 with the option to extend for one year. Accrued interest on the loan shall be capitalised and added to the principal amount of the loan until maturity, at the reporting date this amounted to £1,241,270 (2013: £246,031). The loan is secured on all assets of Victus (Guernsey) 1 Limited and those assets of the Company. The fair value of the assets secured against this facility at the year end is £22,164,849 (2013: £8,796,519). The loan was settled when Victus (Guernsey) 1 Developments Limited entered into a refinancing agreement with Macquarrie Bank Limited on 14 November 2014, see note 30 for further details.

On 31 July 2014, Victus (Guernsey) 6 Manco Limited agreed a loan facility with AREO S.à.r.l of £10,650,000 with Victus Holdings (Guernsey) Limited as guarantor for the purpose of financing the acquisition of St Lawrence House, Broad Street, Bristol, BS1 2HF and the cost of development thereof. The loan facility bears interest at a fixed rate of 12.00% per annum payable on maturity of the loan, being 31 December 2015. As at 31 August 2014, £3,975,044 (2013: £nil) had been drawn down. Accrued interest on the loan shall be capitalised and added to the principal amount of the loan until maturity, at the reporting date this amounted to £40,513 (2013: £nil). The loan is secured on all assets of Victus Holdings (Guernsey) Limited and Victus (Guernsey) 6 Manco Limited. The fair value of the assets secured against this facility at the year end date is £9,797,882 (2013: £nil).

The Co-operative Bank p.l.c ("Co-op")

On 21 March 2013, Victus (Guernsey) 1 Developments Limited agreed a development loan facility of £8,170,000 with the Co-operative Bank p.l.c. As at 31 August 2014, there had been £7,699,041 drawn down on this loan (2013: £nil). Subsequent to the loan facility being agreed in March 2013, a non-utilisation fee has been charged on a quarterly basis calculated at 2% per annum of the term loan amount. As the development loan has been drawn down, the loan will be repaid at a rate of £85,000 per month until the expiry of the loan facility on 31 March 2018, at which point the outstanding balance including interest will be repayable in a single bullet repayment. Interest will accrue on the loan at a rate of LIBOR base rate plus a spread of 4%. On 14 October 2013, this facility was amended such that the amount available for drawdown became £10,400,000 and interest became fixed at 6.125%. The fair value of the property secured at the year end date is £21,324,351 (2013: £8,796,519). The loan was settled when Victus (Guernsey) 1 Developments Limited entered into a refinancing agreement with Macquarrie Bank Limited on 14 November 2014, see note 30 for further details.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014 (continued)

19 BORROWINGS (continued)

National Westminster Bank p.l.c
On 1 May 2013, Victus (Guernsey) 3 Limited had fully drawn down upon a loan facility of £3,200,000. The loan originally applied interest at a rate of 4.25% plus a variable LIBOR rate per annum. The Group subsequently entered into an amortising LIBOR interest rate swap arrangement with Royal Bank of Scotland Group Plc covering the 5 year term of the loan such that the interest payable upon the loan would effectively be fixed at 6.04% (see note 21 for further details). The loan and interest is payable in quarterly instalments the amount of which is calculated based on a repayment period of 15 years. However as the loan matures on 1 May 2018 a balloon payment of the remaining interest will fall due along with the remaining loan principal. The loan is secured over the associated property as well as the entire issued share capital of the borrower. The fair value of the property secured at the year end date is £6,050,000 (2013: £5,900,000).

Titlestone Property Lending Limited
On 13 May 2013, Victus (Guernsey) 2 Developments Limited agreed a development loan facility with Titlestone Property Lending ("Titlestone") of £6,850,000. As at 31 August 2014, £295,889 (2013: £215,451) had been drawn down towards payment of professional fees, arrangement fees and interest payments on the facility. The loan facility accrues interest daily at a fixed rate of 11.5% per annum which shall be fixed for the term of the loan which expires 27 February 2015. Monthly interest payments may be capitalised up to a maximum of £800,000 and, once fully utilised, on-going interest payments shall be made in accordance with the loan agreement. The loan is secured on the associated property and in the event of a sale 100% of the net proceeds shall be held as security. The fair value of the property secured against this facility at the year end date is £11,950,849 (2013: £3,837,515). The loan was settled when Victus (Guernsey) 2 Developments Limited entered into a refinancing agreement with Macquarrie Bank Limited on 14 November 2014, see note 30 for further details.

On 28 February 2014, Victus (Guernsey) 4 Developments Limited agreed a development loan facility with Titlestone Property Lending ("Titlestone") of £12,000,000. As at 31 August 2014, £197,871 (2013: £nil) had been drawn down towards payment of professional fees, arrangement fees and interest payments on the facility. The loan facility accrues interest daily at a fixed rate of 11.5% per annum which shall be fixed for the term of the loan which expires 18 January 2016. Monthly interest payments may be capitalised up to a maximum of £1,131,000 and, once fully utilised, on-going interest payments shall be made in accordance with the loan agreement. The loan is secured on the associated property and in the event of a sale 100% of the net proceeds shall be held as security. The fair value of the property secured against this facility at the year end date is £5,594,015 (2013: £nil).

On 16 October 2014, Victus (Guernsey) 5 Developments Limited agreed a development loan facility with Titlestone Property Lending ("Titlestone") of £10,000,000. As at 31 August 2014, £158,226 (2013: £nil) had been drawn down towards payment of professional fees, arrangement fees and interest payments on the facility. The loan facility accrues interest daily at a fixed rate of 11.5% per annum which shall be fixed for the term of the loan which expires 31 October 2015. Monthly interest payments may be capitalised up to a maximum of £1,131,000 and, once fully utilised, on-going interest payments shall be made in accordance with the loan agreement. The loan is secured on the associated property and in the event of a sale 100% of the net proceeds shall be held as security. The fair value of the property secured against this facility at the year end date is £5,191,275 (2013: £nil).

Deutsche Genossenschafts-Hypothekenbank Aktiensgesellschaft ("DG Hyp")
On 29 January 2014, CBC AcquiCo1 S.à.r.l. entered into a Euro loan agreement with DG Hyp of €2,779,000. The granted loan is required for the acquisiton of the property "Hernamm-Ehlers-Saus" located at Echenstraβe 105/107, D-26131 Oldenburg. As at 31 August 2014, the total amount of €2,779,000 has been drawn down (2013: €nil). The loan facility accrues interest at a fixed rate of 2.59% per annum, fixed for the term of the loan which expires 31 March 2019. In addition to the quarterly interest payments, 2.00% of the outstanding principal amount shall be repaid. The loan is secured on the associated property. The fair value of the property secured against this facility at the year end date is £3,914,773 (2013: £nil).

On 29 January 2014, CBC AcquiCo2 S.à.r.l. entered into a loan agreement with DG Hyp of €4,340,000. The granted loan is required for the acquisition of the property "Hernamm-Ehlers-Saus" located at Martinsburg 29 + 31, D-49078 Osnabrück. As at 31 August 2014, the total amount of €4,340,000 has been drawn down (2013: €nil). The loan facility accrues interest at a fixed rate of 2.59% per annum, fixed for the term of the loan which expires 31 March 2019. In addition to the quarterly interest payments, 2.00% of the outstanding principal amount shall be repaid. The loan is secured on the associated property. The fair value of the property secured against this facility at the year end date is £5,992,412 (2013: £nil).

20 TRADE AND OTHER PAYABLES

	2014	2013
	£	£
Administration fees (note 5)	**40,911**	6,041
Annual management charge (note 6)	**86,468**	23,440
Reporting fee (note 6)	**20,000**	-
Audit fees	**92,000**	24,500
Capital property expenditure:		
Deferred consideration	**8,067,388**	-
Amounts outstanding	**3,251,585**	1,023,054
LDMF (note 9)	**3,286,601**	597,212
Custodian's fees (note 7)	**1,729**	822
Deferred income	**341,458**	112,327
Directors' fees (note 8)	**64,351**	20,712
Legal and professional fees	**70,615**	150,409
Performance fees (note 6)	**20,663**	81,664
Subscriptions received in advance	**331,100**	-
Debt and equity fees	**456,715**	-
Property management fee (note 10)	**14,620**	-
Other payables	**354,731**	80,318
	16,500,935	2,120,499

Notes to the Consolidated Financial Statements
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20 TRADE AND OTHER PAYABLES (continued)

The Group has entered into a Development Management and Advisory Services Agreement (the "Development Agreement") whereby CPA(G)L shall co-ordinate and oversee the detailed design, development and negotiation of the building contract with the building contractor and developer. In respect of the five investment properties under development see note 17. In return for these services, CPA(G)L shall be remunerated by way of a LDMF whereby they shall receive a fee equal to an agreed percentage (ranges between 95% and 99%) of the Open Market Value of the Property at Practical Completion less development costs, initial land valuation, developer's fee as well as an agreed return of 12% to the Group for amounts paid towards development costs from the Group's own equity (see note 6). £3,286,601 (2013: £597,212) is accrued and included in capital expenditure above.

21 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

During the year ended 31 August 2014 the Group held (i) forward foreign exchange contracts and (ii) an interest rate swap.

(i) Forward foreign exchange contracts

During the year ended 31 August 2014 and the preceding period ended 31 August 2013, the Group entered into a number of forward foreign exchange contracts which are entered into principally for the purpose of mitigating the risk of currency fluctuations to which those shareholders of non-Sterling share classes may be exposed against the movement of that currency against the Sterling. Upon receiving subscriptions through the non-Sterling share classes the Group typically exchanges those subscription monies to Sterling which in turn exposes the holders of those non-Sterling share classes to movements in that exchange rate against Sterling. The Group follows a hedging policy whereby it enters into forward foreign exchange contracts between the relevant currency pairs which serve to mitigate some of the exposure to such currency movements. Although the Group uses derivative financial instruments in economic hedges of currency risk, it does not hedge account for these transactions.

At the period end date the fair values of unsettled contracts were as follows:

2014	**Buy**	**Sell**	**Settlement**	**Buy amount**	**Sell amount**	**Unrealised gains/(losses) £**
	GBP	**EUR**	**02/03/2015**	**9,186,407**	**11,550,069**	**29,339**
Total forward foreign exchange derivative assets						**29,339**
	EUR	**GBP**	**01/10/2014**	**16,891,641**	**13,425,243**	**(64,225)**
	CHF	**GBP**	**01/10/2014**	**4,366,241**	**2,877,259**	**(16,250)**
	USD	**GBP**	**01/10/2014**	**9,159,561**	**5,522,465**	**(5,668)**
Total forward foreign exchange derivative liabilities						**(86,143)**
Net forward foreign exchange derivative liabilities						**(56,804)**
Movement in fair value of forward foreign exchange contracts						**(56,804)**

2013	Buy	Sell	Settlement	Buy amount	Sell amount	Unrealised gains/(losses)
						£
	EUR	GBP	03/09/2013	267,470	227,576	758
	EUR	GBP	03/09/2013	100,000	85,193	175
	EUR	GBP	03/09/2013	170,000	144,718	408
	EUR	GBP	03/09/2013	160,000	135,593	995
	EUR	GBP	03/09/2013	4,180,500	3,563,331	5,476
	USD	GBP	03/09/2013	66,500	42,757	149
Total forward foreign exchange derivative assets						7,961
	CHF	GBP	03/09/2013	1,353,750	946,017	(7,477)
	CHF	GBP	03/09/2013	49,930	34,992	(376)
	EUR	GBP	03/09/2013	1,194,400	1,035,816	(16,182)
	USD	GBP	03/09/2013	928,900	612,933	(13,604)
	USD	GBP	03/09/2013	414,220	274,554	(7,298)
	USD	GBP	03/09/2013	648,710	425,216	(6,667)
	USD	GBP	03/09/2013	392,247	255,886	(2,807)
	USD	GBP	03/09/2013	21,375	13,861	(70)
Total forward foreign exchange derivative liabilities						(54,481)
Net forward foreign exchange derivative liabilities						(46,520)
Movement in fair value of forward foreign exchange contracts						(46,520)

21 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(ii) Interest Rate Swap

Under the terms of the National Westminster Bank Plc loan agreement the Group is required to utilise interest rate swaps to hedge the loan against movements in interest rates. Pursuant to this requirement, the Group has entered into an amortising LIBOR interest rate swap arrangement with Royal Bank of Scotland Group Plc covering the 5 year term of the loan in order that the variable element of the interest payable upon the loan would become fixed at 1.79%. As such the effective interest rate on the facility is fixed at 6.04%. The contract has a maturity date of 1 May 2018 which coincides with the repayment date of the loan to which this interest rate swap relates. In this regard, the Group has mitigated its cash flow interest rate risk. Although the Group uses derivative financial instruments in economic hedges of interest rate risk, it does not hedge account for these transactions.

At the period end date the fair value of the interest rate swap was as follows:

	2014	2013
	£	£
Non-current interest rate swap derivative liabilities	**(28,030)**	(45,757)

As a result of movements in market interest rates during the year/period, losses have arisen on the movement in fair value of the interest rate swap as follows:

	2014	2013
	£	£
Gain/(loss) on revaluation of interest rate swaps	**17,727**	(45,757)

Net total (loss)/gain arising from derivative contracts	**2014**	2013
	£	£
(i) Forward foreign exchange contracts	**(56,804)**	(46,520)
(ii) Interest rate swap	**17,727**	(45,757)
	(39,077)	(92,277)

22 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value hierarchy

IFRS 13 "Fair Value Measurement" requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows investment properties recognised at fair value, categorised between those whose fair value is based on:

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
(b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
(c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows how items measured at fair value are grouped into the fair value hierarchy as at 31 August 2014:

As at 31 August 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Completed investment property	**-**	**-**	**44,706,436**	**44,706,436**
Investment property under development	**-**	**-**	**30,929,290**	**30,929,290**
Interest rate swap at fair value through profit or loss	**-**	**(28,030)**	**-**	**(28,030)**
Forward foreign exchange contracts	**-**	**(56,804)**	**-**	**(56,804)**
	-	**(84,834)**	**75,635,726**	**75,550,892**

As at 31 August 2013	Level 1	Level 2	Level 3	Total
	£	£	£	£
Completed investment property	-	-	10,215,524	10,215,524
Investment property under development	-	-	12,861,553	12,861,553
Interest rate swap at fair value through profit or loss	-	(45,757)	-	(45,757)
Forward foreign exchange contracts	-	(46,520)	-	(46,520)
	-	(92,277)	23,077,077	22,984,800

Valuation process for Level 3 valuations

Valuations are the responsibility of the Board of Directors.

All properties and developments are revalued on a monthly basis by the external independent valuers, who have an appropriate recognised qualification. The Board engages the services of Savills (UK) Limited to assist in their assessment of the fair values of investment properties. The fair values are based on market values as defined in the Royal Institute of Chartered Surveyors Valuation Professional Standards, January 2014, published in November 2013 and effective from 6 January 2014. Any assumptions made by the valuer are reviewed by the Board for their reasonableness.

22 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

Valuation techniques

a) Completed investment property

The fair value of completed investment property is determined by Savills (UK) Limited. Completed investment properties are valued on an investment method using inputs which include but are not limited to rental income, operating expenditure, occupancy and ancillary income, commercial rents and yields, investment yields and purchaser's costs. The deduction for purchaser's costs is in accordance with the local position existing at the valuation date. The resulting valuations are cross checked by the external valuers against investment yields and capital values per room derived from market transactions. This is a recognised valuation technique which is reviewed and varied where appropriate to reflect market comparable data. Where a property is subject to an agreement with a University, the valuations will also reflect the length of the agreement, the level of rent or occupancy guarantee, the allocation of any operational and marketing responsibilities and the market's general perception of the University's standing. The valuation technique used has not changed from the prior period. The fair value of completed investment property is classified as Level 3.

b) Investment property under development

The fair value of investment property under development is determined by Savills (UK) Limited. Investment property under development is valued by Savills (UK) Limited using a recognised valuation technique to reflect the stage reached in construction and the costs already incurred and those remaining to be spent at the valuation date. The gross development value ("GDV") is assessed on an investment method as per the completed investment property. The cost to complete the development includes allowances for risk and profit and the valuer assumes that all contracts in place at the valuation date will remain in place and can be transferred to a hypothetical purchaser. Any agreement with a University which comes into effect on completion is also reflected in the investment method.

CPA(G)L use the GDV provided by Savills (UK) Limited in their LDMF calculation. The resulting valuation is essentially the acquisition valuation plus costs incurred which are allowable for the LDMF calculation plus the LDMF accruals. The GDV is used to cross check against total build costs as any other runs will reduce the LDMF and only past that point will valuation be impacted.

The valuation technique used has not changed from the prior period. The fair value of investment property under development is classified as Level 3.

c) Interest rate swap derivative

The interest rate swap has been valued by reference to third party quotes.

d) Forward foreign exchange contract derivatives

The Group estimates fair value of forward foreign exchange contract derivatives based on the latest available forward exchange rates.

Quantitative information of significant unobservable inputs - Level 3

The following table details the valuation techniques and unobservable inputs made in determining the Level 3 valuations:

Description	2014 €	2014 £	Valuation technique	Unobservable Inputs	Range
Completed investment property (UK)	**-**	**27,125,000**	**Investment method**	**Rental income (£ per week)***	**£93.00 - £195.90**
				Net initial yield (%)**	**6.66% - 7%**
Completed investment property (Europe)	**22,210,000**	**17,581,436**	**Investment method**	**Rental income (€ per week)***	**€210.00 - €660.00**
				Net initial yield (%)**	**5.32% - 6.67%**
Investment property under development (UK)	**-**	**30,929,290**	**Investment method**	**Rental income (£ per week)***	**£115.00 - £200.00**
				Net initial yield (%)**	**6.50% - 7.15%**

***** Rental income is core student rental income before costs on a per room per week basis on the UK properties and all-in-rent before costs on a per room per month basis for the Europe assets.

****** Net initial yield is shown after the deduction of purchaser's costs which is not the same as the European Public Real Estate Association ("EPRA") net initial yield which is gross of purchaser's costs.

Sensitivity analysis to significant changes in unobservable inputs within Level hierarchy

Changes in the investment valuation inputs will have an effect on the fair value method of the completed investment properties and estimated gross development value. For example, reduced rental income will result in a decrease in value, whilst yield compression will result in an increase in value. All these inputs are inter-related as they are determined by market conditions and this inter-relationship may mitigate the impact on value if inputs move in opposite directions.

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for the year ended 31 August 2014 (continued)

22 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

Level 3 reconciliation

The Directors have re-assessed the investment properties valued at fair value for the year ended 31 August 2014 and have determined that there is no change in the level the investment properties above were classified during the year ended 31 August 2014. The following table shows a reconciliation of all movements in the fair value of investment properties categorised within Level 3 between the beginning and the end of the reporting period:

As at 31 August 2014

	Completed investment property £	**Investment property under development £**	**Total £**
Balance at 1 September 2013	**10,215,524**	**12,861,553**	**23,077,077**
Gains/(losses) in Consolidated Statement of Comprehensive Income:			
- unrealised	**400,590**	**2,475,951**	**2,876,541**
- currency translation difference in OCI	**(867,681)**	**-**	**(867,681)**
Purchases at cost	**13,883,003**	**36,666,786**	**50,549,789**
Transfers to completed investment property	**21,075,000**	**-**	**21,075,000**
Transfers from investment property under development	**-**	**(21,075,000)**	**(21,075,000)**
Balance at 31 August 2014	**44,706,436**	**30,929,290**	**75,635,726**

As at 31 August 2013

	Completed investment property £	Investment property under development £	Total £
Balance at 13 December 2012	-	-	-
Gains in Consolidated Statement of Comprehensive Income:			
- unrealised	483,314	892,623	1,375,937
Purchases at cost	9,732,210	11,968,930	21,701,140
Balance at 31 August 2013	10,215,524	12,861,553	23,077,077

Other financial assets and liabilities not carried at fair value but for which fair value is disclosed

As at 31 August 2014 and 2013 the carrying amounts of cash at bank, receivables, payables, accrued expenses and short-term borrowings reflected in the Consolidated Financial Statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of the Group's non-current floating and fixed interest rate loans payable at the end of the Group's reporting periods is not significantly different from the carrying amounts. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorised as Level 2 within the fair value measurement hierarchy required by IFRS 7.

23 SHARES

The Company can issue an unlimited number of Shares subject to and in accordance with the authority contained in the Articles. The Directors may allot and issue shares as Management Shares of no par value or as full or fractional Redeemable Participating Shares of no par value.

	2014 Shares	**2014 £**	2013 Shares	2013 £
Issued and unpaid				
1 Management Share of no par value	**1**	**1**	1	1

	2014 Shares	**2014 £**	2013 Shares	2013 £
Issued and fully paid				
Redeemable Participating Shares no par value shares at 31 August 2014				
GBP - Class A	**7,402,759.05**	**7,672,127**	5,779,043.77	6,192,420
EUR - Class A	**13,669,102.94**	**12,337,215**	5,702,600.67	5,079,993
CHF - Class A	**3,074,293.81**	**2,229,480**	1,425,000.00	1,005,480
USD - Class A	**5,379,869.85**	**3,678,299**	2,458,903.82	1,716,111
GBP - Class B	**3,482,700.30**	**3,335,628**	3,658,022.48	3,650,858
EUR - Class B	**883,830.78**	**814,756**	479,080.61	429,971
CHF - Class B	**703,936.69**	**527,709**	50,000.00	34,775
USD - Class B	**2,765,353.89**	**1,708,843**	-	-
Issuance costs	**-**	**(654,426)**	-	(1,080,295)
	37,361,847.31	**31,649,631**	19,552,651.35	17,029,313
Total in issue	**37,361,848.31**	**31,649,632**	19,552,652.35	17,029,314

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014 (continued)

23 SHARES (continued)

	Year ended 31 August 2014 GBP - Class A		Period from 13 December 2012 to 31 August 2013 GBP - Class A	
	Shares	**£**	Shares	£
Opening Balance	**5,779,043.77**	**5,757,745**	-	-
Issued during year/period	**1,939,514.39**	**2,287,395**	5,779,043.77	6,192,420
Redeemed during year/period	**(315,799.11)**	**(373,013)**	-	-
Issuance costs	**-**	**(99,189)**	-	(434,675)
Closing Balance	**7,402,759.05**	**7,572,938**	5,779,043.77	5,757,745

	Year ended 31 August 2014 EUR - Class A		Period from 13 December 2012 to 31 August 2013 EUR - Class A	
	Shares	**£**	Shares	£
Opening Balance	**5,702,600.67**	**4,721,833**	-	-
Issued during year/period	**8,006,882.42**	**7,653,415**	5,702,600.67	5,079,993
Redeemed during year/period	**(40,380.15)**	**(38,033)**	-	-
Issuance costs	**-**	**(376,730)**	-	(358,160)
Closing Balance	**13,669,102.94**	**11,960,485**	5,702,600.67	4,721,833

	Year ended 31 August 2014 CHF - Class A		Period from 13 December 2012 to 31 August 2013 CHF - Class A	
	Shares	**£**	Shares	£
Opening Balance	**1,425,000.00**	**933,700**	-	-
Issued during year/period	**1,679,293.81**	**1,318,849**	1,425,000.00	1,005,480
Redeemed during the year/period	**(30,000.00)**	**(23,069)**	-	-
Issuance costs	**-**	**(65,242)**	-	(71,780)
Closing Balance	**3,074,293.81**	**2,164,238**	1,425,000.00	933,700

	Year ended 31 August 2014 USD - Class A		Period from 13 December 2012 to 31 August 2013 USD - Class A	
	Shares	**£**	Shares	£
Opening Balance	**2,458,903.82**	**1,597,870**	-	-
Issued during year/period	**3,682,184.15**	**2,603,014**	2,458,903.82	1,716,111
Redeemed during the year/period	**(761,218.12)**	**(522,585)**	-	-
Issuance costs	**-**	**(105,673)**	-	(118,241)
Closing Balance	**5,379,869.85**	**3,572,626**	2,458,903.82	1,597,870

	Year ended 31 August 2014 GBP - Class B		Period from 13 December 2012 to 31 August 2013 GBP - Class B	
	Shares	**£**	Shares	£
Opening Balance	**3,658,022.48**	**3,563,823**	-	-
Issued during year/period	**1,122,395.76**	**1,317,308**	3,714,546.17	3,714,546
Redeemed during the year/period	**(1,297,717.94)**	**(1,545,503)**	(56,523.69)	(63,688)
Issuance costs	**-**	**-**	-	(87,035)
Closing Balance	**3,482,700.30**	**3,335,628**	3,658,022.48	3,563,823

23 SHARES (continued)

	Year ended 31 August 2014 EUR - Class B		Period from 13 December 2012 to 31 August 2013 EUR - Class B	
	Shares	**£**	Shares	£
Opening Balance	**479,080.61**	**420,358**	-	-
Issued during year/period	**523,737.11**	**510,632**	479,080.61	429,971
Redeemed during the year/period	**(118,986.94)**	**(116,234)**	-	-
Issuance costs	**-**	**-**	-	(9,613)
Closing Balance	**883,830.78**	**814,756**	479,080.61	420,358

	Year ended 31 August 2014 CHF - Class B		Period from 13 December 2012 to 31 August 2013 CHF - Class B	
	Shares	**£**	Shares	£
Opening Balance	**50,000.00**	**33,984**	-	-
Issued during year/period	**653,936.69**	**493,725**	50,000.00	34,775
Issuance costs	**-**	**-**	-	(791)
Closing Balance	**703,936.69**	**527,709**	50,000.00	33,984

	Year ended 31 August 2014 USD - Class B		Period from 13 December 2012 to 31 August 2013 USD - Class B	
	Shares	**£**	Shares	£
Opening Balance	**-**	**-**	-	-
Issued during year/period	**2,765,353.89**	**1,708,843**	-	-
Issuance costs	**-**	**(7,592)**	-	-
Closing Balance	**2,765,353.89**	**1,701,251**	-	-

Management Shares

The Management Shares are non-redeemable. A holder of Management Shares is entitled to one vote on a show of hands or one vote for each Management Share on a poll. The Management Shares do not carry any right to dividends. In a winding up the holders of Management Shares are entitled to receive sums up to the amount paid up on such Management Shares. Management Shares are classified as equity.

Redeemable Participating Shares

Holders of the Redeemable Participating Shares are entitled to one vote for each Redeemable Participating Share held. Shares are redeemable and holders of shares are entitled on each dealing day to offer shares for redemption subject to such limitation as may be specified in the Information Memorandum or in the Articles. On a winding up, the holders of shares are entitled to participate in the distribution of capital pro rata according to their relative NAVs to the number of shares in the relevant class fund and pari passu pursuant to the prospectus according to the number of shares held. Income attributable to the shares shall be accumulated and reflected in the NAV of such shares (calculated in accordance with redemption requirements as set out in the Information Memorandum). The Directors have determined that all income attributable to all share classes shall be accumulated and reflected in the NAV of the shares.

The Promoter will be entitled to receive an initial sales and marketing allowance calculated as 5% of the gross amount invested in Class A shares. Pursuant to the prospectus for the purposes of calculating the Class A shares NAV, the sales and marketing allowance is amortised over a sixty month period. As the Financial Statements are prepared under IFRS, the sales and marketing allowance is written off and offset against share premium in the period incurred. There is no such allowance in respect of Class B shares.

Redemption fees are applicable in respect of Class A shares and such calculations are based on the redemption of shares on a "first in first out" basis. No redemption fees apply to Class B shares. All other terms remain the same for all share classes.

All other terms remain the same for all share classes.

24 NET ASSET VALUE PER SHARE

The NAV per Redeemable Participating Share is based on the NAV and the number of Redeemable Ordinary Shares in issue at the reporting date. Reconciliations of published NAVs with accounting NAVs are disclosed in note 29. Movements between the published NAVs and the NAVs per the Financial Statements are split by class by allocating share class specific items and splitting the remaining movements on a weighted average basis.

2014	**Net asset value *(Currency)***	**Net asset value £**	**Number of shares**	**Net asset value per share *(Currency)***	**Net asset value per share £**
GBP - Class A	**7,962,050**	**7,962,050**	**7,402,759.05**	**1.0756**	**1.0756**
EUR - Class A	**14,411,604**	**11,401,585**	**13,669,102.94**	**1.0543**	**0.8341**
CHF - Class A	**3,245,053**	**2,128,881**	**3,074,293.81**	**1.0555**	**0.6925**
USD - Class A	**5,748,455**	**3,463,133**	**5,379,869.85**	**1.0685**	**0.6437**
GBP - Class B	**3,973,035**	**3,973,035**	**3,482,700.30**	**1.1408**	**1.1408**
EUR - Class B	**988,615**	**782,132**	**883,830.78**	**1.1186**	**0.8849**
CHF - Class B	**741,533**	**486,474**	**703,936.69**	**1.0534**	**0.6911**
USD - Class B	**2,709,765**	**1,632,487**	**2,765,353.89**	**0.9799**	**0.5903**
		31,829,777			
Represented by:					
Shares		**31,649,631**			
Retained earnings		**829,406**			
Translation reserve		**(649,260)**			
		31,829,777			

2013	Net asset value *(Currency)*	Net asset value £	Number of shares	Net asset value per share *(Currency)*	Net asset value per share £
GBP - Class A	5,708,455	5,708,455	5,779,043.77	0.9878	0.9878
EUR - Class A	5,621,333	4,795,132	5,702,600.67	0.9857	0.8409
CHF - Class A	1,405,895	975,232	1,425,000.00	0.9866	0.6844
USD - Class A	2,424,460	1,563,966	2,458,903.82	0.9860	0.6360
GBP - Class B	3,820,351	3,820,351	3,658,022.48	1.0444	1.0444
EUR - Class B	497,783	424,621	479,080.61	1.0390	0.8863
CHF - Class B	48,810	33,858	50,000.00	0.9762	0.6772
		17,321,615			
Represented by:					
Shares		17,029,313			
Retained Earnings		477,790			
Translation reserve		(185,488)			
		17,321,615			

25 FINANCIAL INSTRUMENTS

The Group is exposed to market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below.

The Group's principal financial liabilities comprise bank loans, trade payables and derivatives. The Group has various financial assets such as cash and cash equivalents and receivables.

The accounting policies with respect to these financial instruments are disclosed in note 2.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the Group's exposure to each of the above risks and the Board of Directors' objectives, policies and processes for measuring and managing these risks.

Principal financial instruments

The financial instruments used by the Group, from which financial risks arises, are as follows:

	2014	2013
	£	£
As at 31 August 2014		
Trade and other receivables (excluding prepayments)	**4,705,375**	2,081,093
Cash and cash equivalents	**1,753,127**	3,207,656
Forward foreign exchange contracts	**29,339**	7,961
Total financial assets	**6,487,841**	5,296,710
Loans payable	**33,057,124**	8,719,547
Trade and other payables (excluding deferred income)	**16,159,477**	2,008,172
Forward foreign exchange contracts	**86,143**	54,481
Interest rate swap at fair value through profit or loss	**28,030**	45,757
Redeemable Participating Shares	**31,829,777**	17,321,615
Total financial liabilities	**81,160,551**	28,149,572

Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and pricing. As at 31 August 2014 and 2013 the Group was not exposed to price risk.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the year ended 31 August 2014 the Group had entered into borrowing arrangements with five providers as detailed in note 19 and summarised below.

Provider	**Interest type**	**Interest rate per annum**
AREO S.à.r.l	Fixed	12.00% - 16.35%
Titlestone Property Lending Limited	Fixed	11.50%
DG Hyp	Fixed	2.59%
Co-op	Fixed	6.125%*
National Westminster Bank p.l.c	Variable	4.25% plus LIBOR

* Interest was accrued on the Co-op loan at a rate of LIBOR base rate plus a spread of 4%. On 14 October 2013, the facility was amended and interest became fixed at 6.125%.

As the Group was exposed to a variable interest rate on the National Westminster Bank p.l.c, the Group entered into an amortising LIBOR interest rate swap arrangement with Royal Bank of Scotland Group p.l.c covering the 5 year term of the loan such that the interest payable upon the loan would effectively be fixed at 6.04% (see note 19). In this regard, the Group has mitigated its cash flow interest rate risk. However, by effectively fixing their interest rates on borrowings, they do remain exposed to fair value interest rate risk, being the possibility that interest rates may fall below those interest rates at which they are currently fixed. The Group does not apply hedge accounting in relation to interest rate risk.

(b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's reporting currency. The Group's subsidiaries finance the acquisition of property assets in the currency in which the asset is denominated so that the Group's exposure to changes in the Euro and Sterling value of its assets is minimised.

The Group is exposed to foreign exchange risk arising from currency exposures with respect to the Euro. The Group's management monitors exchange rate fluctuations on a continuous basis and, if appropriate, may use forward foreign exchange contracts to hedge the currency exposure. Wherever possible, Group entities shall settle liabilities denominated in their own functional currency with cash generated from their own operations in that currency.

During the year ended 31 August 2014 the Group entered into a number of forward foreign exchange contracts which are entered into principally for the purposes of mitigating the risk of currency fluctuations to which those shareholders of non-Sterling share classes may be exposed against the movement of that currency against the Sterling. Upon receiving subscriptions through the non-Sterling share classes the Group typically exchanges these subscriptions monies to Sterling which in turn exposes the holders of those non-Sterling share classes to movements in that exchange rate against Sterling. The Group does not apply hedge accounting but does follow a hedging policy whereby it enters into forward foreign exchange contracts between the relevant currency pairs which serve to mitigate some of the exposure to such currency movements. See note 21 for further details of those forward foreign exchange contracts which were in existence at the year end.

25 FINANCIAL INSTRUMENTS (continued)

Currency of denomination (continued)

The tables below summarise the Group's exposure to foreign currency risk at the year end date. The Group's financial assets and liabilities are shown at their Sterling carrying amounts, categorised by their currency of denomination.

Currency of denomination

As at 31 August 2014	**Sterling**	**Euro**	**USD**	**CHF**	**Total**
	£	**£**	**£**	**£**	**£**
Trade and other receivables (excluding prepayments)	**4,443,124**	**262,251**	**-**	**-**	**4,705,375**
Cash and cash equivalents	**1,574,258**	**178,869**	**-**	**-**	**1,753,127**
Forward foreign exchange contracts	**-**	**29,339**	**-**	**-**	**29,339**
Total financial assets	**6,017,382**	**470,459**	**-**	**-**	**6,487,841**
Loans payable	**27,595,473**	**5,461,651**	**-**	**-**	**33,057,124**
Trade and other payables (excluding deferred income)	**11,860,576**	**4,298,901**	**-**	**-**	**16,159,477**
Forward foreign exchange contracts	**-**	**64,225**	**5,668**	**16,250**	**86,143**
Interest rate swap	**28,030**	**-**	**-**	**-**	**28,030**
Redeemable Participating Shares	**11,935,085**	**12,183,717**	**5,095,620**	**2,615,355**	**31,829,777**
Total financial liabilities	**51,419,164**	**22,008,494**	**5,101,288**	**2,631,605**	**81,160,551**

As at 31 August 2013	Sterling	Euro	USD	CHF	Total
	£	£	£	£	£
Trade and other receivables (excluding prepayments)	2,065,348	15,745	-	-	2,081,093
Cash and cash equivalents	2,646,994	560,662	-	-	3,207,656
Forward foreign exchange contracts	-	7,812	149	-	7,961
Total financial assets	4,712,342	584,219	149	-	5,296,710
Loans payable	8,719,547	-	-	-	8,719,547
Trade and other payables (excluding deferred income)	1,804,468	203,704	-	-	2,008,172
Forward foreign exchange contracts	-	16,182	30,446	7,853	54,481
Interest rate swap	45,757	-	-	-	45,757
Redeemable Participating Shares	9,528,806	5,219,753	1,563,966	1,009,090	17,321,615
Total financial liabilities	20,098,578	5,439,639	1,594,412	1,016,943	28,149,572

The Group manages foreign currency risk on an overall basis. The sensitivity analysis prepared by management for foreign currency risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

If the Sterling weakened/strengthened by 10% against the Euro with all other variables held constant, the NAV at the year end date would be £2,153,804 (2013: £485,542) higher/lower. The Board deems 10% to be an appropriate sensitivity rate in line with market expectations based on movements in the exchange rate.

If the Sterling weakened/strengthened by 10% against the US Dollar with all other variables held constant, the NAV at the year end date would be £510,129 (2013: £159,426) higher/lower. The Board deems 10% to be an appropriate sensitivity rate in line with market expectations based on movements in the exchange rate.

If the Sterling weakened/strengthened by 10% against the Swiss Franc with all other variables held constant, the NAV at the year end date would be £263,161 (2013: £101,694) higher/lower. The Board deems 10% to be an appropriate sensitivity rate in line with market expectations based on movements in the exchange rate.

Credit risk

Credit risk is the risk that an issuer or counterparty will fail to discharge its obligations or commitments to the Group resulting in a financial loss. The Directors do not anticipate losses in respect of rent receivables ("tenant credit risk") as each tenant in occupancy pays rent in advance either monthly, term or annually before their contract commences. As such the event of a default by a tenant in occupancy does not exist. No amounts are past due or impaired.

The Group had cash and cash equivalents of £1,753,127 as at 31 August 2014 (2013: £3,207,656). The cash, cash equivalents, bank deposits, forward foreign exchange contracts and interest rate swap are held with banks and financial institution counterparties. The Directors believe that the financial institutions that hold the Group's investments are financially sound and, accordingly, minimal credit risk exists with respect to these investments. The Group does not have a credit quality policy.

25 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

As at 31 August 2014, the Group held cash and cash equivalents with the following financial institutions:

	Standard and Poor's Rating	**2014**	Standard and Poor's Rating	2013
		£		£
Caisse D'Epargne	**AA+**	**54,670**		-
The Co-operative Bank	**no rating**	**963**		-
ING Bank N.V	**A**	**124,199**	A	560,663
National Westminster Bank p.l.c	**A2**	**494**	A2	10,700
Royal Bank of Canada (Channel Islands) Limited	**A1+**	**1,572,801**	A1+	2,636,293
Total Group cash and cash equivalents		**1,753,127**		3,207,656

Liquidity risk

Liquidity risk is the risk that arises when the maturities of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. Liquidity will be required to satisfy redemption requests by investors and the payment of fees and expenses by the Group. In certain adverse market conditions or when the demand for redemptions exceeds the level of subscriptions and the available cash resources, it may be necessary to sell some of the Group's assets in order to meet the demand for redemptions. The Articles permit the Directors to limit the number of Shares for the Company as a whole to be redeemed on a single dealing day to one tenth (10%). The illiquidity of these property related assets could make it difficult for the Group to liquidate such assets on favourable terms thereby exposing the Group to losses or a decrease in Net Asset Value.

A summary table of the contractual maturities of financial assets and financial liabilities is presented below:

31 August 2014	**0 - 12 months**	**1 - 2 years**	**2 - 5 years**	**No fixed maturity date**	**Total**
	£	**£**	**£**	**£**	**£**
Financial assets - current					
Trade and other receivables (excluding prepayments)	**4,705,375**	**-**	**-**	**-**	**4,705,375**
Cash and cash equivalents	**1,753,127**	**-**	**-**	**-**	**1,753,127**
Forward foreign exchange derivative assets	**30,925,232**	**-**	**-**	**-**	**30,925,232**
	37,383,734	**-**	**-**	**-**	**37,383,734**
Financial liabilities - current					
Borrowings	**(14,291,227)**	**-**	**-**	**-**	**(14,291,227)**
Trade and other payables (excluding deferred income)	**(16,159,477)**	**-**	**-**	**-**	**(16,159,477)**
Forward foreign exchange derivative liabilities	**(30,982,036)**	**-**	**-**	**-**	**(30,982,036)**
	(61,432,740)	**-**	**-**	**-**	**(61,432,740)**
Financial liabilities - non-current					
Borrowings	**-**	**(7,149,551)**	**(16,780,356)**	**-**	**(23,929,907)**
Interest rate swap derivative liabilities	**-**	**(28,030)**	**-**	**-**	**(28,030)**
Redeemable Participating Shares	**-**	**-**	**-**	**(31,829,777)**	**(31,829,777)**
	-	**(7,177,581)**	**(16,780,356)**	**(31,829,777)**	**(55,787,714)**
Liquidity Gap	**(24,049,006)**	**(7,177,581)**	**(16,780,356)**	**(31,829,777)**	**(79,836,720)**

The Board conducts regular assessments of Victus European Student Accommodation Fund's ("VESAF") operational and financial risks with reference to cash flow requirements, the debt position and the liquidity of its investments. Recognising that property investments are relatively illiquid, the policy of the Board is to maintain, where possible, cash balances equivalent to 10% of the net asset value as a contingency to meet investor redemption requests. The Board also maintains an ongoing dialogue with property agents so that it is able to identify and act upon attractive opportunities to sell assets at above carrying value as and when those opportunities may present themselves.

As at 31 August 2014, cash balances stood at £1,753,127 equivalent to 5.51% of net asset value at that date. As at 27 February 2015 being the date of the latest published NAV, cash balances stood at £1,727,327, equivalent to 3.9% of net asset value. Cash balances are managed on a monthly basis in order to balance the need to maintain liquidity for potential redemptions with the goal of being fully invested to achieve target returns. VESAF has also fully drawn down current debt facilities which total £33,057,124, including interest payable.

The Board considers that the Company has sufficient access to liquid resources to continue meeting its day to day operational requirements. In addition to the cash balances maintained, the Company has access to additional sources of liquidity that may be drawn upon. These include assets that are currently unencumbered. The Company has been in receipt of a lending offer in relation to those unencumbered assets evidencing their suitability as security for loan facilities. Subsequent to the year end, the Board has also received approaches from credible counterparties enquiring about the availability of certain properties for sale. These approaches, combined with prevailing market conditions, suggest that it is reasonable to assume that one or more properties could be sold at or near to Net Asset Value if there was a need to generate cash. Finally, the Board has some discretion in meeting larger redemption requests (should they be received) meaning that the Company has a degree of flexibility when managing redemptions in excess of subscriptions, should that situation arise. The Company in fact continues to attract new monies (subscriptions materially exceeded redemptions during the reporting period) and the Board has no reason to believe that this trend will cease.

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25 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

31 August 2013	0 - 12 months	1 - 2 years	2 - 5 years	No fixed maturity date	Total
	£	£	£	£	£
Financial assets - current					
Trade and other receivables (excluding prepayments)	2,081,093	-	-	-	2,081,093
Cash and cash equivalents	3,207,656	-	-	-	3,207,656
Forward foreign exchange derivative assets	7,961	-	-	-	7,961
	5,296,710	-	-	-	5,296,710
Financial liabilities - current					
Borrowings	(326,037)	-	-	-	(326,037)
Trade and other payables (excluding deferred income)	(2,008,172)	-	-	-	(2,008,172)
Forward foreign exchange derivative liabilities	(54,481)	-	-	-	(54,481)
	(2,388,690)	-	-	-	(2,388,690)
Financial liabilities - non-current					
Borrowings	-	(7,124,435)	(326,037)	(3,830,932)	(11,281,404)
Interest rate swap derivative liabilities	-	(45,757)	-	-	(45,757)
Redeemable Participating Shares	-	-	-	(17,321,615)	(17,321,615)
	-	(7,170,192)	(326,037)	(21,152,547)	(28,648,776)
Liquidity Gap	2,908,020	(7,170,192)	(326,037)	(21,152,547)	(25,740,756)

26 CAPITAL MANAGEMENT

The Capital consists of Redeemable Preference Shares, see note 23. The Group's capital management objectives are:

(i) to ensure that the Group is able to continue as going concern; and
(ii) to maintain optimal capital structures within the Group which maximises returns for shareholders whilst minimising costs of capital.

For the managing of capital and liquidity see note 25 for further details.

	2014	2013
	£	£
Net debt		
Borrowings - current and non-current	**33,057,124**	8,719,547
Less cash and cash equivalents	**(1,753,127)**	(3,207,656)
	31,303,997	5,511,891
Net assets attributable to holders of Redeemable Participating Shares (excluding borrowings)	**64,886,901**	26,041,162
Gearing ratio	**48.24%**	21.17%

The Group has a gearing policy by which it may borrow up to 100% of the ungeared NAV at any point during the life of the Company. Borrowings will amplify the positive effects of rising prices for investors, but will also exacerbate the detrimental effects of falling values. Hence the volatility of NAV (which is an accepted measure of risk) will increase as gearing increases. Material falls in the value of invested properties, or banks enforcing their security covenants, could result in the Company losing some or all of its assets and as a consequence investors losing some or all of their investment.

27 RELATED PARTY DISCLOSURES

For the purposes of these Financial Statements, a related party is an entity or entities who are able to exercise significant influence directly or indirectly on the Group's operations or have the same common directorship as the Company.

Crosslane Property Advisor (Guernsey) Limited is considered a related party by virtue of common control through Kerry-Anne Marais and James Metcalf being directors. Crosslane Fund Managers Limited, Crosslane (Hawkhill) LLP, Buile Developments Limited, Prime Student Living Limited and European Property Development (Guernsey) Limited are all considered to be related parties by virtue of common control through Michael Anthony James Sharples being a director and James Metcalf being a director and shareholder.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014 (continued)

27 RELATED PARTY DISCLOSURES (continued)

Please see below for table of transactions:

Related Party	**Paid as at 31 August 2014**	**Outstanding as at 31 August 2014**	**Total**	**Waived**	**Classification**
	£	**£**	**£**	**£**	
Crosslane Property Advisor (Guernsey) Limited					
Acquisition Fees	**224,384**	**122,500**	**346,884**	**-**	Development Property
Development Management Fees	**-**	**12,122**	**12,122**	**-**	Development Property
Land Development Management Fees	**-**	**3,286,601**	**3,286,601**	**-**	Development Property
Crosslane Fund Managers LLP					
Sales and Marketing Allowance	**646,834**	**-**	**646,834**	**-**	Share Premium
Annual Management Charge	**338,684**	**86,468**	**425,152**	**-**	Income Statement
Performance Fees	**-**	**20,663**	**20,663**	**-**	Income Statement
Reporting fee	**100,000**	**20,000**	**120,000**	**-**	Income Statement
Debt Arrangement Fees	**183,450**	**424,281**	**607,731**	**-**	Net effective interest
Equity Arrangement Fees	**54,861**	**32,434**	**87,295**	**-**	Development Property
Buile Developments Limited					
Development Fees	**-**	**375,000**	**375,000**	**-**	Development Property
Receivable	**-**	**(60,000)**	**(60,000)**	**-**	Other receivables
Purchase of land development site at Vauxhall Road	**2,349,000**	**-**	**2,349,000**	**-**	Development Property
Purchase of land development site at Pitt Street II	**2,800,000**	**-**	**2,800,000**	**-**	Development Property
Purchase of land development site at St Lawrence	**3,038,229**	**4,118,771**	**7,157,000**	**-**	Development Property
Prime Student Living Limited					
Property Manager Fees	**81,186**	**14,620**	**95,806**	**-**	Income Statement
European Property Development (Guernsey) Limited					
Purchase of share capital of CBC AquiCo2 S.à.r.l.	**1,150,393**	**-**	**1,150,393**	**-**	Development Property
Deferred consideration of share capital of CBC AquiCo1 S.à.r.l.	**49,243**	**-**	**49,243**	**-**	Development Property
CBB JV S.à.r.l.					
Purchase of FHC Chambery shares	**237,480**	**1,266,034**	**1,503,514**	**-**	Development Property

During the year a bridging loan was received from Buile Development Limited for £2m which was repaid along with £40,000 of interest.

Related Party	Paid as at 31 August 2013	Outstanding as at 31 August 2013	Total	Waived	Classification
	£	£	£	£	
Crosslane Property Advisor (Guernsey) Limited					
Acquisition Fees	266,506	-	266,506	-	Development Property
Development Management Fees	-	14,364	14,364	-	Development Property
Land Development Management Fees	-	597,212	597,212	-	Development Property
Crosslane Fund Managers LLP					
Sales and Marketing Allowance	684,680	-	684,680	-	Share Premium
Annual Management Charge	87,696	23,440	111,136	-	Income Statement
Performance Fees	-	81,664	81,664	120,000	Income Statement
Debt Arrangement Fees	230,043	122,550	352,593	-	Net effective interest
Equity Arrangement Fees	9,020	59,101	68,121	-	Development Property
Crosslane (Hawkhill) LLP					
Purchase of Investment Property at Keiller Court	5,464,450	-	5,464,450	-	Investment Property
Buile Developments Limited					
Development Fees	1,241,056	190,269	1,431,325	-	Development Property
Purchase of land development site at Pitt Street	5,300,000	-	5,300,000	-	Development Property
Purchase of land development site at Anchor Road	2,050,000	-	2,050,000	-	Development Property
Prime Student Living Limited					
Property Manager Fees	1,706	-	1,706	-	Income Statement
European Property Development (Guernsey) Limited					
Purchase of share capital of CBC AquiCo1 S.à.r.l.	560,190	-	560,190	-	Development Property

28 ULTIMATE CONTROING PARTY

The Directors do not consider the Company to have an ultimate controlling party as there is no one party that has the ability to direct the financial and operating policies of the Company with a view to gaining economic benefit from its activities.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014 (continued)

29 RECONCILIATION OF NAV PER THE FINANCIAL STATEMENTS TO PUBLISHED NAV

The NAV per Redeemable Participating Share is based on the NAV and the number of Redeemable Ordinary Shares in issue at the reporting date. Movements between the published NAVs and the NAVs per the Financial Statements are split by class by allocating share class specific items and splitting the remaining movements on a weighted average basis.

	2014 Total		2013 Total	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**31,829,777**	**0.8519**	17,321,615	0.8859
Add back:				
Property Acquisition costs prepaid	**1,716,908**	**0.0460**	750,705	0.0384
Capitalised Sales and Marketing expense	**1,039,161**	**0.0278**	636,083	0.0325
Set up costs amortised	**350,399**	**0.0094**	430,127	0.0220
Deferred tax	**525,440**	**0.0141**	215,898	0.0110
Other adjustments in preparation of Financial Statements	**619,786**	**0.0165**	135,055	0.0069
Published NAV	**36,081,471**	**0.9657**	19,489,483	0.9967

	2014 GBP - Class A		2013 GBP - Class A	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**7,962,050**	**1.0756**	5,708,455	0.9878
Add back:				
Property Acquisition costs prepaid	**429,487**	**0.0580**	246,738	0.0427
Capitalised Sales and Marketing expense	**315,987**	**0.0427**	286,387	0.0496
Set up costs amortised	**87,653**	**0.0118**	141,372	0.0245
Deferred tax	**131,440**	**0.0178**	70,959	0.0122
Other adjustments in preparation of Financial Statements	**142,944**	**0.0193**	45,564	0.0079
Published NAV	**9,069,561**	**1.2252**	6,499,475	1.1247

	2014 EUR - Class A		2013 EUR - Class A	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**11,401,585**	**0.8341**	4,795,132	0.8409
Add back:				
Property Acquisition costs prepaid	**619,586**	**0.0453**	207,699	0.0364
Capitalised Sales and Marketing expense	**482,404**	**0.0353**	228,679	0.0401
Set up costs amortised	**126,450**	**0.0093**	119,004	0.0209
Deferred tax	**189,617**	**0.0139**	59,733	0.0105
Other adjustments in preparation of Financial Statements	**241,203**	**0.0176**	34,889	0.0061
Published NAV	**13,060,845**	**0.9555**	5,445,136	0.9549

	2014 CHF - Class A		2013 CHF - Class A	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**2,128,881**	**0.6925**	975,232	0.6844
Add back:				
Property Acquisition costs prepaid	**114,684**	**0.0373**	42,476	0.0298
Capitalised Sales and Marketing expense	**89,981**	**0.0293**	44,506	0.0312
Set up costs amortised	**23,405**	**0.0076**	24,337	0.0171
Deferred tax	**35,098**	**0.0114**	12,216	0.0086
Other adjustments in preparation of Financial Statements	**47,555**	**0.0154**	8,341	0.0058
Published NAV	**2,439,604**	**0.7935**	1,107,108	0.7769

29 RECONCILIATION OF NAV PER THE FINANCIAL STATEMENTS TO PUBLISHED NAV (continued)

	2014		2013	
	USD - Class A		USD - Class A	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**3,463,133**	**0.6437**	1,563,966	0.6360
Add back:				
Property Acquisition costs prepaid	**183,591**	**0.0341**	68,909	0.0280
Capitalised Sales and Marketing expense	**150,789**	**0.0280**	76,511	0.0311
Set up costs amortised	**37,469**	**0.0070**	39,482	0.0161
Deferred tax	**56,185**	**0.0104**	19,818	0.0081
Other adjustments in preparation of Financial Statements	**60,620**	**0.0114**	12,431	0.0051
Published NAV	**3,951,787**	**0.7346**	1,781,117	0.7244

	2014		2013	
	GBP - Class B		GBP - Class B	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**3,973,035**	**1.1408**	3,820,351	1.0444
Add back:				
Property Acquisition costs prepaid	**214,313**	**0.0615**	165,127	0.0451
Set up costs amortised	**43,738**	**0.0126**	94,612	0.0259
Deferred tax	**65,588**	**0.0188**	47,490	0.0130
Other adjustments in preparation of Financial Statements	**71,329**	**0.0205**	30,494	0.0083
Published NAV	**4,368,003**	**1.2542**	4,158,074	1.1367

	2014		2013	
	EUR - Class B		EUR - Class B	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**782,132**	**0.8849**	424,621	0.8863
Add back:				
Property Acquisition costs prepaid	**42,508**	**0.0481**	18,276	0.0381
Set up costs amortised	**8,675**	**0.0098**	10,472	0.0219
Deferred tax	**13,009**	**0.0147**	5,256	0.0110
Other adjustments in preparation of Financial Statements	**16,686**	**0.0189**	3,044	0.0064
Published NAV	**863,010**	**0.9764**	461,669	0.9637

	2014		2013	
	CHF - Class B		CHF - Class B	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**486,474**	**0.6911**	33,858	0.6772
Add back:				
Property Acquisition costs prepaid	**26,205**	**0.0372**	1,480	0.0296
Set up costs amortised	**5,348**	**0.0076**	848	0.0170
Deferred tax	**8,020**	**0.0114**	426	0.0085
Other adjustments in preparation of Financial Statements	**10,859**	**0.0154**	292	0.0058
Published NAV	**536,906**	**0.7627**	36,904	0.7381

	2014		2013	
	USD - Class B		USD - Class B	
	£	**£ per share**	£	£ per share
NAV per the Financial Statements	**1,632,487**	**0.5903**	-	-
Add back:				
Property Acquisition costs prepaid	**86,534**	**0.0313**	-	-
Set up costs amortised	**17,661**	**0.0064**	-	-
Deferred tax	**26,483**	**0.0096**	-	-
Other adjustments in preparation of Financial Statements	**28,590**	**0.0103**	-	-
Published NAV	**1,791,755**	**0.6479**	-	-

29 RECONCILIATION OF NAV PER THE FINANCIAL STATEMENTS TO PUBLISHED NAV (continued)

Pursuant to the prospectus for the purposes of calculating the Class A shares NAV, the sales and marketing allowance is amortised over a 60 month period. As the Financial Statements are prepared under IFRS the sales and marketing allowance is written off in the period incurred. There is no such allowance in respect of Class B shares.

Other adjustments in preparation of the Financial Statements relate to accruals and other similar amounts not included in the NAV.

- Property acquisition costs prepaid: For the purposes of calculating the published NAV, certain expenditure incurred towards the acquisition of investment properties have been capitalised and amortised over a 60 month period whereas under IFRS, these shall be considered in determining the fair value.

- Capitalised Sales and Marketing expense: For the purposes of calculating the published NAV of the relevant Share Class, the Sales and Marketing allowance (after exit fees) will be amortised over a 60 month period whereas under IFRS, this has been immediately recognised through equity (Share Premium) as part of a direct cost of issuance.

- Set up costs amortised: For the purposes of arriving at the published NAV, certain costs incurred which are directly attributable to issuance of shares in the Company will be amortised over a 60 month period whereas under IFRS, this has been immediately recognised through equity (Share Premium).

- Deferred tax: International Accounting Standards 12 "Income taxes" requires that deferred tax is calculated on unrealised gains/losses on revaluation of investment properties. Deferred tax is omitted for the purposes of calculating the published NAV.

30 EVENTS AFTER THE REPORTING PERIOD

New group entities

Subsequent to the year end the following entities were incorporated into the Group structure.

Name of subsidiary undertaking	Holding	Date of incorporation	Country of incorporation	Principal activity
Harbour Court Manco Limited	100%	15 September 2014	United Kingdom	Management Company
St James Point Manco Limited	100%	15 September 2014	United Kingdom	Management Company
Victus Holdings (Belgium) SPRL	100%	9 October 2014	Belgium	Holding Company
Glassworks Manco Limited	100%	20 November 2014	United Kingdom	Management Company

Investment property acquired

FHC Bordeaux SAS

On 17 December 2014, the Group agreed the purchase of FHC Bordeaux from CBB JV S.à.r.l. for a total purchase price of €10,715,000. As at the reporting date 90% of the share capital of FHC Bordeaux from CBB JV S.à.r.l. had been acquired with the remaining 10% to be paid within 12 months after the date of completion. CBB JV S.à.r.l. is considered to be a related party by virtue of common control. James Metcalf is a director of CBB JV S.à.r.l. and is thus involved in the decision making.

Loans payable

Michael Anthony James Sharples

On 17 December 2014, FHC Bordeaux had fully drawn upon a short-term, interest free loan agreement with Michael Anthony James Sharples of £1,155,000 repayable on demand. On 24 December 2014, £550,000 had been repaid with the remaining £605,000 remaining outstanding at the reporting date.

Buile Holdings Limited

On 17 December 2014, FHC Bordeaux had fully drawn upon a short term, interest free loan agreement with Buile Holdings Limited of €868,000 repayable on demand for the purposes of completing the purchase of the property. The loan was repaid in full on 22 December 2014 when the Group received a VAT refund on the completion of the purchase of the property held St Lawrence, Bristol, England, United Kingdom.

Refinancing of borrowings

On 14 November 2014, Victus (Guernsey) 1 Developments Limited agreed a term loan with Macquarie Bank Limited for £15,100,000 with interest charged at 4.55% + LIBOR for the purpose of refinancing the loans held with AREO S.à.r.l. and The Co-operative Bank Plc. The existing borrowings were repaid in full on 14 November 2014.

On 14 November 2014, Victus (Guernsey) 2 Developments Limited agreed a term loan with Macquarie Bank Limited for £9,600,000 with interest charged at 4.55% + LIBOR for the purpose of refinancing the loan held with Titlestone Property Lending. The existing borrowings were repaid in full on 14 November 2014.

The total commitment available from Macquarie Bank Limited is £34,700,000 of which £10,000,000 is available, but restricted solely for the refinancing of Victus (Guernsey) 5 Developments Limited.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2014 (continued)

30 EVENTS AFTER THE REPORTING PERIOD (continued)

Latest Class NAVs

As at 27 February 2015	
GBP - class A (GBP per share)	**1.28**
EUR - class A (EUR per share)	**1.25**
CHF - class A (CHF per share)	**1.25**
USD - class A (USD per share)	**1.26**
GBP - class B (GBP per share)	**1.32**
EUR - class B (EUR per share)	**1.28**
CHF - class B (CHF per share)	**1.21**
USD - class B (USD per share)	**1.12**

Shares Issued and Redeemed Post Year End

Shares Issued (1 September 2014 - 27 February 2015)	
GBP - class A (Shares)	**975,156.39**
EUR - class A (Shares)	**3,236,900.22**
CHF - class A (Shares)	**162,048.29**
USD - class A (Shares)	**2,444,643.20**
GBP - class B (Shares)	**1,720,388.35**
EUR - class B (Shares)	**3,066,119.03**
CHF - class B (Shares)	**60,197.83**
USD - class B (Shares)	**505,769.95**

Shares Redeemed (1 September 2014 - 27 February 2015)	
GBP - class A (Shares)	**235,421.67**
EUR - class A (Shares)	**470,595.57**
CHF - class A (Shares)	**-**
USD - class A (Shares)	**636,076.87**
GBP - class B (Shares)	**659,920.96**
EUR - class B (Shares)	**2,783,070.60**
CHF - class B (Shares)	**170,000.00**
USD - class B (Shares)	**243,001.55**

Portfolio Statement (unaudited)

	2014 % of net asset value	2014 Carrying amount £	2013 % of net asset value	2013 Carrying amount £
Completed investment property:				
Keiller Court, Dundee, Scotland				
Property	19.01%	6,050,000	34.06%	5,900,000
Loan	(9.31%)	(2,962,704)	(17.77%)	(3,078,414)
	9.70%	3,087,296	16.29%	2,821,586
Oldenburg, Germany				
Property	12.26%	3,902,588	24.91%	4,315,524
Loan	(6.67%)	(2,122,462)	0.00%	-
	5.59%	1,780,126	24.91%	4,315,524
Osnabruck, Germany				
Property	18.82%	5,992,412	0.00%	-
Loan	(10.49%)	(3,339,189)	0.00%	-
	8.33%	2,653,223	0.00%	-
Pitt Street, Newcastle, England				
Property	66.21%	21,075,000	0.00%	-
Loan	(45.32%)	(14,424,347)	0.00%	-
	20.89%	6,650,653	0.00%	-
Chambery, France				
Property	24.15%	7,686,436	0.00%	-
Total completed investment property	68.66%	21,857,734	41.20%	7,137,110
Investment property under development:				
Anchor Road, Bristol, England				
Property	37.40%	11,903,306	21.96%	3,804,022
Loan	(18.38%)	(5,850,870)	(0.24%)	(42,128)
	19.02%	6,052,436	21.72%	3,761,894
Vauxhall Road, Liverpool, England				
Property	19.41%	6,178,614	0.00%	-
Loan	(0.37%)	(117,980)	0.00%	-
	19.04%	6,060,634	0.00%	-
Pitt Street, Newcastle, England				
Property	-	-	52.29%	9,057,531
Loan	-	-	(32.32%)	(5,599,005)
	-	-	19.97%	3,458,526
14 - 22 Pitt Street, Newcastle, England				
Property	16.81%	5,351,247	0.00%	-
Loan	(1.76%)	(561,711)	0.00%	-
	15.05%	4,789,536	0.00%	-
St Lawrence, Bristol, England				
Property	23.55%	7,496,123	0.00%	-
Loan	(11.55%)	(3,677,861)	0.00%	-
	12.00%	3,818,262	0.00%	-
Total investment property under development	65.11%	20,720,868	41.69%	7,220,420
Other net (liabilities)/assets	(33.77%)	(10,748,825)	17.11%	2,964,085
	100.00%	31,829,777	100.00%	17,321,615