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

Annual Report and Audited Consolidated Financial Statements

For the year ended 31 August 2015

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Company Summary

The Company

Victus European Student Accommodation Fund IC Limited (the "Company") is an open-ended investment company established as an incorporated cell of Victus Capital ICC Limited (the "ICC") under the provisions of the Companies (Guernsey) Law, 2008 as amended (the "Companies Law"). 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.

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.On 1 July 2015, Crosslane Property Advisor (Guernsey) limited (the "Asset Manager") and the Company entered into a new agreement for the provision of asset management services and to make recommendations to the Company in line with the Company's objectives. This agreement is effective as from 1 July 2015 and will continue for an initial period of 5 years and thereafter unless and until terminated by either the Fund or the Asset Manager. The annual management fee will be £250 (or any equivalent in any other agreed currency) per room for all the assets under management.

Capital Structure

The Company can issue an unlimited number of redeemable shares of no par value 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 2015 the following shares of the Company were listed on the CISE:

GBP -	Class A	8,035,193.88
EUR -	Class A	19,318,712.54
CHF -	Class A	1,644,717.09
USD -	Class A	8,190,001.31
GBP -	Class B	5,624,439.42
EUR -	Class B	1,361,382.03
CHF -	Class B	151,087.59
USD -	Class B	5,172,785.20

As at 29 February 2016 the following shares of the Company were listed on the CISE:

GBP -	Class A	8,480,455.28
EUR -	Class A	21,930,446.86
CHF -	Class A	1,889,361.43
USD -	Class A	9,767,400.70
GBP -	Class B	4,253,365.12
EUR -	Class B	1,607,711.92
CHF -	Class B	302,959.41
USD -	Class B	6,913,092.43

Chairman's Statement

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

The Company has continued to provide a platform that permits investors to benefit from the track record and extensive experience in Purpose Built Student Accommodation that the Crosslane Group of companies possesses.

During the year and post year end there have been a number of changes at Board level. Andrew Henton resigned as Chairman and from the Board on 30 June 2015, I was appointed as a Director to the Board on 30 June 2015 and then as Acting Chairman on 30 November 2015. Justin Partington was appointed to the Board as Chairman on 13 August 2015 and resigned on 30 November 2015 to take up a full time employment role. Andrew's and Justin's contribution during their time as respective chairman is appreciated. Andrew Jamieson, former Crosslane Director of Acquisitions & Development – Continental Europe resigned as deputy Director.

The year ending 31 August 2015 was commenced as another strong year for the Company, continuing the success and momentum of the previous year and further enhancing the portfolio reputation in European with an acquisition in France. However events since the year end have impacted upon this continued performance level which I discuss later in my statement.

During the reporting period, Practical Completion was achieved on one of the three development assets, the other two completing post year end but ahead of the academic year. These works, together with the completion of some minor capital expenditure upgrades across European and two UK assets have ensured that the high specification associated with the Company's portfolio and the attractiveness of the assets to both, tenants and potential investors is maintained.

Company performance

As at 31 August 2015, the Company met the annualised target rate of return for all share classes of 8 - 10% per annum measured on a Net Asset Value basis from inception. Each month, the movements in valuation are calculated using monthly property valuations that are prepared by independent RICS accredited valuers and included in fact sheets which are made available to investors.

During the period covered by this statement, the average return was 9% performing in line with expectations to deliver the returns within the target rate for all share classes during the annual reporting period ending 31 August 2015. More detailed share currency class specific performance figures can be found at www.victus-capital.com.

The performance total returns are indicative of the high end quality of the operational assets held within the Company's portfolio. Furthermore, the strong brand awareness that the Company has established in the various European markets and the strength of the operating platform created are ensuring that reasonable valuations and occupancy levels across the portfolio are achieved.

Portfolio construction and transactional forecast

During the reporting period, the Company reached Practical Completion on one of the three UK assets which were under development, the other two being completed post year end. There was one acquisition in Bordeaux, France, which was followed by a soft refurbishment and mobilisation programme of works to enable the asset to become operational.

The current portfolio consists of six UK assets, two German assets and two French assets – all of which are now fully operational and generating rental returns to the portfolio, though this is expected to change by end of April 2016 and I refer you to the end of my statement. Your Board are considering the refurbishment of one French asset at Bordeaux to provide a higher standard of accommodation; additional habitable rooms in the process thereby increasing potential revenue.

Works to upgrade the internet facilities and connection speeds in all assets and the implementation of a printing service in the UK not only generated additional sundry income, but also illustrated the Company's ambition to raise their profile and maintain their reputation in the Student Accommodation market.

During the period, the Company has not disposed of any assets, however your Board maintains a consideration to strategically dispose of assets from the portfolio and I refer you to my comments regarding post balance sheet events. With a high demand from institutional investors to acquire operating units of student accommodation, the current portfolio sits in a prominent and marketable position in what is a buoyant market. The majority of appreciation in Net Asset Value derives from the capital value added by land value uplifts, the completion of refurbishment works and new development schemes which further substantiates the strategic consideration to dispose of operational assets and crystallise the value created.

Disposing of assets provides the Company with the opportunity to redeploy funds into the strongly emerging mainland European markets and diversify the portfolio mix. The Company's contacts with the Crosslane Group and subsequent experience in multiple jurisdictions provides not only a strong pipeline, but also confidence in acquiring assets in key jurisdictions to maximise returns.

Market outlook

With the assistance of the Crosslane Group and third party reports, the Company maintains transparency and visibility on the market to ensure that the Company can continue to deliver on the objectives and strategies set out in the Information Memorandum.

A number of new investors have entered the UK market in 2015 and we see this continuing in 2016, with total transactional values in 2015 leading up to the date of this statement, already exceeding the total transactional value for the calendar year of 2014. Further information on the asset and market performance can be found in the Property Advisors report which forms part of the annual accounts.

Since the level of maturity of purpose built student accommodation market in mainland Europe is behind that of the UK, your Board remains optimistic about the opportunity over the coming years for investors. In order to take advantage of the significant undersupply of purpose built student accommodation in mainland Europe currently, the Company continues to progress its strategy of identifying new asset acquisitions.

Risk management

As a continued general policy from the 2014 statement, the intention of your Board is to maintain cash balances equivalent to 10% of the size of the Company, albeit that this remains at the Boards' discretion. Maintaining cash on the Consolidated Statement of Financial Position is continually reviewed by the Board in order to ensure that the diluted returns are balanced against generating attractive returns.

Chairman's Statement (continued)

Risk management (continued)

As at 31 August 2015, cash balances stood at £634,533 equivalent to 1.51% of net asset value at that date. Cash balances are managed on a monthly basis in order to balance the need to maintain liquidity for potential redemptions, at the parent level, with the goal of being fully invested to achieve target returns. As at 31 August 2015, the Group has net current debt facilities, which total £62,955,058 including interest payable.

Events post financial period end

In regard to the debt facility agreements with Macquarie Bank, held by Victus (Guernsey) 1 Developments Limited and Victus (Guernsey) 2 Developments Limited, the covenant relating to projected contracted rental was breached for both of the above subsidiaries on 31 October 2015. The test was carried out and the breach resulted, due a shortfall of £170,000 compared to the total projected contractual rent covenant of £3,394,000 per the loan facility agreement. As a result, the Property Manager has been actively marketing the property to improve occupancy levels. The Fund's Board have since agreed new covenants with Macquarie Bank for the future projected contractual rental income, which the Board believes are achievable. A detailed summary of the debt position is given in the post balance sheet event note.

As Investors are aware we announced in September 2015 that the Fund had signed non-binding heads of terms and an exclusivity agreement to sell all of its current UK student accommodation portfolio by 31 December 2015 subject to negotiation and signing of a sales and purchase agreement which when completed would result in the sale of the Fund's UK based assets (St James Point (Phase I and 2), Harbour Court, Keiller Court, Glassworks and St Lawrence House).

An independent bid process was entered into during mid-2015 using Savills as the independent agent appointed by the Fund. With a related party joining the bidding process, an independent Board consisting of the Independent Directors only was formed to lead the process and assess the offers for the Fund. James Metcalf and Kerry-Anne Marais were excused from this process. Appropriate Chinese walls and processes were put in place by the Independent Directors, Company Secretary, fund administrators, fund lawyers and other parties involved. Savills were used to organise communications with the bidders and assess the various bids received over 3 rounds before a final decision was made by the independent Board in consultation with its advisors as to which bid should be retained and accepted as the preferred bid. The majority of the bids required the bidder to raise funds in the market in order to complete, the only cash bid was substantially lower and did not offer value to the investors.

This whole process has taken longer than expected, however the Fund has no reason to believe that the sale will not eventually complete at a satisfactory price and return for the Fund. Accordingly the Fund agreed with the prospective purchaser to extend the exclusivity period and signed new non-binding heads of terms to sell the UK student accommodation portfolio by end of April 2016.

We also made you aware that the Fund was approached by a prospective purchaser to sell one of our German student accommodation properties known as Osnabruck. The price offered was attractive and accordingly the Fund entered into a Letter of Intent for the prospective purchaser to buy this property. The completion of the sale of this property had been expected to have taken place by now, however due to the lengthy legal process of disposing of property in Germany this may not complete before the end of April 2016.

Despite the Fund's announcement in September where the Board stated that its objective was to focus its investment in European student accommodation properties following the sale of its UK student accommodation assets, we believed that the sale of this German property at this point in time would be attractive to further sustain the Fund's performance whilst allowing the Fund to focus on other key sites in European university cities.

After considering the cash position, refinancing plans together with the potential sale of some of the properties the Board has a reasonable expectation that the Fund will have adequate resources to continue in operational existence for the foreseeable future. This conclusion reflects the fact that properties exist against which the full borrowing potential has not been exploited, and that a number of unsolicited offers have periodically been received from third parties to purchase assets from the Company. Both increasing debt and selling assets are thus considered viable sources of additional liquidity if required and are pursued as such. Thus these Consolidated Financial Statements have been prepared on a going concern basis.

The Board would like to thank all of our investors for their continued support and are pleased with the performance generally to date, which through the disposal of various assets will give value to investors and allow a focus on the remaining assets to develop and increase in value. I look forward to reporting further progress and positive returns to investors during 2016/17.

K Haith, Chairman. 22nd April 2016

Property Advisor's Report

UK Market Background

Following a robust reaction to the recession, the UK purpose built student accommodation sector has this year had some challenges in the form of higher University fees being introduced. Savills report that the sector has however recovered and performed in 2015 with the subsequent removal of the cap on numbers. The market has once again experienced high volumes of investment and transactions through 2015, to further substantiate the fact that the impact of higher fees has been overcome.

Investment assets totalling £3.3bn were transacted in the first quarter of 2015, with the total investment rising to approximately £5.1bn by the end of September 2015 as reported by Savills. This already more than doubles the total monetary value of transactions in 2014.

The Student Housing investment landscape for 2015 has been largely defined by some significant portfolio sales within these transactions. JLL and Savills both summarise portfolio sales up to the end of September 2015 to include £1.15bn (Liberty Living), £550m (Knightsbridge), £600m (Nido), £550m (Pure), £330m (Student Castle) and £271m (AUB). In addition to the transactions, the Mansion portfolio is also currently under offer.

The market trend through 2015 has been to dispose of assets in prime locations, with much of the capital to facilitate this has derived from the institutional market (e.g. Apache and AIG). The Mansion portfolio is under offer with Mapletree, which comprises of Singaporean and Far Eastern investors. This evidences the increased interest from Far Eastern investors in the Student Accommodation market in 2015.

There are a number of cities in the UK which are considered to be reaching maximum capacity. This has resulted in lower than expected occupancy levels through some larger cities in the UK as reported by Savills. Taking into account the initial fee structure changes as mentioned above, and additional factors such as the reorganisation of undergraduate and postgraduate courses in some cities, occupancy levels are still consistent in UK assets. As a result of the course reorganisations in some cities, there are signs that the demand for premium units of accommodation is not as strong as previous years due to a reduction in the number of postgraduate international students. This is supported by the Savills UK Student housing Spotlight report.

Since 2012, the University enrolment figures have increased consistently and considerably each year. The 2014/15 academic year experienced more EU applicants and individuals from outside the EU than previous years, and a 9% increase on applicants over 25 years old. The Higher Education Statistics Agency (HESA) report that the number of Chinese first year students at UK Universities exceeded the total number of European students attending UK universities in 2014, and these students occupy the largest proportion of international students.

HESA also established that Indian and Pakistani students were favouring places in Australian and American universities as opposed to those located in the UK, and these applicants fell by 12% and 7% respectively on the previous year.

UK applicants did however increase by 14,600 on the previous academic year, which equated to a 4% uplift on the 2013/14 year and nearly a third more than the student up take recorded in 2006.

The 2015/16 academic year is no different, with 511,730 acceptances on UK university places to date, representing an increase of 12,610 (3%) on the same reporting period for the 2014/15 academic year.

Scotland

As expected, and indicated in the Property Advisors 2014 year-end report, confidence in the student housing market north of the border has been restored following the result of the Scottish Referendum, and retention of the opportunity for Scottish students to receive free university education.

Application rates have remained stable in the stronger university cities within Scotland, and high occupancy levels experienced in these areas.

The resulting effect of lifting the cap on student numbers is an unknown, and whilst the Government predict an additional 60,000 places being created as a result, it is understood that this is only an estimate based on the number of qualified students who are unplaced.

European Market Background

Student Accommodation in mainland Europe is emerging as a highly investible proposition, as reported by Savills. Investment volumes are rising amidst an increase in interest from international private equity and institutional investors, who are now becoming more comfortable with direct let schemes.

Due to the limited availability of purpose built student accommodation, any investment in mainland Europe has predominantly been driven through development. Key target markets include the Netherlands (JV between IC and DUWO), Germany, France, Austria and Denmark.

In comparison to the UK market, volumes of sales in the European markets are still relatively small. That said, as investors move beyond core markets, mainland Europe is becoming increasingly appealing as mentioned above. There is a growing interest from international private equity into the sector (e.g. Harrison Street Capital, Global Student Accommodation, Oaktree), who are all trying to secure pipelines in European countries. Institutional investor appetite from European and UK entities such as CBRE GI and LaSalle are also showing increasing interest in the European student accommodation market.

Examples of investment in the European student housing market as yields mature in the UK include the Student Hotel receiving equity investment of €100m. Furthermore, Deutsche Real Estate Funds (DREF) and Internos Global Investors launched the first ever German student housing bond and Commerz announced plans to launch a new €250 million student housing fund. One of the largest assets to be brought to market to date is a 600-bed high-end student unit of accommodation in Vienna.

Savills predict further partnerships and transactions evolving in the European markets over the coming months and into early 2016. In addition to the existing German, French and Netherlands markets which are more established, Savills advise of emerging appetite for development and growth in Spain, Austria, Denmark, Poland and Portugal.

Property Advisor's Report (continued)

Germany

There are a number of new entrants into the market place such as DREF who launched the first ever German student housing bond raising €44 million initially and €33 million thereafter, through the backing of German insurers. There has been a record level of transaction volumes and 2014 witnessed the dominance of developments in the German student accommodation market.

The specification levels within the majority of German student accommodation are still somewhat behind that of the UK, however it is expected that over the forthcoming years, the market will mature to be similar to the UK, and more international students are expected to study in mainland Europe subsequently.

There continues to be a strong interest in the market from German and UK institutions on direct let assets. A number of international developers and investors have secured pipelines or are going through pre application negotiations for planning permits.

German universities registered an increase in the number of domestic as well as international students, which reached 300,000 in 2014, and Germany has continued to dominate the mainland Europe investor transaction volumes in 2015.

France

The French student accommodation market has experienced a significant increase in planning applications across a number of cities.
Typically the French market continues to have been developed through smaller schemes of c.100-150 studios where a developer will put a management company in place on a nine year lease and the studios are sold off on an individual basis to investors.

The governments recently announced Plan for Student Life (PNVE) highlights more effort will be placed towards student housing with plans to renovate student accommodation and improve its standards. A lot of attention, both public and private, has been to Paris Saclay where large scale regeneration is taking place.

The government recently launched project '40,000' in 2014, with the aim of developing 40,000 public student rooms before 2017. A quarter of these have already been developed, eclipsing the forecast 9,300 private beds over the next 5 years.

Recent transactions over the last year show assets are trading and an uptake in activity shows restored confidence within the student housing market across France, with many investors demonstrating interest in the sector. In France, growing investor interest combined with the limited available supply on the market has put downward pressure on prime student yields, standing at 5.4%.

Netherlands

The student housing investment market in the Netherlands is an emerging alternative real estate asset class that is enjoying the growing attention of investors – in large due to the favourable market fundamentals.

The number of domestic students and the inflow of international students are expected to grow in the years ahead, as reported by a number of valuers. However, the growth is expected to continue un-equally across the country, with the large university towns in the west most likely to experience a stronger prolonged growth period compared to smaller university towns.

The Netherlands student accommodation market is unique in that it is highly influenced by government regulation. On the demand side, the government regulates the level of tuition fees, the student loan conditions, and the conditions for rent subsidy. On the supply side, the government caps the maximum rent levels of rooms.

The Dutch government has amended the funding of university education from 1 September 2015. Until this date, students were eligible to receive a grant of €3,350 per year when living away from their parents and €1,200 per year when living with their parents. Under the new system, the grant will revert to a favourable rate loan.

CBRE report in their Netherlands Student Housing special report that it is too early to measure the effects of the new funding policy. However, they estimate that 51% of all bachelor degree students expect to continue living with their parents for an extended period, and 40% of all master degree students say that they will stay with their parents for a longer period as a consequence of the new regulation. These assumptions are based on a survey held by ABF Research in 2013, prior to the agreement on the new policy so they are not current statistics but the only indicative research available.

Partnerships such as the one between International Campus and DUWO have brought a number of new student accommodation possibilities to the development pipeline in Amsterdam and universities are reporting continued growth with international enrolments.

A new manager on the Netherlands market 'Student Experience', have opened two new residences in Amsterdam and are currently developing a third.

Spain

Spain is a rapidly growing, undersupplied student sector with an increasing foreign demand. Spain is pursuing a policy of attracting more international students by offering one in every three university courses to be taught in English by 2020.

The volume of international students has doubled between 2005/06 and 2013/14 however they currently still only account for c.3.8% of all students. Therefore, it is expected that the Spanish market will continue to grow, given that the universities are marketing to international students which will raise the 3.8% contribution to the market.

Agreements for development on the Spanish student market include Knightsbridge Student Housing's agreement to develop five new student halls of residence in Madrid, Alcala de Henares and Barcelona. In addition, Knightsbridge have a development pipeline of c.2,200 beds which will be developed over the next three years – totalling €190m.

The Student Hotel also acquired two residences in Barcelona for c. €41.5m.

The Mayor of Barcelona has recently made a decision to cease grants towards new tourist accommodation licences however the impact that this is likely to have on the market is unknown currently.

Current VESAF Portfolio Overview

The current portfolio comprises of six assets within the UK, and four assets in mainland Europe. All ten assets are fully operational ahead of the respective 2015/16 academic years, with three of the UK assets having reached Practical Completion since the previous annual year-end report.

There are currently no other assets under development in either mainland Europe or the UK.

Property Advisor's Report (continued)

Current VESAF Portfolio Overview (continued)

Operating Assets

The portfolio is managed, either directly or indirectly, by Prime Student Living who have maintained occupancy levels in line and consistent with the expectations for the respective cities. The initial year of operation on the development assets which completed ahead of the 2014/15 academic year proved to be very successful.

The most recent developments were all completed in advance of the 2015/16 academic year commencing, and occupancy levels in the first week of January 2016, included full occupancy at both German assets and an average occupancy level of 83% across the three assets which reached PC in August/September 2015. In the same way as 2014 did, this illustrates that the end product is meeting both market and rental demands of new and returning students.

Savills valuers provided a report at the start of the 2015/16 term, in which the salient observation was that there were a number of new units of student accommodation which had come to the Newcastle and Liverpool markets ahead of the 2015/2016 academic year.

Whilst the number of students in Newcastle and Liverpool remained consistent in 2015, the increase in PBSA units on the market resulted in more competition for these students and subsequent challenges in achieving high occupancy levels for the months to date in St James Point, Newcastle and the Glassworks, Liverpool. Prime Student Living implemented a number of additional marketing initiatives in these two cities which provided positive uplifts in occupancy levels on both assets in the early months of the academic year.

To ensure that high occupancy levels are maintained in these cities, Prime Student Living also entered into discussions on potential nominations agreements in late 2015 / early 2016. Negotiations with a reputable university in Liverpool have led to an agreement for additional guaranteed bookings for rooms commencing in March 2016. Further advanced negotiations are ongoing with the university to enter into another nominations agreement at Glassworks, Liverpool which will commence in September 2016. These agreements would increase the average occupancy level for the three completed assets to c. 89% for the remaining months of the 2015/16 academic year.

Harbour Court, Bristol has now entered into the second 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. This includes an annual rental uplift which to date has been calculated at a 2.5% annual increase. Entering into exclusivity agreements with Universities such as this, further enhances and maintains consistent occupancy levels whilst also keeping consistent rental income in accordance with the Agreement in place.

Keiller Court maintains a very strong position in the student accommodation market of Dundee. Currently the asset is 99% occupied for 2015/16 and continues to be a reliable asset in terms of fulfilling the demand in the area.

Works to mobilise the asset in Bordeaux were completed ahead of the academic year intake of students. The asset operated through the initial months of the 2015/16 academic year at an occupancy level of 79% thereby evidencing the demand for student accommodation in the area.

The other French asset in Chambery, which comprises of two separate buildings, is currently let to student accommodation operators under a head lease and therefore operates to a 97% occupancy under the lease arrangement.

Refurbishment programmes and works to upgrade

With the introduction of an Asset Management service in 2015, all assets held within the VESAF portfolio are subject to continual assessment against market conditions and current performance levels.

Refurbishment programmes are being re-drafted for the two German assets and also for the asset located in Bordeaux. These have been identified as the assets within the portfolio which are in most need of refurbishment, and the intention is to commence works in mid-late 2016. There are currently no UK properties which require immediate refurbishment, however ongoing professional asset management services are being provided to ensure that all assets within the portfolio optimise the returns and value of each asset within the portfolio.

To date, works to upgrade communal areas within the German assets, and a significant upgrade to the internet services provided in Germany have been completed. This increased the internet speed significantly in order to continue to attract students to the accommodation.

Within the UK, minor cyclical maintenance and works to upgrade internal common spaces were carried out to the phase 1 Newcastle and Keiller Court assets in 2015. The minor improvements, coupled with the implementation of a faster internet speed across the UK assets, has ensured that the VESAF portfolio assets remain highly marketable in the UK student housing market.

Further significant capital expenditure works are not expected to be required on any of the UK assets in the short-term, given that the assets are predominantly purpose built student accommodation units and have recently completed the development programmes.

Pipeline Assets

Crosslane continues to have a strong hold on a pipeline of assets throughout Europe. Crosslane have increased their exposure to investment and pipeline opportunities in mainland European jurisdictions by setting up offices in France, Netherlands and Germany.

With the recruitment of local expertise in each of these jurisdictions, and the support of the Savills market reports, Crosslane foresee that the mainland European market has strong opportunities for the development of student accommodation. This is detailed by initial reports from Savills that the sector is still reported as being undersupplied and in its infancy in these mainland European countries.

The future expansion of the Fund is therefore expected to concentrate outside of the UK, with Crosslane carrying out detailed due diligence on Germany, France and the Netherlands currently.

The scope of this research will be expanded in 2016 with the introduction of new European cities. This will provide a geographical spread across major University cities in Europe, and further diversify the existing portfolio mix in the process.

Crosslane Property Advisor (Guernsey) Limited
22 April 2016

CROSSLANE
INVESTING IN THE FUTURE

Board of Directors

Karen Haith (Acting Chairman and Independent Non-Executive Director)
Karen has more than 22 years experience working in financial services across the areas of alternative investment administration, open and closed ended funds, trust services, company secretarial services, corporate governance, risk management, FATCA and tax information exchange related issues and accounting. Karen is a qualified accountant and also company secretary. Her previous experience includes more than 13 years at Ipes where she was the Operations Director for the private equity fund administration business; prior to that she has worked at Bank of Bermuda and KPMG. Karen is a member of the executive committees of the GSCCA and the Guernsey NED Forum and is a past President of the ACCA Channel Islands.

Gunther Gommes (Independent Non-Executive Director)
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 Jersey 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 the managing director of Crosslane Property Advisor (Guernsey) Limited. She 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.

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 2015.

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 2015 the following Shares of the Company were listed on the CISE:

GBP -	Class A	8,035,193.88
EUR -	Class A	19,318,712.54
CHF -	Class A	1,644,717.09
USD -	Class A	8,190,001.31
GBP -	Class B	5,624,439.42
EUR -	Class B	1,361,382.03
CHF -	Class B	151,087.59
USD -	Class B	5,172,785.20

As at 29 February 2016 the following Shares of the Company were listed on the CISE:

GBP -	Class A	8,480,455.28
EUR -	Class A	21,930,446.86
CHF -	Class A	1,889,361.43
USD -	Class A	9,767,400.70
GBP -	Class B	4,253,365.12
EUR -	Class B	1,607,711.92
CHF -	Class B	302,959.41
USD -	Class B	6,913,092.43

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 13.
No dividends were paid or declared during the year ended 31 August 2015 (31 August 2014: £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 except for the filing of the financial statements on time. The delay in filing the Annual report and accounts is due to unforeseen delays in the preparation of the accounts and their subsequent audit due to a change in administrator earlier in the year and additional work required resulting from a UK asset sale project.

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 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.

In considering the going concern position of the group the Directors have considered cash flow forecasts which show there is a cash deficit due to:-

• Settlement of overdue LDMF amounts totalling £2,417,355 (£6,071,406 as at 31 August 2015 less subsequent payments).

• Settlement overdue for the remaining purchase price from CBB JV Sarl of the shares for the two French assets totalling more than £ 3.5 Million as at 31 August 2015

• Repayment of overdue borrowing from Titlestone Property Lending Limited ("Titlestone"), including rolled up interest amounts totalling £9,801,558 (£19,718,468 as at 31 August 2015 less subsequent payments).

• Meeting all other Creditors and ongoing obligations.

The directors are in the process of selling the UK assets and the company has entered into a period of exclusivity with a potential buyer. The potential buyer will be a newly formed LSE listed company, managed by Crosslane, that is currently going through the listing process. The Directors believe that the fund raising and final sale and purchase agreement ("SPA") will allow for the settlement of any UK Group debts not transferred via the SPA and all other overdue balances whilst leaving sufficient working capital for ongoing operations post completion. Although the directors expect the deal to go through, should it not complete, they have alternative options as per below:

• Sale of properties, refinancing and / or new finance on other properties or from future funds raised via share subscriptions. The directors expect that should this option be pursued that it would be a combination of these.

• Promoters of the fund have been incentivised to create improved levels of subscriptions to support the day to day Working Capital needs of the Fund.

• The sale of a German asset – the company is currently pursuing an exclusive offer with a prospective buyer.

Directors' Report (continued)

Going concern (continued)

• The sale of other of the group's property assets - the directors believe that the offers received in the period combined with prevailing market conditions, suggest that it is reasonable to assume that one or more properties could be sold.

As at 31 August 2015 cash balances stood at £634,533 equivalent to 1.51% of net asset value at that date. As at the date of the most recently published NAV (29 February 2016), cash balances stood at £1,263,545, equivalent to 2.16% of net asset value. Given the circumstances outlined above, material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. However, whilst recognising these uncertainties and that cash balances at the reporting date of 29th February 2016 are relatively low in comparison to the 10% threshold, the Board is comfortable with the position in light of the current plans to recycle a number of the Company's operating assets in UK and Germany after having reviewed and considered the various financing options available to the Fund. Therefore, the Board believes it will generate net cash sales proceeds in the near future to honour its creditors and for it therefore to be appropriate to continue to prepare the Group and Company financial statements on a going concern basis.

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:

Karen Haith (Acting Chairman and Independent Non-Executive Director, appointed on 30 June 2015)
Gunther Gommes (Independent Non-Executive Director)
Kerry-Anne Marais
James Metcalf
Justin Partington (appointed as chairman on 13 August 2015, resigned on 3 November 2015)
Andrew Henton (former chairman, resigned on 30 June 2015)

Directors' fees

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

	31 August 2015 £	31 August 2014 £
Andrew Henton (former chairman, resigned on 30 June 2015)	**36,772**	37,030
Gunther Gommes	**39,993**	32,030
Kerry-Anne Marais	**39,308**	32,030
James Metcalf	**32,348**	32,030
Justin Partington (appointed as chairman on 13 August 2015, resigned 30 November 2015)	**2,291**	-
Karen Haith (appointed on 30 June 2015, acting chairman)	**7,033**	-
	157,745	133,120

Directors' interests

The Directors did not hold any shares in the Company during the year ended 31 August 2015 (31 August 2014: Nil), and subsequently.

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 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 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 the 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

Orangefield Legis Fund Services Limited held the office of Secretary during the year since their appointment, and subsequently.

Directors' Report (continued)

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.

On behalf of the Board

Karen Haith

Director

22 April 2016

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 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Consolidated Statement of Cash Flows and the related notes 1 to 29. 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 Directors Responsibilities within the Directors' Report, 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 2015 and of its profit/(loss) 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.

Emphasis of Matter - Going concern
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 3.3 to the financial statements concerning the group's ability to continue as a going concern. As disclosed in note 3.3 to the financial statements, the group requires additional funding to meet overdue creditors. The directors of the company are actively pursuing the sale of the UK assets which would allow for settlement of the overdue balances. Should this sale not complete, the directors have other alternative options as detailed in note 3.3 to the financial statements. However, at this stage there is still uncertainty around the outcome of these options. This indicates the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group were unable to continue as a going concern.

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

22 April 2016

Consolidated Statement of Comprehensive Income
for the year ended 31 August 2015

	Notes	31 August 2015 £	31 August 2014 £
Income			
Revenue	4	**4,447,817**	1,494,787
Property operating costs	11	**(1,792,372)**	(763,087)
Net rental income		**2,655,445**	731,700
Loss on foreign exchange		**(560,727)**	(865,522)
Surplus on revaluation of investment properties			
- completed investment property	16	**1,619,479**	400,590
- property under development	17	**2,819,329**	2,475,951
Total income		**6,533,526**	2,742,719
Expenditure			
Administration fees	5	**389,577**	189,607
Annual management charge	6	**660,654**	425,152
Reporting fees	6	**-**	120,000
Performance fees	6	**(20,663)**	20,663
Custodian's fees	7	**19,124**	10,148
Directors' fees	8	**157,745**	133,120
Property advisor's fees	9	**12,671**	8,362
Asset Manangement fees	9	**55,142**	-
Legal and professional fees		**837,516**	220,080
Other expenses	12	**493,027**	294,198
Total operating expenditure		**2,604,793**	1,421,330
Operating profit		**3,928,733**	1,321,389
Finance expenses	13	**(2,570,356)**	(394,509)
Movement in fair value of forward foreign exchange contracts	21	**-**	(56,804)
Movement in fair value of interest rate swap	21	**(249,687)**	17,727
Profit before tax		**1,108,690**	887,803
Tax expense	14	**(825,050)**	(536,187)
Profit for the financial year		**283,640**	351,616
Other comprehensive expense			
items that may be subsequently reclassified to profit or loss:			
Foreign currency translation differences		**(1,285,737)**	(463,772)
Other comprehensive expense for the year		**(1,285,737)**	(463,772)
Total comprehensive (loss) for the year		**(1,002,097)**	(112,156)
Attributable to:			
Holders of Redeemable Participating Shares		**(1,002,097)**	(112,156)
Earnings per share (basic and diluted)	15		
GBP - class A (GBP Pence per share)		**6.98**	5.88
EUR - class A (GBP Pence per share)		**(7.81)**	(2.73)
CHF - class A (GBP Pence per share)		**5.85**	(0.23)
USD - class A (GBP Pence per share)		**6.19**	0.44
GBP - class B (GBP Pence per share)		**7.22**	5.80
EUR - class B (GBP Pence per share)		**(8.72)**	(2.27)
CHF - class B (GBP Pence per share)		**6.18**	3.39
USD - class B (GBP Pence per share)		**4.43**	2.43

All of the items above derive from continuing operations.

The accompanying notes on pages 17 to 43 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position
As at 31 August 2015

	Notes	2015 £	2014 £
Non-current assets			
Completed investment property	16	**81,711,206**	44,706,436
Investment property under development	17	**37,419,404**	30,929,290
Total non-current assets		**119,130,610**	75,635,726
Current assets			
Trade and other receivables	18	**1,775,439**	4,835,903
Cash and cash equivalents		**634,533**	1,753,127
Forward foreign exchange derivative assets	21	**-**	29,339
Total current assets		**2,409,972**	6,618,369
Total assets		**121,540,582**	82,254,095
Equity			
Management Share	23	**1**	1
Total equity		**1**	1
Liabilities			
Current liabilities			
Borrowings	19	**32,480,716**	13,179,419
Trade and other payables	20	**14,807,246**	16,500,935
Forward foreign exchange derivative liabilities	21	**-**	86,143
Income tax	14	**218,616**	26,452
Total current liabilities		**47,506,578**	29,792,949
Non-current liabilities			
Borrowings	19	**30,474,342**	19,877,705
Interest rate swap derivative liabilities	21	**277,717**	28,030
Deferred tax liabilities	14	**1,358,519**	725,633
Total non-current liabilities		**32,110,578**	20,631,368
Total liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		**79,617,156**	50,424,317
Net assets attributable to holders of Redeemable Participating Shares	24	**41,923,425**	31,829,777
Net asset value per share	24		
GBP - class A (GBP per share)		**1.1182**	1.0756
EUR - class A (GBP per share)		**0.7754**	0.8341
CHF - class A (GBP per share)		**0.7395**	0.6925
USD - class A (GBP per share)		**0.7051**	0.6437
GBP - class B (GBP per share)		**1.1561**	1.1408
EUR - class B (GBP per share)		**0.8082**	0.8849
CHF - class B (GBP per share)		**0.7158**	0.6911
USD - class B (GBP per share)		**0.6298**	0.5903

The Consolidated Financial Statements on pages 13 to 43 were approved and authorised for issue by the Board of Directors on 22 April 2016.

Signed on behalf of the Board

Karen Haith
Director

Kerry-Anne Marais
Director

The accompanying notes on pages 17 to 43 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the year ended 31 August 2015

	Notes	31 August 2015 £	31 August 2014 £
Net assets attributable to holders of Redeemable Participating Shares at the beginning of the year		**31,829,777**	17,321,615
Proceeds from Redeemable Participating Shares issued	23	**22,234,399**	17,893,181
Redemption of Redeemable Participating Shares	23	**(10,539,298)**	(2,618,437)
Issuance costs	23	**(599,356)**	(654,426)
Profit for the financial year attributable to holders of Redeemable Participating Shares		**283,640**	351,616
Other comprehensive (expense) for the year attributable to holders of Redeemable Participating Shares		**(1,285,737)**	(463,772)
Net assets attributable to holders of Redeemable Participating Shares at the end of the year		**41,923,425**	31,829,777

The accompanying notes on pages 17 to 43 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows
for the year ended 31 August 2015

	31 August 2015	31 August 2014
	£	£
Profit for the financial year	**283,640**	351,616
Adjustment for:		
Finance expense	**2,570,356**	394,509
Movement in fair value of forward foreign exchange contracts	**-**	56,804
Movement in fair value of interest rate swaps	**249,687**	(17,727)
Taxation	**825,050**	536,187
Movement on foreign exchange	**560,727**	865,522
Surplus on revaluation of investment properties	**(4,438,808)**	(2,876,541)
Operating cash flows before movements in working capital	**50,652**	(689,630)
Decrease/ (Increase) in trade and other receivables	**510,533**	(2,650,799)
Increase in trade and other payables	**821,339**	607,313
Net cash inflow/ (outflow) from operating activities	**1,382,524**	(2,733,116)
Investing activities		
Purchase of investment properties	**(9,253,642)**	(9,579,139)
Subsequent expenditure on investment properties	**(71,357)**	(190,250)
Purchase of investment properties under development	**(4,118,771)**	(8,061,256)
Subsequent expenditure on investment properties under development	**(24,357,045)**	(17,250,219)
Net cash outflow from investing activities	**(37,800,815)**	(35,080,864)
Financing activities		
Proceeds on issues of shares	**21,903,299**	18,224,281
Payments on redemptions of shares	**(9,091,579)**	(2,618,437)
Issuance costs paid	**(599,356)**	(654,426)
Interest and arrangement fee paid	**(5,012,259)**	(1,518,475)
Proceeds from borrowings	**50,364,186**	23,621,131
Repayment of borrowings	**(21,600,985)**	(186,775)
Net cash inflow from financing activities	**35,963,306**	36,867,299
Decrease in cash and cash equivalents during the year	**(454,985)**	(946,681)
Cash and cash equivalents at start of the year	**1,753,127**	3,207,656
Exchange differences on cash and cash equivalents	**(663,609)**	(507,848)
Cash and cash equivalents at end of the year	**634,533**	1,753,127

The accompanying notes on pages 17 to 43 form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.2.1 Application of new and revised International Financial Reporting Standards

There were several new standards that were issued during the year and amendments to some existing standards. However, none had a material impact on the financial statements.

2.2.2 New, revised and amended standards not yet adopted

Whilst the Board are considering the standards and amendments in issue but not effective, initial considerations indicate that they will not materially impact future financial statements.

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 2015. Control is achieved where the Company has the power over the investee, exposure or rights, to variable returns from its revolvements with the investee and the ability to use its power to affect the amount of the investors return.

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 2015 are as follows:

Name of subsidiary undertaking	Incorporation Date	Holding	Country of incorporation	Principal activity
Victus (Guernsey) 1 Limited	13-Feb-13	100%	Guernsey	Holding Company
Victus (Guernsey) 2 Limited	13-Feb-13	100%	Guernsey	Holding Company
Victus (Guernsey) 3 Limited	13-Feb-13	100%	Guernsey	Property Investment
Victus (Guernsey) 1 Developments Limited	11-Mar-13	100%	Guernsey	Property Investment
Victus (Guernsey) 2 Developments Limited	11-Mar-13	100%	Guernsey	Property Investment
Victus Holdings (Guernsey) Limited	12-Mar-13	100%	Guernsey	Holding Company
Victus Holdings (Europe) S.à.r.l.	12-Jun-13	100%	Luxembourg	Holding Company
CBC Acquico 1 S.à.r.l	15-Jul-13	100%	Luxembourg	Property Investment
CBC Acquico 2 S.à.r.l	15-Jul-13	100%	Luxembourg	Property Investment
Victus (Guernsey) 4 Limited	02-Oct-13	100%	Guernsey	Holding Company
Victus (Guernsey) 4 Developments Limited	02-Oct-13	100%	Guernsey	Property Investment
Victus (Guernsey) 5 Limited	02-Oct-13	100%	Guernsey	Holding Company
Victus (Guernsey) 5 Developments Limited	02-Oct-13	100%	Guernsey	Property Investment
FHC Chambery S.à.r.l	28-Apr-14	100%	France	Property Investment
Victus (Guernsey) 6 Limited	18-Jun-14	100%	Guernsey	Holding Company
Victus (Guernsey) 6 Management Company Limited (formerly Victus (Guernsey) 6 Developments Limited)	18-Jun-14	100%	Guernsey	Property Investment
St Lawrence Manco Limited	30-Jul-14	100%	United Kingdom	Management Company
Harbour Court Manco Limited	15-Sep-14	100%	United Kingdom	Management Company
St James Point Manco Limited	15-Sep-14	100%	United Kingdom	Management Company
St James Court Manco Limited	15-Sep-14	100%	United Kingdom	Management Company
FHC Bordeaux SAS	07-Oct-14	100%	France	Property Investment
Victus Holdings (Belgium) Limited	10-Dec-14	100%	Belgium	Holding Company
Glassworks Manco Limited	30-Jul-15	100%	United Kingdom	Management Company

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

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 ("£"), (the "presentational currency").

(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 of.

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, debt arrangement fees and contractual exit fees. All finance costs arise on financial liabilities measured at amortised cost using the effective interest rate method.

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 the United Kingdom, Luxembourg, France and Germany (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. The Group's liability for current tax is calculated using tax rates that have been enacted by the year end date.

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.

2.11 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 gain or loss on disposal of completed investment properties are recognised in the Consolidated Statement of Comprehensive Income in the year the disposal takes place.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Investment property under development

A 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.

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 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 classifies all financial assets as loans and receivables except for derivatives that are held for trading.

(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, rental guarantees and also incorporate other types of contractual monetary assets.

2.13.2 Recognition and measurement

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 assets 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.

2.14 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 except for financial liabilities held for trading which are initially recognised at fair value.

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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial liabilities (continued)

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 to sell an asset in an orderly transaction between market participants as 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 2015 the carrying amount of investment property is £81,711,206 (2014: £44,706,436).

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 negotiating 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 2015 the carrying amount of investment property under development is £37,419,404 (2014: £30,929,290).

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

3.3 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 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.

In considering the going concern position of the group the Directors have considered cash flow forecasts which show there is a cash deficit due to:-

• Settlement of overdue LDMF amounts totalling £2,417,355 (£6,071,406 as at 31 August 2015 less subsequent payments).

• Settlement overdue for the remaining purchase price from CBB JV Sarl of the shares for the two French assets totalling more than £ 3.5 Million as at 31 August 2015

• Repayment of overdue borrowing from Titlestone Property Lending Limited ("Titlestone"), including rolled up interest amounts totalling £9,801,558 (£19,718,468 as at 31 August 2015 less subsequent payments).

• Meeting all other Creditors and ongoing obligations.

The directors are in the process of selling the UK assets and the company has entered into a period of exclusivity with a potential buyer. The potential buyer will be a newly formed LSE listed company, managed by Crosslane, that is currently going through the listing process. The Directors believe that the fund raising and final sale and purchase agreement ("SPA") will allow for the settlement of any UK Group debts not transferred via the SPA and all other overdue balances whilst leaving sufficient working capital for ongoing operations post completion. Although the directors expect the deal to go through, should it not complete, they have alternative options as per below:

• Sale of properties, refinancing and / or new finance on other properties or from future funds raised via share subscriptions. The directors expect that should this option be pursued that it would be a combination of these.

• Promoters of the fund have been incentivised to create improved levels of Subscriptions to support the day to day Working Capital needs of the Fund.

• The sale of a German asset – the company is currently pursuing an exclusive offer with a prospective buyer.

• The sale of other of the group's property assets - the directors believe that the offers received in the period combined with prevailing market conditions, suggest that it is reasonable to assume that one or more properties could be sold.

As at 31 August 2015 cash balances stood at £634,533 equivalent to 1.51% of net asset value at that date. As at the date of the most recently published NAV (29 February 2016), cash balances stood at £1,263,545, equivalent to 2.16% of net asset value. Given the circumstances outlined above, material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. However, whilst recognising these uncertainties and that cash balances at the reporting date of 29th February 2016 are relatively low in comparison to the 10% threshold, the Board is comfortable with the position in light of the current plans to recycle a number of the Company's operating assets in UK and Germany after having reviewed and considered the various financing options available to the Fund. Therefore, the Board believes it will generate net cash sales proceeds in the near future to honour its creditors and for it therefore to be appropriate to continue to prepare the Group and Company financial statements on a going concern basis.

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.

	1 year from 31 August 2015	1 year from 31 August 2014
	£	£
Future minimum lease payments from operating leases	**8,070,494**	3,799,719

	2015	2014
	£	£
Revenue from operating leases	**4,447,817**	1,494,787

	2015	2014
	£	£
Revenue from operating leases due at the reporting period end	**190,998**	285,996

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

5 ADMINISTRATION FEES

Effective from 15 June 2015, Orangefield Legis Fund Services Limited has been appointed as administrator, Secretary and registrar of the Company (the "New Administrator"). Prior to this date, JTC (Guernsey) Limited ("Previous Administrator") held these positions. In respect of its duties as the administrator, secretary and registrar of the Company, the new 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 which is on the same terms as the previous administrator:

- 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;
- 0.05% 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 New Administrator receives a set administration fee of £5,000 per annum (Previous Administrator, 2014: £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 New Administrator is entitled to receive a property transaction fee of £2,000 per transaction (2014: £2,000, Previous Administrator) in respect of every acquisition of property by the Company or any subsidiary. The New Administrator is also entitled to receive an additional one-off fee of £2,000 (2014: £2,000, Previous Administrator) 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 (2014: £3,000, Previous Administrator) in respect of each subsidiary thereafter.

For the year ended 31 August 2015, the previous administrator charged fees totalling £355,427 and the new administrator fees amounted to £34,150 (2014: £189,607, Previous Administrator) of which £33,034 is outstanding at the year end (2014: £40,911, Previous Administrator).

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 2015, the Promoter was entitled to an annual management charge of £660,654 (2014: £425,152) of which £121,328 is outstanding at the year end (2014: £86,468).

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 2015, the Promoter was entitled to a performance fee totalling £Nil (2014: £20,663) of which £Nil is outstanding at the year end (2014: £20,663) as the prior year balance was waived.

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.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

6 PROMOTER'S FEES (continued)

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 2015 the Promoter was not entitled to any such reimbursements (period ended 31 August 2014: £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. This was not renewed after the first anniversary of the agreement.

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. See note 27 for amounts incurred in the current year and preceding period.

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. The agreement was amended on 1 March 2015 such that the Custody fee is subject to a minimum of £20,000 per annum, with other terms unchanged. The Custodian officially serviced a termination notice during the year and the Company is looking for an alternative custodian.

For the year ended 31 August 2015, the Custodian was entitled to fees totalling £19,124 (2014: £10,148) of which £5,041 is outstanding at the year end (2014: £1,729).

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 (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. Effective from 1 September 2015, each Director of the Company is entitled to receive out of the assets of the Company a fee of £45,000 per annum with the Chairman receiving an additional £5,000. Furthermore, £5,000 per annum for the Audit Commitee Chairman and an additional £3,000 per annum for any audit commitee member other than the Chairman (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 2015, the Directors were entitled to fees totalling £157,745 (2014: £133,120) of which £108,172 is outstanding at the year end (2014:£64,351).

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. See note 27 for amounts incurred in the current year and preceding period.

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 average 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 represents the stage of completion and capitalised as part of property costs, see note 20 for amounts accrued as at 31 August 2015. See note 27 for amounts incurred in the current year and preceding period. For the year ended 31 August 2015, the property adviser charged ad-hoc amounts totalling £12,671 (2014:£8,362).

On 1 July 2015, Crosslane Property Advisor (Guernsey) limited (the "Asset Manager") and the Company entered into a new agreement for the provision of asset management services and to make recommendations to the Company in line with the Company's objectives. This agreement is effective as from 1 July 2015 and will continue for an initial period of 5 years and thereafter unless and until terminated by either the Fund or the Asset Manager. The annual management fee will be £250 (or any equivalent in any other agreed currency) per room for all the assets under management.

For the year ended 31 August 2015, the Asset Manager was entitled to fees totalling £55,142 of which £55,142 is outstanding at the year end.

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 2015, the property manager was entitled to fees totalling £305,753 (2014: £95,806) of which £58,600 is outstanding at the year end (2014: £14,620) Details of fees paid and amounts outstanding to the Property Manager are detailed in note 27.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

11 PROPERTY OPERATING COSTS

	2015 £	2014 £
Property management fees	**308,473**	95,806
Operational expenses	**1,295,263**	573,333
Insurance costs	**188,636**	93,948
	1,792,372	763,087

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

12 OTHER EXPENSES

	2015 £	2014 £
Advertising expenses	**202,185**	31,808
Audit fees	**75,000**	111,500
Bank charges	**26,487**	17,902
Listing fees	**12,091**	4,442
Travel expenses	**23,948**	34,562
Valuation agent fees	**54,250**	76,688
Miscellaneous expenses	**99,066**	17,296
	493,027	294,198

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 are disclosed in note 8.

13 FINANCE EXPENSES

	2015 £	2014 £
Loan interest on external borrowings	**1,940,412**	321,593
Loan arrangement fees	**230,793**	53,022
Debt arrangement fees	**99,187**	19,894
Penalty interest	**299,964**	-
	2,570,356	394,509

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). The penalty interest arose due to delayed payment on acquisition of FHC Chambery.

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 is only liable to Guernsey tax paying a fixed annual fee, which increased to £1,200 from 1 January 2015 (2014: £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, there was no taxation that arose on its subsidiaries for the year (2014: £nil).

The tax charge for the year comprises:	2015 £	2014 £
Current tax:		
Luxembourg taxation	**155,697**	26,452
United Kingdom taxation	**36,467**	-
	192,164	26,452
Deferred tax:		
Taxable temporary differences on recognition of future disposals of properties at fair value	**632,886**	509,735
Income tax expense reported in the Consolidated Statement of Comprehensive Income	**825,050**	536,187
Profit for the year/period before tax from continuing operations	**1,108,690**	887,803
At Luxembourg's statutory income tax rate of 29.22% (2014:29.22%)	**155,697**	26,452
At United Kingdom's statutory income tax rate of 20% (2014: n/a)	**36,467**	-
Temporary differences	**632,886**	509,735
	825,050	536,187
Income tax recognised in the Consolidated Statement of Comprehensive Income	**825,050**	536,187

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

14 TAX EXPENSE (continued)

Deferred taxation	Consolidated Statement of Financial Position		Consolidated Statement of Comprehensive Income	
	2015	2014	**2015**	2014
Deferred tax liability	**£**	£	**£**	£
Revaluation of investment property to fair value	**1,358,519**	725,633	**632,886**	509,735
	1,358,519	725,633	**632,886**	509,735

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 and on the total weighted average number of shares in issue for that year. 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 2015					
GBP - Class A	**555,651**	**555,651**	**7,965,442**	**6.98**	**6.98**
EUR - Class A	**(1,754,143)**	**(1,312,170)**	**16,795,540**	**(10.44)**	**(7.81)**
CHF - Class A	**224,067**	**151,341**	**2,588,916**	**8.65**	**5.85**
USD - Class A	**683,658**	**449,117**	**7,258,987**	**9.42**	**6.19**
GBP - Class B	**339,870**	**339,870**	**4,710,215**	**7.22**	**7.22**
EUR - Class B	**(140,430)**	**(106,218)**	**1,217,879**	**(11.53)**	**(8.72)**
CHF - Class B	**50,379**	**34,027**	**550,760**	**9.15**	**6.18**
USD - Class B	**261,856**	**172,022**	**3,882,936**	**6.74**	**4.43**
		283,640			

	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	5.88	5.88
EUR - Class A	(344,208)	(293,618)	10,768,724	(3.20)	(2.73)
CHF - Class A	(7,351)	(5,099)	2,245,767	(0.33)	(0.23)
USD - Class A	26,951	17,386	3,932,628	0.69	0.44
GBP - Class B	216,398	216,398	3,733,909	5.80	5.80
EUR - Class B	(18,060)	(15,406)	679,766	(2.66)	(2.27)
CHF - Class B	7,776	5,394	159,288	4.88	3.39
USD - Class B	68,315	44,068	1,809,830	3.77	2.43
		351,616			

Subsequent to the year end further shares have been issued as detailed in note 29.

16 COMPLETED INVESTMENT PROPERTY

	2015	2014
	£	£
Opening balance	**44,706,436**	10,215,524
Acquired	**8,518,196**	13,692,753
Subsequent expenditure	**(92,650)**	190,250
Surplus on revaluation	**1,619,479**	400,590
Exchange differences on translation of foreign currencies	**(1,679,842)**	(867,681)
Transfers from investment property under development	**28,639,587**	21,075,000
Closing balance	**81,711,206**	44,706,436

Subsequent expenditure is negative for 2015, as a result of certain creditors provided for, subsequent to the transfer to completed property in the prior period, being finalised at a lower amount than previously included.

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.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

16 COMPLETED INVESTMENT PROPERTY (continued)

As at 31 August 2015 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 Pitt Street, Newcastle, England, United Kingdom (Victus (Guernsey) 1 Development Limited).
- Student housing accommodation at 10 Anchor Road, Bristol, England, United Kingdom (Victus (Guernsey) 2 Development Limited).
- Student housing accommodation at Pitt Street, Newcastle, England, United Kingdom (Victus (Guernsey) 5 Development 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 25 Rue Jean Fleuret,33000 Bordeaux, France (FHC Bordeaux).

For further details regarding the security held against Investment Property in respect of borrowing facilities of the Group see note 19. The property held FHC Chambery and FHC Bordeaux are the only assets above which are not secured. The fair value of the property held by FHC Chambery as at 31 August 2015 is £7,116,118 (2014: £7,686,436). The fair value of the property at FHC Bordeaux as at 31 August 2015 is £8,235,508.

17 INVESTMENT PROPERTY UNDER DEVELOPMENT

	2015	2014
	£	£
Opening balance	**30,929,290**	12,861,553
Acquired	**-**	12,015,030
Subsequent expenditure	**28,975,256**	22,301,223
Borrowing costs capitalised	**3,335,116**	2,350,533
Surplus on revaluation	**2,819,329**	2,475,951
Transfers to completed investment property	**(28,639,587)**	(21,075,000)
Closing balance	**37,419,404**	30,929,290

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 2015 the Group owned the following development properties:

- Student housing accommodation at Vauxhall Road, Liverpool, England, United Kingdom (Victus (Guernsey) 4 Development Limited).

- Student housing accommodation at St Lawrence, Bristol, England, United Kingdom (Victus (Guernsey) 6 Development Limited).

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

The below table outlines the budget for each development project, the amounts spent on those properties at 31 August 2015 and the expected future outflows.

31 August 2015

Property	**Budgeted costs**	**Spent to date**	**Expected future outflows**
	£	**£**	**£**
Vauxhall Road	**17,609,867**	**17,511,388**	**98,479**
St Lawrence	**16,736,353**	**16,454,236**	**282,117**
Total	**34,346,220**	**33,965,624**	**380,596**

There is no contracted but not provided for expenditure.

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

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

18 TRADE AND OTHER RECEIVABLES

	2015 £	2014 £
VAT receivable	**277,127**	2,771,149
Third party deposit accounts	**782,895**	641,845
Other receivables	**297,863**	1,006,385
Prepayments	**226,556**	130,528
Accrued income	**190,998**	285,996
	1,775,439	4,835,903

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	Loan Principal 2015 £	Accrued Interest 2015 £	Impact of net effective interest calculation 2015 £	Carrying amount 2015 £
Non-current Portion				
Deutsche Genossenschafts-Hypothekenbank Aktiensgesellschaft	**4,914,026**	**-**	**(130,389)**	**4,783,637**
Macquarie Bank Limited	**23,350,000**	**-**	**(350,368)**	**22,999,632**
National Westminster Bank p.l.c	**2,728,357**	**-**	**(37,284)**	**2,691,073**
	30,992,383	**-**	**(518,041)**	**30,474,342**
Current Portion				
AREO S.à.r.l	**10,375,517**	**939,400**	**175,375**	**11,490,292**
Deutsche Genossenschafts-Hypothekenbank Aktiensgesellschaft	**110,259**	**24,521**	**(56,018)**	**78,762**
Macquarie Bank Limited	**800,000**	**484,631**	**(192,492)**	**1,092,139**
National Westminster Bank p.l.c	**155,774**	**16,037**	**(22,422)**	**149,389**
Titlestone Property Lending Limited	**18,218,436**	**1,150,032**	**301,666**	**19,670,134**
	29,659,986	**2,614,621**	**206,109**	**32,480,716**
Total loans payable	**60,652,369**	**2,614,621**	**(311,932)**	**62,955,058**

Lender	Loan Principal 2014 £	Accrued Interest 2014 £	Impact of net effective interest calculation 2014 £	Carrying amount 2014 £
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 Limited	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 Limited	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

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

19 BORROWINGS (continued)

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 bore 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. As at 31 August 2015 the outstanding principal and accrued interest was £nil (31 August 2014: £6,741,270). The loan was 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 as at 31 August 2015 is £nil (31 August 2014: £22,164,849). The loan was settled, in full, when Victus (Guernsey) 1 Developments Limited entered into a refinancing agreement with Macquarie Bank Limited on 14 November 2014.

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 2015 the outstanding principal and accrued interest was £11,314,916 (31 August 2014: £4,015,557). 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 as at 31 August 2015 is £18,867,883 (31 August 2014: £9,797,882).

The development loan with AREO S.à.r.l in relation to Victus (Guernsey) 6 Management Company Limited was repayable on 31 December 2015.

Prior to the maturity dates of the development loans, the Board agreed with AREO S.à.r.l to extend the loan facility beyond the repayment date, until a new investment loan has been agreed.

The development loan with AREO S.à.r.l in relation to Victus (Guernsey) 6 Management Company Limited was repayable on 31 December 2015. The debt was repaid with AIB finance on 18th February 2016.

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-op. The outstanding loan was settled in full when Victus (Guernsey) 1 Developments Limited entered into a refinancing agreement with Macquarie Bank Limited on 14 November 2014. As at 31 August 2015, there had been £nil drawn down on this loan (31 August 2014: £7,699,041).

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 variable 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. As at 31 August 2015 the outstanding principal and accrued interest was £2,900,168 (31 August 2014: £3,044,833). 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 as at the 31 August 2015 is £6,050,000 (31 August 2014: £6,050,000).

Macquarie Bank Limited
On 14 November 2014, Victus (Guernsey) 1 Developments Limited agreed a four year 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. As at 31 August 2015 the outstanding principal and accrued interest was £15,060,038 (31 August 2014: £nil). The fair value of the property secured as at 31 August 2015 is £21,800,000.

On 14 November 2014, Victus (Guernsey) 2 Developments Limited agreed a four year 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. As at 31 August 2015 the outstanding principal and accrued interest was £9,574,593 (31 August 2014: £nil). The fair value of the property secured against this facility as at 31 August 2015 is £13,200,000.

The Group subsequently entered into amortising LIBOR interest rate swap arrangements with Macquarie Bank Limited covering the 4 year term of the loan such that the interest payable upon the loan would effectively be fixed at 5.96% (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 4 years, however as the loan matures on 13 November 2018 or earlier, a balloon payment of the remaining interest will fall due along with the remaining loan principal.

The investment loan with Macquarie Bank Ltd in relation to Victus (Guernsey) 1 Developments Limited and Victus (Guernsey) 2 Developments Limited will be repaid by 31 December 2016. On 31 March 2016, £600,000 of former debt and £1,400,000 of latter debt were repaid with funds received from the parent company. The remainder of debt will be repaid over the term to maturity and interest will be charged at the amended rate of 6.55% plus LIBOR.

Titlestone Property Lending Limited ("Tilestone")
On 13 May 2013, Victus (Guernsey) 2 Developments Limited agreed a development loan facility with Titlestone of £6,850,000. The loan was settled in full when the Victus (Guernsey) 2 Developments Limited entered into a refinancing agreement with Macquarie Bank Limited on 14 November 2014. As at 31 August 2015 the outstanding principal and accrued interest was £nil (31 August 2014: £5,825,061). The loan facility accrued interest daily at a fixed rate of 11.5% per annum which was fixed for the term of the loan which was due to expire on 27 February 2015. Monthly interest payments were capitalised up to a maximum of £800,000 and, once fully utilised, on-going interest payments were to be made in accordance with the loan agreement. The loan was secured on the associated property and in the event of a sale 100% of the net proceeds would be held as security. The fair value of the property secured against this facility as at the 31 August 2015 is £nil (31 August 2014: £11,950,849).

On 28 February 2014, Victus (Guernsey) 4 Developments Limited agreed a development loan facility with Titlestone of £12,000,000. As at 31 August 2015 the outstanding principal and accrued interest was £10,313,744 (31 August 2014; £337,007). 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 as at the 31 August 2015 is £18,551,521, (31 August 2014: £5,594,015). The development loan with Titlestone Property Lending Limited was repayable on 18 January 2016. This debt was repaid with AIB finance on 18th February 2016.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

19 BORROWINGS (continued)

Titlestone Property Lending Limited ("Tilestone") (continued)

On 16 October 2014, Victus (Guernsey) 5 Developments Limited agreed a development loan facility with Titlestone of £10,000,000. As at 31 August 2015 the outstanding principal and accrued interest was £9,054,724 (31 August 2014; £673,003). 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 expired on 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 as at the 31 August 2015 is £16,194,553 (31 August 2014: £5,191,275).

The development loan with Titlestone in relation to Victus (Guernsey) 5 Developments Limited was repayable on 11 October 2015. Prior to the maturity dates of this loan, the Board agreed with Titlestone to extend the loan facility beyond the repayment date to 31 May 2016.

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 2015, outstanding principal and accrued interest was €2,710,293 (31 August 2014: €2,767,942). 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 £3,598,037 (2014: £3,914,773).

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 was required for the acquisition of the property "Hernamm-Ehlers-Saus" located at Martinsburg 29 + 31, D-49078 Osnabrück. As at 31 August 2015, outstanding principal and accrued interest was €4,235,602 (2014: €4,325,665). 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 £5,516,991 (2014: £5,992,412).

20 TRADE AND OTHER PAYABLES

	2015	2014
	£	£
Administration fees (note 5)	**33,034**	40,911
Annual management charge (note 6)	**121,328**	86,468
Reporting fees (note 6)	**-**	20,000
Audit fees	**75,000**	92,000
Capital expenditure:		
Acquisition costs outstanding	**2,561,591**	8,067,388
Amounts outstanding	**2,273,363**	3,251,585
LDMF (note 9)	**6,071,406**	3,286,601
VAT payable	**491,812**	-
Custodian's fees (note 7)	**5,041**	1,729
Deferred income	**621,121**	341,458
Directors' fees (note 8)	**108,172**	64,351
Legal and professional fees	**132,024**	70,615
Performance fees (note 6)	**-**	20,663
Subscriptions received in advance	**-**	331,100
Debt and equity fees	**-**	456,715
Redemption proceed not yet paid out	**1,447,719**	-
Other payables	**865,635**	369,351
	14,807,246	16,500,935

The Group has entered into a Development Management and Advisory Services Agreement (the "Development Agreement") whereby CPA(G)L shall coordinate and oversee the detailed design, development and negotiation of the building contract with the building contractor and developer. In respect of the three investment properties under development see note 9. 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. £6,071,406 (31 August 2014: £3,286,601) is accrued and included in capital expenditure above.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

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

During the year ended 31 August 2015 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 2015 and the preceding year ended 31 August 2014, 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 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 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. As at 31 August 2015, no hedging was in place. However, as from September 2015, the Group entered into new forward foreign contracts.

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

2015	**Settlement**	**Buy amount**	**Sell amount**	**Unrealised gains/(losses)**
				£
	N/A	**N/A**	**N/A**	**-**
Total forward foreign exchange derivative assets				**-**
Total forward foreign exchange derivative liabilities				**-**
Net forward foreign exchange derivative assets				**-**
Movement in fair value of forward foreign exchange contracts				**-**

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)
	EUR	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)

(ii) Interest Rate Swaps

Under the terms of the loan agreements the Group is required to utilise interest rate swaps to hedge the loans against movements in interest rates. Pursuant to these requirements, the Group has entered into an amortising LIBOR interest rate swap arrangement covering the tenures of the loans in order that the variable element of the interest payable upon each loan would become fixed. In this regard, the Group have mitigated their 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 derivative contract was as follows:

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

	2015	2014
	£	£
Non-current interest rate swap derivative liabilities	**(277,717)**	(28,030)

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:

	2015	2014
	£	£
Unrealised (Loss)/gain on revaluation of interest rate swaps	**(249,687)**	17,727

Net total (loss) arising from derivative contracts	**2015**	2014
	£	£
(i) Forward foreign exchange contracts	**-**	(56,804)
(ii) Interest rate swap	**(249,687)**	17,727
	(249,687)	(39,077)

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 2015:

As at 31 August 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Completed investment property	**-**	**-**	**81,711,206**	**81,711,206**
Investment property under development	**-**	**-**	**37,419,404**	**37,419,404**
Interest rate swap at fair value through profit or loss	**-**	**(277,717)**	**-**	**(277,717)**
	-	**(277,717)**	**119,130,610**	**118,852,893**

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

Valuation process for Level 3 valuations

Valuations are the responsibility of the Board of Directors.

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. Any assumptions made by the valuer are reviewed by the Board for their reasonableness.

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 and investment yields. The deductions 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 overruns will reduce the LDMF and only past that point will valuation be impacted.

The valuation technique used has not changed from the prior periods. 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.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

22 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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	**2015 €**	**2015 £**			
Completed investment property (UK)	**-**	**57,244,554**	**Investment method**	**Rental income (£ per week)***	**£93.00 - £196.90**
				Net initial yield (%)**	**6.00% - 6.50%**
Completed investment property (Europe)	**33,660,000**	**24,466,652**	**Investment method**	**Rental income (€ per month)***	**€157.60 - €850.00**
				Net initial yield (%)**	**5.24% - 6.57%**
Investment property under development (UK)	**-**	**37,419,404**	**Investment method**	**Rental income (£ per week)***	**£107.00 - £213.00**
				Net initial yield (%)**	**6.00% - 6.25%**

***** 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.

Quantitative information of significant unobservable inputs - Level 3

Description	2014 €	2014 £			
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 month)*	€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%

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.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (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 2015 and have determined that there is no change in the level the investment properties above were classified during the year ended 31 August 2015. 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 2015

	Completed investment property £	**Investment property under development £**	**Total £**
Balance at 1 September 2014	**44,706,436**	**30,929,290**	**75,635,726**
Gains/(losses) in Consolidated Statement of Comprehensive Income:			
- unrealised	**1,619,479**	**2,819,329**	**4,438,808**
- currency translation difference in OCI	**(1,679,842)**	**-**	**(1,679,842)**
Purchases at cost	**8,425,546**	**32,310,372**	**40,735,918**
Transfers to completed investment property	**-**	**(28,639,587)**	**(28,639,587)**
Transfers from investment property under development	**28,639,587**	-	**28,639,587**
Balance at 31 August 2015	**81,711,206**	**37,419,404**	**119,130,610**

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 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

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

As at 31 August 2015 and 2014 the carrying amounts of cash at bank, receivables, payable, 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 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. The fair value estimates have been categorised as Level 3 within the fair value measurement hierarchy required by IFRS 7. The significant input is the value of collateral offered on such loans and the ranking of the borrowers claim on that collateral.

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.

	2015 Shares	**2015 £**	2014 Shares	2014 £
Issued and unpaid				
1 Management Share of no par value	**1**	**1**	1	1

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

23 SHARES (continued)

	2015 Shares	2015 £	2014 Shares	2014 £
Issued and fully paid				
Redeemable Participating Shares no par value shares at 31 August 2015				
GBP - Class A	**8,035,193.88**	**8,356,590**	7,402,759.05	7,672,127
EUR - Class A	**19,318,712.54**	**17,305,455**	13,669,102.94	12,337,215
CHF - Class A	**1,644,717.09**	**895,937**	3,074,293.81	2,229,480
USD - Class A	**8,190,001.31**	**5,806,138**	5,379,869.85	3,678,299
GBP - Class B	**5,624,439.42**	**6,143,113**	3,482,700.30	3,335,628
EUR - Class B	**1,361,382.03**	**1,280,471**	883,830.78	814,756
CHF - Class B	**151,087.59**	**69,354**	703,936.69	527,709
USD - Class B	**5,172,785.20**	**3,487,674**	2,765,353.89	1,708,843
Issuance costs	**-**	**(599,356)**	-	(654,426)
	49,498,319.06	**42,745,376**	37,361,847.31	31,649,631
Total in issue	**49,498,320.06**	**42,745,377**	37,361,848.31	31,649,632

	31 August 2015 Shares	£	31 August 2014 Shares	£
Opening Balance	**37,361,847.31**	**31,649,631**	19,552,651.35	17,029,313
Issued during year	**31,625,375.88**	**22,234,399**	20,373,298.22	17,893,181
Redeemed during year	**(19,488,904.13)**	**(10,539,298)**	(2,564,102.26)	(2,618,437)
Issuance costs		**(599,356)**	-	(654,426)
Closing Balance	**49,498,319.06**	**42,745,376**	37,361,847.31	31,649,631

	31 August 2015 GBP - Class A Shares	£	31 August 2014 GBP - Class A Shares	£
Opening Balance	**7,402,759.05**	**7,572,938**	5,779,043.77	5,757,745
Issued during year	**1,087,369.19**	**1,366,774**	1,939,514.39	2,287,395
Redeemed during year	**(454,934.36)**	**(583,123)**	(315,799.11)	(373,013)
Issuance costs		**(78,956)**	-	(99,189)
Closing Balance	**8,035,193.88**	**8,277,633**	7,402,759.05	7,572,938

	31 August 2015 EUR - Class A Shares	£	31 August 2014 EUR - Class A Shares	£
Opening Balance	**13,669,102.94**	**11,960,485**	5,702,600.67	4,721,833
Issued during year	**8,766,883.46**	**8,203,842**	8,006,882.42	7,653,415
Redeemed during year	**(3,117,273.86)**	**(2,858,872)**	(40,380.15)	(38,033)
Issuance costs		**(395,631)**	-	(376,730)
Closing Balance	**19,318,712.54**	**16,909,824**	13,669,102.94	11,960,485

	31 August 2015 CHF - Class A Shares	£	31 August 2014 CHF - Class A Shares	£
Opening Balance	**3,074,293.81**	**2,164,238**	1,425,000.00	933,700
Issued during year	**162,048.29**	**131,660**	1,679,293.81	1,318,849
Redeemed during the year	**(1,591,625.01)**	**(1,399,961)**	(30,000.00)	(23,069)
Issuance costs		**41,395**	-	(65,242)
Closing Balance	**1,644,717.09**	**937,332**	3,074,293.81	2,164,238

	31 August 2015 USD - Class A Shares	£	31 August 2014 USD - Class A Shares	£
Opening Balance	**5,379,869.85**	**3,572,626**	2,458,903.82	1,597,870
Issued during year	**3,559,376.49**	**2,823,029**	3,682,184.15	2,603,014
Redeemed during the year	**(749,245.03)**	**(589,517)**	(761,218.12)	(522,585)
Issuance costs		**(121,226)**	-	(105,673)
Closing Balance	**8,190,001.31**	**5,684,912**	5,379,869.85	3,572,626

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for the year ended 31 August 2015 (continued)

23 SHARES (continued)

	31 August 2015 GBP - Class B Shares	**£**	31 August 2014 GBP - Class B Shares	£
Opening Balance	**3,482,700.30**	**3,335,628**	3,658,022.48	3,563,823
Issued during year	**3,088,786.34**	**4,036,929**	1,122,395.76	1,317,308
Redeemed during the year	**(947,047.22)**	**(1,229,444)**	(1,297,717.94)	(1,545,503)
Issuance costs		**(9,972)**	-	-
Closing Balance	**5,624,439.42**	**6,133,141**	3,482,700.30	3,335,628

	31 August 2015 EUR - Class B Shares	**£**	31 August 2014 EUR - Class B Shares	£
Opening Balance	**883,830.78**	**814,756**	479,080.61	420,358
Issued during year	**3,302,858.71**	**3,269,626**	523,737.11	510,632
Redeemed during the year	**(2,825,307.46)**	**(2,803,911)**	(118,986.94)	(116,234)
Issuance costs		**(3,409)**	-	-
Closing Balance	**1,361,382.03**	**1,277,062**	883,830.78	814,756

	31 August 2015 CHF - Class B Shares	**£**	31 August 2014 CHF - Class B Shares	£
Opening Balance	**703,936.69**	**527,709**	50,000.00	33,984
Issued during year	**101,087.59**	**81,384**	653,936.69	493,725
Redeemed during the year	**(653,936.69)**	**(539,739)**	-	-
Closing Balance	**151,087.59**	**69,354**	703,936.69	527,709

	31 August 2015 USD - Class B Shares	**£**	31 August 2014 USD - Class B Shares	£
Opening Balance	**2,765,353.89**	**1,701,251**	-	-
Issued during year	**3,128,672.92**	**2,321,155**	2,765,353.89	1,708,843
Redeemed during the year	**(721,241.61)**	**(534,731)**		
Issuance costs		**(31,557)**	-	(7,592)
Closing Balance	**5,172,785.20**	**3,456,118**	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.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

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.

2015

	Net asset value	**Net asset value**		**Net asset value per share**	**Net asset value per share**
	(Currency)	**£**	**Number of shares**	***(Currency)***	**£**
GBP - Class A	**8,984,896**	**8,984,896**	**8,035,193.88**	**1.1182**	**1.1182**
EUR - Class A	**20,607,239**	**14,978,912**	**19,318,712.54**	**1.0667**	**0.7754**
CHF - Class A	**1,800,276**	**1,216,238**	**1,644,717.09**	**1.0946**	**0.7395**
USD - Class A	**8,885,873**	**5,774,922**	**8,190,001.31**	**1.0850**	**0.7051**
GBP - Class B	**6,502,362**	**6,502,362**	**5,624,439.42**	**1.1561**	**1.1561**
EUR - Class B	**1,513,699**	**1,100,272**	**1,361,382.03**	**1.1119**	**0.8082**
CHF - Class B	**160,075**	**108,144**	**151,087.59**	**1.0595**	**0.7158**
USD - Class B	**5,012,590**	**3,257,679**	**5,172,785.20**	**0.9690**	**0.6298**
		41,923,425			

Represented by:	
Shares	**42,745,376**
Retained earnings attributable to Redeemable Participating Shareholders	**1,113,046**
Translation reserve attributable to Redeemable Participating Shareholders	**(1,934,997)**
	41,923,425

2014

	Net asset value	Net asset value		Net asset value per share	Net asset value per share
	(Currency)	£	Number of shares	*(Currency)*	£
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 attributable to Redeemable Participating Shareholders	829,406
Translation reserve attributable to Redeemable Participating Shareholders	(649,260)
	31,829,777

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

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:

	2015	2014
	£	£
As at 31 August 2015		
Trade and other receivables (excluding prepayments)	**1,271,756**	4,705,375
Cash and cash equivalents	**634,533**	1,753,127
Forward foreign exchange contracts	**-**	29,339
Total financial assets	**1,906,289**	6,487,841
Loans payable	**62,955,058**	33,057,124
Trade and other payables (excluding deferred income)	**14,186,125**	16,159,477
Forward foreign exchange contracts	**-**	86,143
Interest rate swap at fair value through profit or loss	**277,717**	28,030
Redeemable Participating Shares	**41,923,425**	31,829,777
Total financial liabilities	**119,342,325**	81,160,551

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 (i) interest rates, and (ii) foreign exchange rates. As at 31 August 2015 and 2014 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 2015 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	16.35%
Titlestone Property Lending Limited	Fixed	11.50%
Deutsche Genossenschafts-Hypothekenbank Aktiensgesellschaft	Fixed	2.63%
Deutsche Genossenschafts-Hypothekenbank Aktiensgesellschaft	Fixed	2.99%
Macquarie Bank Limited	Variable	4.55% plus LIBOR
National Westminster Bank p.l.c.	Variable	4.25% plus LIBOR

As the Group is exposed to a variable interest rate on the borrowings with 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 21). In addition the Group entered into 2 further interest rate swap derivatives with Macquarie Bank Limited, again connected with the asset backed loans with this counterparty.

In this regard, the Group has mitigated its cash flow interest rate risk by entering into interest swaps on all its variable borrowings, therefore there will be no impact on profit as a result of market interest rate movements. 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 2015, 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.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

25 FINANCIAL INSTRUMENTS (continued)

(b) Currency risk (continued)

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. As at the year end there were no active forward foreign exchange contracts.

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 2015	**Sterling**	**Euro**	**USD**	**CHF**	**Total**
	£	**£**	**£**	**£**	**£**
Trade and other receivables (excluding prepayments)	**971,437**	**300,319**	**-**	**-**	**1,271,756**
Cash and cash equivalents	**459,593**	**174,940**	**-**	**-**	**634,533**
Total financial assets	**1,431,030**	**475,259**	**-**	**-**	**1,906,289**
Loans payable	**58,092,659**	**4,862,399**	**-**	**-**	**62,955,058**
Trade and other payables (excluding deferred income)	**10,528,175**	**3,657,950**	**-**	**-**	**14,186,125**
Interest rate swap	**277,717**	**-**	**-**	**-**	**277,717**
Redeemable Participating Shares	**15,487,258**	**16,079,184**	**9,032,601**	**1,324,382**	**41,923,425**
Total financial liabilities	**84,385,809**	**24,599,533**	**9,032,601**	**1,324,382**	**119,342,325**

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

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.

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 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 £634,533 as at 31 August 2015 (2014: £1,753,127). 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.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

25 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

As at 31 August 2015, the Group held cash and cash equivalents with the following financial institutions:

	Standard and Poor's Rating	2015 £	Standard and Poor's Rating	2014 £
Caisse D'Epargne	AA+	171,119	AA+	54,670
The Co-operative Bank p.l.c	B	-	B	963
ING Bank N.V	A	73,602	A	124,199
National Westminster Bank p.l.c	A2	298	A2	494
Royal Bank of Canada (Channel Islands) Limited	A1+	389,514	A1+	1,572,801
Total Group cash and cash equivalents		**634,533**		1,753,127

Liquidity risk
Liquidity risk is the risk that the group will not be able to pay its obligations as and when they fall due. 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 Assets Value.

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

31 August 2015	0 - 12 months £	1 - 2 years £	2 - 5 years £	No fixed maturity date £	Total £
Financial assets - current					
Trade and other receivables (excluding prepayments)	1,271,756	-	-	-	1,271,756
Cash and cash equivalents	634,533	-	-	-	634,533
Forward foreign exchange derivative assets	-	-	-	-	-
	1,906,289	-	-	-	1,906,289
Financial liabilities - current					
Borrowings	(32,480,716)	-	-	-	(32,480,716)
Trade and other payables (excluding deferred income)	(14,186,125)	-	-	-	(14,186,125)
Forward foreign exchange derivative liabilities	-	-	-	-	-
	(46,666,841)	-	-	-	(46,666,841)
Financial liabilities - non-current					
Borrowings	-	(876,855)	(29,597,487)	-	(30,474,342)
Interest rate swap derivative liabilities	-		(277,717)	-	(277,717)
Redeemable Participating Shares	-	-	-	(41,923,425)	(41,923,425)
	-	(876,855)	(29,875,204)	(41,923,425)	(72,675,484)
Liquidity Gap	(44,760,552)	(876,855)	(29,875,204)	(41,923,425)	(117,436,036)
Cumulative Liquidity Gap	(44,760,552)	(45,637,407)	(75,512,611)	(117,436,036)	

The above liquidity gap does not take into consideration the value of on completed investment property and the investment property under development which could be disposed of and the proceeds used to pay any liabilities. The borrowings payable within 12 months will be refinanced under long-term borrowings (see note 3.3). The Board recognises that property investments are relatively illiquid thus the policy of the Board is to retain, where possible, sufficient cash balances to meet its ongoing operational needs. The large part of trade and other payables is represented by Land Development Management Fee, which will be paid when borrowings on investment property under development are refinanced to long term borrowings. The loan from the parent is repayable on demand, but will only be repaid when the Group has surplus cash available.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

25 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

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)
Cumulative Liquidity Gap	(24,049,006)	(31,226,587)	(48,006,943)	(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.

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 maximise returns for shareholders whilst minimising costs of capital.

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

	2015	2014
	£	£
Net debt		
Borrowings - current and non-current	**62,955,058**	33,057,124
Less cash and cash equivalents	**(634,533)**	(1,753,127)
	62,320,525	31,303,997
Net assets attributable to holders of Redeemable Participating Shares (excluding borrowings)	**104,878,483**	64,886,901
Gearing ratio	**59.42%**	48.24%

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.

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

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.

Please see below for table of transactions:

Related Party	**Paid as at 31 August 2015**	**Outstanding as at 31 August 2015**	**Total**	**Waived**	**Classification**
	£	**£**	**£**	**£**	
Crosslane Property Advisor (Guernsey) Limited					
Acquisition Fees	**-**	**80,159**	**80,159**	-	Development property
Development Management Fees	**-**	**11,131**	**11,131**		Development Property
Land Development Management Fees	**2,006,292**	**6,071,408**	**8,077,700**	**-**	Capitalised Costs
Receivable	**-**	**(52,500)**	**(52,500)**		Other receivables
Asset Manager	**10,000**	**55,142**	**65,142**		
Crosslane Fund Managers LLP					
Sales and Marketing Allowance	**471,130**	**24,303**	**495,433**	**-**	Share Premium
Annual Management Charge	**539,326**	**121,328**	**660,654**	**-**	Income Statement
Performance Fees	-	**-**	**-**	**(20,663)**	Income Statement
Debt Arrangement Fees	**794,781**	**-**	**794,781**	**-**	Net effective interest
Commission	**103,923**	**-**	**103,923**	**-**	Share Premium
Buile Developments Limited					
Receivable	**-**	**(60,000)**	**(60,000)**	**-**	Other receivables
Prime Student Living Limited					
Property Manager Fees	**220,912**	**17,379**	**238,291**	**-**	Income Statement
Prime Student Living Deutchland Sarl					
Property Manager Fees	**26,241**	**41,221**	**67,462**		Income Statement
CBB JV S.à.r.l.					
Purchase of FHC Chambery shares	**636,017**	**484,153**	**1,120,170**		Development Property
Purchase of FHC Bordeaux shares	**-**	**2,561,590**	**2,561,590**	**-**	Development Property

During the year a bridging loan was received from Crosslane Fund managers LLP for £675,000, of which £513,627 was repaid during the year and £161,373 was outstanding at year end.

A short term loan amounting to £649,299, was received from Buile Holdings Limited during the year and was fully repaid during the year.

A bridging loan from the related party, Michael Anthony James Sharples, was received amounting to £1,155,000 during the year, of which £nil was outstanding at year end. A loan arrangement fees amounting to £25,500 was also paid.

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 Fees	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

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

27 RELATED PARTY DISCLOSURES (continued)

Related Party	Paid as at 31 August 2014 £	Outstanding as at 31 August 2014 £	Total £	Waived £	Classification
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 £2 million which was repaid along with £40,000 of interest.

28 ULTIMATE CONTROLLING 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.

29 EVENTS AFTER THE REPORTING PERIOD

The Fund's forecasts and projections, taking into account reasonable possible changes in operating performance, show that the Fund should be able to operate within the level of its current facility.

The board had looked at evaluating market opportunities in the UK with the intention of selling their ownership in the Guernsey Holding company in order for the VESAF board to take advantage of a high demand of purpose built student accommodation in Europe.

The VESAF board has announced in September 2015 that the Fund had signed non-binding heads of terms and an exclusivity agreement to sell all of its current UK student accommodation portfolio by 31 December 2015 subject to negotiation and signing of a sales and purchase agreement which when completed would result in the sale of the Fund's UK based assets (St James Point (Phase I and 2), Harbour Court, Keiller Court, Glassworks and St Lawrence House). This process took longer than expected, however the Fund has the expectation for the sale to eventually complete at a satisfactory price and total return for the Fund. Accordingly the Fund agreed with the prospective purchaser to extend the exclusivity period to the 31 March 2016 and signed new non-binding heads of terms to sell the UK student accommodation portfolio on or around 30 April 2016.

When completed, the transaction will result in the sale of the Fund's UK student accommodation properties. The sale is expected to be at a price which reflects a premium to the current book value of the properties collectively.

As at 31 August 2015, cash balances stood at £634,533 equivalent to 1.51% of net asset value at that date. Cash balances are managed on a monthly basis in order to balance the need to maintain liquidity for potential redemptions, at the parent level, with the goal of being fully invested to achieve target returns. As at 31 August 2015, the Group has net current debt facilities, which total £62,955,058 including interest payable.

As part of the ongoing management of liquidity, the Fund via its advisor has opened financing extensions, refinancing and bridge financing negotiations with lenders. The advisor has held discussions with its lenders about its future borrowing needs and no matters have been drawn to its attention to suggest that extensions and refinancing may not be forthcoming on acceptable terms.

In regard to the debt facility agreements with Macquarie Bank, held by Victus (Guernsey) 1 Developments Limited and Victus (Guernsey) 2 Developments Limited, the covenant relating to projected contracted rental was breached for both of the above subsidiaries on 31 October 2015. The test was carried out and the breach resulted, due a shortfall of £170,000 compared to the total projected contractual rent covenant of £3,394,000 per the loan facility agreement.

The Fund's board have since agreed new covenants with Macquarie Bank for the future projected contractual rental income, which the board believes are achievable in the current UK student accommodation rental market. In addition, the VESAF board have agreed to an increased margin from 4.55% to 6.50% that will apply on the loans held by Victus (Guernsey) 1 Developments Limited and Victus (Guernsey) 2 Developments Limited effective from the date of the amended facility agreement (January 2016) until repayment of the debts on 11th November 2018. A total of £3m has been repaid in tranches between January and end of March 2016 as part of this agreement. The rate of the break fee has been adjusted accordingly to reflect to increase of interest margin.

The development loans with Titlestone Property Lending Limited were repayable on 11 October 2015 in relation to Victus (Guernsey) Developments 5 Limited and 18 January 2016 in relation to Victus (Guernsey) Developments 4 Limited. The latter debt was repaid with Allied Irish Bank ("AIB") finance on 18th February 2016 whilst the development loan for Victus (Guernsey) Developments 5 Limited has been extended to 31 May 2016

Notes to the Consolidated Financial Statements
for the year ended 31 August 2015 (continued)

29 EVENTS AFTER THE REPORTING PERIOD (continued)

Bridge finance arrangements were sought with a UK short term debt provider and a UK branch of a Chinese bank for the end of March 2016, but did not conclude. On 31 March 2016, Crosslane Student Development Limited therefore made an interest free short term loan amounting to £2 Million to the Company so that the underlying subsidiaries, Victus (Guernsey) 1 developments Limited and Victus (Guernsey) 2 Developments Limited to repay the amount due to Macquarie Bank Limited. This short term loan was repaid in full on 5 April 2016.

The development loan with AREO S.à.r.l in relation to Victus (Guernsey) 6 Management Company Limited was repayable on 31st December 2015. This was repaid on 18th February 2016 through the AIB facility.

Prior to the maturity dates of the development loans, the Board agreed with Titlestone Property Lending Limited and AREO S.à.r.l to extend the loan facilities beyond the repayment dates, until new investment loans on attractive terms have been agreed. There were no additional costs for this extension.

The development debt on Victus (Guernsey) 4 Developments Limited and Victus (Guernsey) 6 Management Company Limited has been refinanced on 18th February with AIB. Drawing down AIB debt brought additional net equity into the fund of over £1.8m – this level of LTV was achieved by the Fund entering into a nomination agreement with Prime Student Living over 4 years guarantying rental income at 97%.

Subject to the UK asset sale proceeding, the AIB debt , Natwest and the remainder of the Macqurie debt would be novated with the buyer at no break costs for the Fund.

Latest Class NAVs

As at 29 February 2016	
GBP - class A (GBP per share)	1.36
EUR - class A (EUR per share)	1.28
CHF - class A (CHF per share)	1.34
USD - class A (USD per share)	1.31
GBP - class B (GBP per share)	1.42
EUR - class B (EUR per share)	1.33
CHF - class B (CHF per share)	1.32
USD - class B (USD per share)	1.18

Shares Issued and Redeemed Post Year End

Shares Issued (1 September 2015 - 29 February 2016)	
GBP - class A (Shares)	795,534.77
EUR - class A (Shares)	3,554,667.69
CHF - class A (Shares)	244,644.34
USD - class A (Shares)	1,922,076.49
GBP - class B (Shares)	-
EUR - class B (Shares)	376,199.72
CHF - class B (Shares)	151,871.82
USD - class B (Shares)	2,401,903.32

Shares Redeemed (1 September 2015 - 29 February 2016)	
GBP - class A (Shares)	350,273.37
EUR - class A (Shares)	942,933.37
CHF - class A (Shares)	-
USD - class A (Shares)	344,677.10
GBP - class B (Shares)	1,371,074.30
EUR - class B (Shares)	129,869.83
CHF - class B (Shares)	-
USD - class B (Shares)	661,596.09

Unaudited Portfolio Statement

	2015	**2015**	2014	2014
	% of net asset value	**Carrying amount £**	% of net asset value	Carrying amount £
Completed investment property:				
Keiller Court, Dundee, Scotland				
Property	**14.43%**	**6,050,000**	19.01%	6,050,000
Loan	**(6.78%)**	**(2,840,462)**	(9.31%)	(2,962,704)
	7.65%	**3,209,538**	9.70%	3,087,296
Anchor Road, Bristol, England				
Property	**31.49%**	**13,200,000**	0.00%	-
Loan	**(22.30%)**	**(9,350,050)**	0.00%	-
	9.19%	**3,849,950**	0.00%	-
Pitt Street, Newcastle, England				
Property	**52.00%**	**21,800,000**	66.21%	21,075,000
Loan	**(35.16%)**	**(14,741,722)**	(45.32%)	(14,424,347)
	16.84%	**7,058,278**	20.89%	6,650,653
14 - 22 Pitt Street, Newcastle, England				
Property	**38.63%**	**16,194,553**	0.00%	-
Loan	**(21.93%)**	**(9,192,442)**	0.00%	-
	16.70%	**7,002,111**	0.00%	-
Oldenburg, Germany				
Property	**8.58%**	**3,598,037**	12.26%	3,902,588
Loan	**(4.49%)**	**(1,882,588)**	(6.67%)	(2,122,462)
	4.09%	**1,715,449**	5.59%	1,780,126
Osnabruck, Germany				
Property	**13.16%**	**5,516,991**	18.82%	5,992,412
Loan	**(7.11%)**	**(2,979,834)**	(10.49%)	(3,339,189)
	6.05%	**2,537,157**	8.33%	2,653,223
Chambery, France				
Property	**16.97%**	**7,116,118**	24.15%	7,686,436
Loan		**-**		-
	16.97%	**7,116,118**	24.15%	7,686,436
Bordeaux, France				
Property	**19.64%**	**8,235,507**	0.00%	-
Loan		**-**	0.00%	-
	19.64%	**8,235,507**	0.00%	-
Total completed investment property	**97.13%**	**40,724,108**	68.66%	21,857,734
Investment property under development:				
Anchor Road, Bristol, England				
Property	**0.00%**	**-**	37.40%	11,903,306
Loan	**0.00%**	**-**	(18.38%)	(5,850,870)
	0.00%	**-**	19.02%	6,052,436
Vauxhall Road, Liverpool, England				
Property	**44.25%**	**18,551,521**	19.41%	6,178,614
Loan	**(24.99%)**	**(10,477,692)**	(0.37%)	(117,980)
	19.26%	**8,073,829**	19.04%	6,060,634

Unaudited Portfolio Statement (continued)

	2015	**2015**	2014	2014
	% of net asset value	**Carrying amount £**	% of net asset value	Carrying amount £
14 - 22 Pitt Street, Newcastle, England				
Property	**0.00%**	**-**	16.81%	5,351,247
Loan	**0.00%**	**-**	(1.76%)	(561,711)
	0.00%	**-**	15.05%	4,789,536
St Lawrence, Bristol, England				
Property	**45.01%**	**18,867,883**	23.55%	7,496,123
Loan	**(27.41%)**	**(11,490,268)**	(11.55%)	(3,677,861)
	17.60%	**7,377,615**	12.00%	3,818,262
Total investment property under development	**36.86%**	**15,451,444**	65.11%	20,720,868
Other net (liabilities)/assets	**(33.99%)**	**(14,252,126)**	(33.77%)	(10,748,825)
	100.00%	**41,923,425**	100.00%	31,829,777