



[shareholder]

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4 June 2021

Dear Sirs

VICTUS EUROPEAN STUDENT ACCOMMODATION FUND IC LIMITED (IN LIQUIDATION) (the Company)

On 26 April 2021, the members of the Company passed a special resolution to approve the voluntary winding up (the **Winding Up**) of the Company.

Ben Rhodes and Andrea Harris of Grant Thornton Limited, Lefebvre House, Lefebvre Street, St Peter Port, Guernsey GY1 3TF were appointed as joint liquidators (**Joint Liquidators**) for the purpose of the Winding Up.

Consolidated Financial Statements for the year ended 31 August 2020 (the 2020 Financial Statements)

Prior to the commencement of the Winding Up, the directors of the Company instructed the preparation of the 2020 Financial Statements. It is anticipated that the 2020 Financial Statements will be completed by 31 August 2021 at the very latest.

Furthermore, the Joint Liquidators note that the audit of the 2020 Financial Statements (**2020 Audit**) has not been carried out as yet, as the audit cannot be undertaken until the 2020 Financial Statements have been completed. Whilst the Company did not waive the audit requirement in the year proceeding the financial year ended on 31 August 2020 in accordance with section 257 of the Companies (Guernsey) Law, 2008, for the reasons explained below, the Joint Liquidators do not believe that it is the best interests of the Company and its shareholders to carry out the 2020 Audit:

- The latest audited financial statements of the Company are those for the year ended 31 August 2019 (**2019 Financial Statements**) which were signed on 9 October 2020.
- As at 31 August 2019 the portfolio of assets under the Company's ownership comprised of three assets in mainland Europe. These remaining properties were sold after 31 August 2019, but their sale was disclosed in the 2019 Financial Statements as events after the reporting period, and

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therefore audit procedures were undertaken by the auditors on the sales of these assets. This has been discussed with and confirmed by the auditor.

- The auditors also carried assurance work in the form of agreed upon procedures on the sale of the two German properties as part of the sale process. Again, this has been discussed with and confirmed by the auditor.
- After signing off the 2019 Financial Statements on 9 October 2020, the Company held mainly cash.
- It is estimated that the 2020 Audit would cost the Company in excess of £70,000. The Joint Liquidators have obtained a fee estimate from the auditor, who estimated their fees at a minimum of £45,000. The Joint Liquidators anticipate that additional costs of at least £25,000 would be incurred by the Joint Liquidators and the Company's accountants in attending to audit related matters.
- As the Company has already commenced the process of the Winding Up, all further costs incurred at this point, including those costs associated with carrying out the 2020 Audit, will simply erode the residual cash that would be available to be distributed to shareholders.
- The Joint Liquidators are of the view that the 2020 Audit would not provide any significant value to the shareholders, given the Company's limited activity since 31 August 2019.
- Additionally, the 2020 Audit would delay the ability of the Joint Liquidators to distribute the residual cash to the shareholders.
- A delay in making the final distributions would in turn ultimately delay the completion of the Winding Up (such delays in turn resulting in the Company incurring ongoing administration costs, which, again, diminish the ultimate shareholder returns).

As such, on the basis that:

- the Company has undertaken very limited activity since 31 August 2018;
- the sales of the final assets have already been disclosed in the 2019 Financial Statements and referenced by the auditors at that time;
- the disproportionately high costs of undertaking the 2020 Audit (in light of the Company already being in liquidation) would only serve to diminish the residual funds which would be available to be paid to shareholders in the Distribution;
- the carrying out of the 2020 Audit would cause extensive delays to the Joint Liquidators ability to make the Distribution and finalise the winding up of the Company,

the Joint Liquidators do not consider that the 2020 Audit would bring any significant value to the shareholders and therefore do not believe that it is the best interests of the Company and its shareholders to carry out the 2020 Audit.

Nevertheless, it is noted that the Company has sufficient funds to carry out the 2020 Audit should the Joint Liquidators consider it is necessary to do so.

Shareholder consultation regarding the 2020 Audit

As noted above, the Joint Liquidators do not believe that it is the best interests of the Company and its shareholders to carry out the 2020 Audit.

Nonetheless, the Joint Liquidators wish to consult with Shareholders to ascertain whether or not Shareholders would prefer to the 2020 Audit to be undertaken. This consultation will not bind the Joint Liquidators' but will assist with our decision making.

Please find enclosed a voting form for your consideration. Should you wish to vote, please complete and sign the form, returning marked for the attention of Katie Rowe and Samuel Hilton at corporate.recovery@gt-ci.com. Please return your vote no later than close of business on 21 June 2021. The Joint Liquidators will make a final decision in this regard based on the shareholder response in this matter.

The Joint Liquidators will discuss the outcome of this vote with the Guernsey Financial Services Commission (the **Commission**) in consideration of whether a derogation/exemption from the audit requirement under Registered Collective Investment Scheme Rules 2018 should be granted.

It should be noted that, irrespective of whether the 2020 Audit is undertaken, the Joint Liquidators anticipate that the unaudited 2020 Financial Statements will be available to the shareholders no later than 31 August 2021.

First Interim Distribution

The Joint Liquidators intend to declare the first interim distribution (the **Distribution**) as soon as practically possible. In order to calculate the Distribution quantum, the Joint Liquidators are in the process of reviewing the Company's financial position as at the date of the liquidation. This information was prepared by the Company's administrator, Vistra Fund Services (Guernsey) Limited.

Should the Joint Liquidators determine that the 2020 Audit will not be carried out, they anticipate sending notice of the intended Distribution payment within 8-10 weeks of 21 June 2021 and making a Distribution payment 2-3 weeks following the circulation of the notice.

Should the Joint Liquidators determine that the 2020 Audit will be carried out, the First Interim Distribution will be delayed until such time that the 2020 Audit has been carried out. It is not possible to determine the timescales for the completion of the 2020 Audit, and consequently the payment of the Distribution.

Outcome of the consultation

The Joint Liquidators will write to the shareholders after 21 June 2021 to advise of the outcome of the shareholder consultation and the Joint Liquidators' final decision in respect of the 2020 Audit.

Timescales for the liquidation

In addition to the above-mentioned matters, the Joint Liquidators will work with the officers and service providers of the Company's European subsidiaries (the **European Subsidiaries**) in order to finalise the outstanding matters which need to be resolved prior to placing those entities into liquidation. There are four remaining European Subsidiaries:

- FHC Chambéry SARL and FHC Bordeaux SAS in France
- Victus Holdings (Belgium) SARL in Belgium; and
- Victus Holdings (Europe) SARL in Luxembourg.

The liquidation of the Company cannot be concluded until the liquidations of the European Subsidiaries have been completed. At this point in time, it is difficult to estimate the timescales for the conclusion of the liquidation of the Company and the European Subsidiaries.

Please direct your enquiries to Corporate.Recovery@gt-ci.com.

Yours faithfully
for Victus European Student Accommodation Fund IC Limited (in liquidation)

B A Rhodes
Joint Liquidator

Enc. Voting Form

VICTUS EUROPEAN STUDENT ACCOMMODATION FUND IC LIMITED
(IN GUERNSEY MEMBERS' VOLUNTARY LIQUIDATION)
(the "Company")

Voting Form

I/We (BLOCK CAPITALS)
of
being (a) member(s) of Victus European Student Accommodation Fund IC Limited, with a holding of shares, hereby vote, with reference to the letter received from the Joint Liquidators of the Company dated 4 June 2021 (the "**Correspondence**") as follows:

	Vote	For (i.e. do <u>not</u> undertake the audit)	Against (i.e. yes, undertake the audit)
1	For the reasons outlined in the Correspondence, the Joint Liquidators should not undertake the audit of the Consolidated Financial Statements for the year ended 31 August 2020.		

Dated:

Signed:

Notes:

To be valid, this voting form, duly completed and signed (together with any power of attorney or other authority under which it is signed or a notarially certified copy of it), must be sent by email to Corporate.Recovery@gt-ci.com marked for the attention of Katie Rowe and Samuel Hilton, no later than close of business on 21 June 2021.