11 April 2016

Safestay PLC

("Safestay" or "the Company")

Final Results

For the Year to 31 December 2015

Operational highlights

- Opened Holland Park and acquired Edinburgh, substantially increasing size of the business to 1,526 beds up from 560 at the start of the year
- Elephant & Castle, our only year-on-year comparable hostel, had another good year showing increases in occupancy to 78.6% (2014: 78.1%), average bed rate up by 5.7% over the previous year and revenue per available bed up 6.3%
- In 2015, Safestay laid the foundations for supporting a much larger enterprise through:
    - Investing in the senior team with the appointment to the Board of Philip Houghton as Chief Executive together with the senior management appointment of Mark Beveridge as Finance Director
    - Investing in a new systems infrastructure, a new Group website and internet booking engine, that has enabled the introduction of dynamic pricing. This provides a strategic platform to drive revenues and provide the business with meaningful data to maximise rate uplift opportunities in the future
    - Investing in Revenue, Sales, Marketing and Finance functions to build a scalable business

Financial highlights

- Revenues increased to £4.0 million (2014: £1.9 million) which only included contributions from Edinburgh since acquisition on 16 September and Holland Park following it's soft opening in August
- EBITDA of £0.7 million (2014: £0.7 million) driven through good trading performances from more mature sites, the introduction of two new sites and building of scalable infrastructure
- The Group's freehold property assets increased to £28.8 million (2014: £14.9 million)
- Loss before tax of £0.6 million (2014: profit before tax of £0.1 million)
- Net asset value per share increased to 48p per share (2014: 45p per share)

Larry Lipman commenting on the results said:

"In revenue terms we doubled the size of the business in 2015 and we are on track with the current sites to do the same again in 2016. As with all small, fast growing businesses we have had to invest in putting in place the platform to support our growth plans and we are already seeing the benefits of that decision which ensures that as new sites come into the Group they can be efficiently and effectively consolidated.

2016 will see a full year's activity for Safestay Edinburgh and Safestay Holland Park that will lead to significant increase in revenue. We have a strong pipeline of on-the-books business.

We expect increasing activity on the website as brand momentum grows with more direct bookings and greater customer touch-points and increased contracted group bookings. In addition, we expect enhanced F&B contribution to the business.

The pipeline of potential acquisitions is in varying stages of interest.

Our objective remains to create a leading contemporary hostel business under the Safestay brand focussed on the provision of stylish and affordable accommodation."

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Chairman's Statement

Introduction

I am very pleased to be able to present the results for the 12 months to 31 December 2015 which show the Safestay portfolio of hostels expanding rapidly and establishing the base to support a much larger business.

At the end of 2015 Safestay was trading from four hostels (two in London, one in York and one in Edinburgh) comprising 1,526 beds, up from 560 beds at the start of the year.

Demand is good and, we believe, set to increase as interest in alternatives to traditional hotel accommodation grows. The rise of online offerings such as Airbnb and Flipkey alongside the contemporary hostel sector has helped greatly, as this has further educated the travelling population that there are good, certainly more affordable and perhaps better alternatives in great locations.

Safestay therefore welcomes the disruption of the status quo amongst the hotel industry, as we believe we are well placed to compete, by offering great locations, and a range of accommodation options to meet the needs and budgets of a broad range of customers. Combining this with great social spaces sets the Safestay offer apart from the budget hotels and private residences.

We are well placed to utilise our knowledge and expertise to build a scalable business and our track record of acquiring real estate gives Safestay a significant commercial advantage over our competitors.

We believe the premium hostel segment is a very exciting opportunity. We continue the process of educating the external market as to the advantages of staying at a premium hostel and thanks to our efforts to date, premium hostels are rapidly gaining momentum across the consumer and investor communities.

Financial Results

The results we are reporting are for the year ended 31 December 2015. During this time the Elephant & Castle and York hostels have had a full year's trading whilst the Holland Park and Edinburgh hostels are part year, coinciding with the phased opening through August and acquisition on 16 September respectively.

For the year to 31 December 2015, the Group generated revenues of £4.0 million compared to £1.9 million in the prior year. During the year under review, the new sites in Holland Park and Edinburgh contributed for just over 4 and 3 months respectively.

Investment in the development of infrastructure of the business to support its future growth has meant the Group reported a loss before tax of £0.6 million compared to a pre-tax profit of £0.1 million in the previous year. The investment was spread across the business and aimed at enabling the Group to manage the expected increase in the number of hostels it operates. As a consequence, the Company recorded a loss per share of 2.5p compared with a profit of 1.3p per share in 2014.

The Group now consists of three freehold properties and one leasehold property. As at 31 December 2015, its freehold property portfolio was valued at £28.8 million (2014: £14.9 million). In addition, the Group's interest in the leasehold property is carried as a finance lease at £12.7 million (2014: £nil).

As at 31 December 2015, the Company had gross bank and loan note borrowings of £18.3 million (2014: £9.3m) secured against its freehold properties with an average weighted interest cost of 4.05%.

Gearing, measured as the proportion of total liabilities (which now includes the Holland Park lease) less trade and other payables and derivative financial instruments as a proportion of total shareholder's equity is 1.72 (2014: 1.05).

We continue to focus on investment in the business to help drive growth and deliver on our strategy. As a result, the Directors have not recommended the payment of a dividend for the year (2014: 0.3 pence per share).

Key achievements in 2015

2015 was a transformational year for Safestay since the demerger in 2014 when the business became an AIM-listed hostel group. The addition of trading hostels in London Holland Park and Edinburgh complemented the existing properties in London Elephant & Castle and York perfectly. These hostels position Safestay as the leading premium hostel group in the UK offering 1,526 beds in key gateway cities.

Elephant & Castle had another good year showing increases in occupancy to 78.6% (2014: 78.1%), average bed rate up by 5.7% and revenue per available bed up 6.3% over the previous year.

Our smallest site in York improved upon its first half performance benefitting from focused management activity and an expanded marketing programme. In its first full year's trading, occupancy was up to 50.3% (2014 was not comparable) and a strong average bed rate. The site made a positive contribution to the Group and has the scope for further improvement.

The year saw the opening of Safestay London Holland Park and the acquisition of Smart City Hostels, Edinburgh. The major refurbishment works in Holland Park were completed in August and early indications are positive. As a new opening it takes time to mature the business (typically three years) with early adopters being predominantly independent travellers, given that group enquiries have a longer lead time. Guest satisfaction at Holland Park in Q4 of 2015 was the strongest across all Safestay properties (source: Renivate post-stay net promoter score) and group enquiries for 2016 and beyond gives confidence in the trading outlook as the business matures through 2016/17.

The Edinburgh hostel was acquired in September and trades as Smart City Hostels by Safestay, Edinburgh. The majority of the refurbishment works are complete with the balance scheduled to be concluded shortly after the student rooms are released back to the business in May (part of the hostel is currently converted to student accommodation and rented to the University of Edinburgh during the academic year). Trading post-acquisition has been very encouraging with the hostel benefiting from management focus and the synergies from the London hostels and group-wide contracts. Enhanced revenues have been complemented with the realisation of a number of cost savings as the hostel has been integrated into Safestay's infrastructure.

In Q4 Safestay introduced a new property management system, web site and internet booking engine which went live at the end of January 2016. These tools will allow Safestay to consolidate processes across the hostels, unlocking further revenue potential and the ability to reduce the cost of acquisition by building the brand equity and increasing the proportion of direct business. In order to unlock this potential the Sales, Marketing and Revenue Management functions have been strengthened with key management appointments.

A core part of Safestay's success is our property expertise. The ability to source the right properties on competitive terms is critical to the growth agenda. Our track record of acquiring real estate gives Safestay a significant commercial advantage as well as underpinning the value of the company. 2015 has reinforced this point with a favourable long leasehold achieved underpinning Safestay London Holland Park and the freehold acquisition of Smart City Hostels, Edinburgh.

In preparing Safestay for accelerated growth into key European gateway cities the group has been strengthened by the senior management appointment of Mark Beveridge as Finance Director in November 2015. Mark joins Safestay from InterContinental Hotels Group (IHG) plc as Director of Corporate Finance where he notably supported their growth agenda in the EMEA region. Since joining Mark has strengthened Safestay's finance function which will underpin driving enhanced trading performance from the existing portfolio and supporting the growth activity.

Outlook

Safestay has grown rapidly through 2015 adding in two new hostels and in so doing becoming the UK's leading premium hostel Group. The changes we have made to our systems, people and processes provide us with the platform to drive additional value from our existing portfolio and absorb new properties. The Board remains confident in our trading outlook for 2016.

We are currently sourcing new opportunities both in the UK and principal cities across Europe that are popular with our target market.

We look forward with confidence to an exciting and profitable journey ahead.

Larry Lipman
Chairman
11 April 2016

Safestay plc

Consolidated Income Statement

	Note	2015 £'000	2014 £'000
Revenue	1	4,023	1,938
Cost of sales		(486)	(204)
Gross profit		3,537	1,734
Administrative expenses		(3,327)	(1,154)
Operating profit		210	580
Finance income		1	1
Finance costs		(821)	(444)
(Loss) / Profit before tax		(610)	137
Tax		8	(22)
(Loss) / Profit for the financial year/period attributable to owners of the parent company		(602)	115
Basic (loss)/earnings per share	2	(2.52p)	1.29p
Diluted (loss)/earnings per share	2	(2.52p)	1.18p

There is no difference between the diluted loss per share and the basic loss per share presented. Due to the loss incurred in the year the effect of the share options in issue is anti-dilutive.

The revenue and operating result for the period is derived from acquired and continuing operations in the United Kingdom.

Safestay plc

Consolidated Statement of Comprehensive Income

	2015 £'000	2014 £'000
(Loss)/Profit for the year/period	(602)	115
Other comprehensive income		
Items that will not be reclassified subsequently to profit and loss		
Revaluation of freehold land and buildings	152	206
Total comprehensive (loss)/income for the period attributable to owners of the parent company	(450)	321

Safestay plc

Consolidated Statement of Financial Position

	Note	2015 £'000	2014 £'000
Non-current assets			
Property, plant and equipment	3	42,327	15,000
Intangible assets	4	1,352	-
Goodwill	4	525	-
Total non-current assets		44,204	15,000
Current assets			
Stock		19	4
Trade and other receivables		594	167
Deferred tax		-	21
Derivative financial instruments		20	7
Cash and cash equivalents		1,060	3,310
Total current assets		1,693	3,509
Total assets		45,897	18,509
Current liabilities			
Loans and overdrafts	5	693	1,314
Finance lease obligations	6	65	-
Trade and other payables		1,062	662
Current liabilities		1,820	1,976
Non-current liabilities			
Bank loans and convertible loan notes	5	17,391	7,786
Finance lease obligations	6	10,196	-
Derivative financial instruments		36	46
Total non-current liabilities		27,623	7,832
Total liabilities		29,443	9,808
Net assets		16,454	8,701
Equity			
Share capital	8	342	192
Share premium account	9	14,504	6,410
Merger reserve		1,772	1,772
Share based payment reserve		23	6
Revaluation reserve		358	206
Retained earnings		(545)	115
Total equity attributable to owners of the parent company		16,454	8,701

These financial statements were approved by the Board of Directors and authorised for issue on 11 April 2016.

Signed on behalf of the Board of Directors Larry Lipman

Safestay plc

Consolidated Statement of Changes in Equity

	Share Capital	Share premium account	Merger Reserve	Share based payment reserve	Revaluation Reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 29 January 2014	-	-	-	-	-	-	-
Comprehensive income							
Profit for the period	-	-	-	-	-	115	115
Other comprehensive income	-	-	-	-	206	-	206
Total comprehensive income	-	-	-	-	206	115	321
Transactions with owners							
Issue of shares							
Share based payment charge for the period	192	6,410	1,172	-	-	-	8,374
Balance at 31 December 2014	**192**	**6,410**	**1,772**	**6**	**206**	**115**	**8,701**
Comprehensive income							
Loss for the year	-	-	-	-	-	(602)	(602)
Other comprehensive income	-	-	-	-	152	-	152
Total comprehensive income	-	-	-	-	152	(602)	(450)
Transactions with owners							
Issue of shares	150	8,094	-	-	-	-	8,244
Dividend paid						(58)	(58)
Share based payment charge for the period	-	-	-	17	-	-	17
Balance at 31 December 2015	**342**	**14,504**	**1,772**	**23**	**358**	**(545)**	**16,454**

Dividends paid in the year relate to the dividends declared of 0.3 pence share in the previous year.

Safestay plc

Consolidated Statement of Cash Flows

	Note	2015 £'000	2014 £'000
Operating activities			
Cash generated from operations		643	639
Net cash generated from operating activities		643	639
Investing activities			
Interest received		1	1
Purchases of property, plant and equipment		(4,082)	(2,724)
Acquisition of business	7	(14,150)	-
Acquisition of subsidiary net of cash		-	(5,320)
Net cash outflow from investing activities		(18,231)	(8,043)
Financing activities			
New loans		10,500	9,917
Loan arrangement fees		(81)	(226)
Issue of ordinary shares for cash		8,535	8,114
Fees related to the issue of shares		(1,041)	(1,549)
Dividend paid		(58)	-
Interest paid		(620)	(356)
Loan repayments		(1,897)	(5,186)
Net cash generated from financing activities		15,338	10,714
Net (decrease)/increase in cash and cash equivalents		(2,250)	3,310
Cash and cash equivalents at end of period		1,060	3,310

Safestay plc

Basis of Preparation

On 11 April 2016, the Directors approved this preliminary announcement for publication. Copies of this announcement are available from the Company's registered office at 1a Kingsley Way, London N2 0FW and on its website, www.safestay.com. The Annual Report and Accounts will be sent to shareholders in due course and will be available on the Company's website, www.safestay.com. The financial information presented above does not constitute statutory financial statements as defined by section 435 of the Companies Act 2006 for the year ended 31 December 2015.

The financial information for the year ended 31 December 2015 is derived from the statutory financial statements for that year, prepared under IFRS, under which the auditors have reported. The audit report was unqualified, did not include references to matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory financial statements for the year ended 31 December 2015 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The accounting policies applied in this announcement are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those financial statements.

1. **Significant Accounting Policies**

Revenue
Revenue is stated net of VAT and comprises revenues from overnight hostel accommodation, income from the rental of student accommodation during the academic year and the sale of ancillary goods and services. Accommodation and the sale of ancillary goods and services is recognised when provided. Income from the rent of student accommodation is recognised on a straight line basis over the academic year to which the rent relates.

The sale of ancillary goods comprises sales of food, beverages and merchandise.

Deferred income comprises deposits received from customers to guarantee future bookings of accommodation. This is recognised as revenue once the bed has been occupied.

Leases
The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as lessee

Assets held under finance leases are recognised as assets of the group at the present value of the lease payments at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction in lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the profit and loss account.

All other leases are classified as operating leases. Operating leases are recognised in the income statement on a straight line basis over the life of the lease.

Property, plant and equipment
Freehold property is stated at fair value and revalued annually. Valuation surpluses and deficits arising in the period are included in other comprehensive income. Fixtures fittings and equipment are stated at cost less depreciation and are depreciated over their useful lives. The applicable useful lives are as follows:

Fixtures, fittings and equipment	3 years
Freehold properties	50 years
Leasehold properties	50 years

Assets held as finance leases are depreciated over the shorter of the lease term and their expected useful lives on the same basis as owned assets.

Critical accounting judgements and key sources of estimation and uncertainty

The fair value of the Group's property is the main area within the financial information where the Directors have exercised significant estimates.

- The fair value of the Group's property portfolio is based upon an external valuation and is inherently subjective.
- The Holland Park lease showed indicators that it could be treated as either a finance or operating lease. The Group's decision to treat it as a finance lease was based on a balanced judgment of relevant factors. Furthermore, the fair value of the Group's finance lease asset is inherently subjective. The methodology applies a discount rate to the future lease payments to approximate to the fair value of the asset.
- The Smart City hostel in Edinburgh was acquired in a competitive market and supported by an external valuation. The allocation of the acquisition price to each asset class in combining with the Group is subjective.

2. Earnings per Share

The calculation of the basic and diluted earnings per share is based on the following data:

	2015 £'000	2014 £'000
(Loss)/Profit for the period attributable to equity holders of the company	(602)	115

	2015 '000	2014 '000
Weighted average number of ordinary shares for the purposes of basic (loss)/ earnings per share	23,881	8,948
Effect of dilutive potential ordinary shares	6,545	792
Weighted average number of ordinary shares for the purposes of diluted (loss)/ earnings per share	30,426	9,740
Basic (loss)/ earnings per share	(2.52p)	1.28p
Diluted (loss)/ earnings per share	(2.52p)	1.18p

There is no difference between the diluted loss per share and the basic loss per share presented. Due to the loss incurred in the year the effect of the share options in issue is anti-dilutive.

3. Property, Plant and Equipment

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or valuation				
Balance as at 29 January 2014	-	-	-	-
Additions	2,683	-	41	2,742
Acquisitions	12,128	-	72	12,200
Revaluation	110	-	-	110
Balance as at 31 December 2014	14,921	-	113	15,034
Additions	1,068	12,793	742	14,603
Acquisitions	12,775	-	200	12,975
At 31 December 2015	28,764	12,793	1,055	42,612
Depreciation				
Balance as at 29 January 2014	-	-	-	-
Charge for the period	96	-	34	130
Revaluation	(96)	-	-	(96)
Depreciation brought forward at 1 Jan 2015	-	-	34	34
Charge for the year	152	71	180	403
Revaluation	(152)	-	-	(152)
At 31 December 2015	-	71	214	285
Net book value:				
At 31 December 2015	28,764	12,722	841	42,327
At 31 December 2014	14,921	-	79	15,000

The Directors' consider the most recent valuations as an appropriate fair value of the freehold properties as at 31 December 2015. These are independently assessed based on applying discounted cash flows to forecasts of future earnings before interest, taxation and depreciation (EBITDA) using the following assumptions relevant to the properties:

Elephant & Castle
Valuer: Edward Symmons LLP
Date: 29 April 2014
Assumptions: Cap rate 8%, discount 10.5%

York
Valuer: Edward Symmons LLP
Date: 12 November 2014
Assumptions: Yield 10.5%

Edinburgh
Valuer: Colliers International
Date: 10 August 2015
Assumptions: Yield 7.4%

The revaluation surplus was credited to other comprehensive income and is shown in revaluation reserve. The freehold property is the only non-financial asset held at fair value. The valuation of this asset requires significant inputs that are not based on observable market data (level 3). The property's current use equate to the highest and best use.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. No transfers occurred during the period.

The most significant inputs, all of which are unobservable, are forecast EBITDA and the capitalisation rate. The overall valuations are sensitive to these assumptions and management considers the range of reasonably possible alternative assumptions.

The following table details the sensitivity of changes in the underlying inputs:

		Change in EBITDA		
		5%	0%	-5%
		£'000	£'000	£'000
Change in	-0.5%	32,256	31,218	29,651
Cap rate	0%	31,271	29,800	28,292
	0.5%	29,856	28,431	27,016

The historical cost of property, plant and equipment is £28.8 million (2014: £14.9 million).

The group has pledged freehold property with a carrying value of £28.8 million (2014: £14.9 million) to secure banking facilities and loan notes granted to the Group (note 5).

The valuation of the lease on the Holland Park property is stated at the present value of the future lease payments at a yield of 6.5%. This constitutes the substantial part of a theoretical freehold valuation.

4. Intangible Assets and Goodwill

	Note	Intangible Asset £'000	Goodwill £'000	Total £'000
Cost				
Acquisitions	**7**	1,400	525	1,925
At 31 December 2015		1,400	525	1,925
Amortisation				
Charge for the period		48	-	48
At 31 December 2015		48	-	48
Net book value:				
At 31 December 2015		1,352	525	1,877

On the acquisition of the business on Smart City hostel in Edinburgh (note 7) the Director's identified an intangible asset in relation the lease with the University of Edinburgh, which terminates in 2027. After valuing all of the identifiable assets and liabilities on the acquisition of the business, goodwill of £525,000 was recognised.

5. Loans

	2015 £'000	2014 £'000
At amortised cost		
Bank Loan	14,549	5,460
Convertible loan	3,800	2,800
Loan notes	-	1,024
	18,349	9,284
Loan arrangement fees	(265)	(184)
	18,084	9,100
Loans repayable within one year	693	1,324
Loans repayable after more than one year	17,391	7,786
	18,084	9,100

The bank facilities are summarised below:

Related Property	Elephant & Castle	Edinburgh	York	Holland Park
Principal ('000)	£5,600	£6,500	£1,000	£2,000
Outstanding as at 31 December 2015 ('000)	£5,180	£6,419	£975	£1,975
	Secured	Secured	Secured	Secured
Interest rate	LIBOR plus 3.25%	LIBOR plus 3%	LIBOR plus 3.25%	LIBOR plus 3%
Term	5 years	5 years	5 years	5 years

Each of the bank loans have a term of five years on which interest is payable at between 3.00% and 3.25% over LIBOR. The Group has given security to the bank including a first ranking charge over the Group's freehold hostels in Elephant & Castle, York and Edinburgh and a legal charge over the Holland Park property. There were no breaches in bank loan covenants as at 31 December 2015.

Convertible loan note terms:

	Secured (£'000)	**Unsecured (£'000)**
Value	2,800	1,000
Issued	2 May 2014	11 September 2015
Term	3 years from issue	3 years from issue
Coupon rate	6%	5%
Conversion price per Ordinary Share at the option of the note holder, at any time prior to redemption	57.5p	70.0p

Secured Convertible loan notes are by way of a charge over the Group's hostel in Elephant & Castle, ranking after the security granted to the bank.

The loan notes issued on 24 May 2014 were repaid on 24 April 2015. The rate of interest on loan notes was 0.75% per month for the first 8 months followed by 11% for the remaining 3 months.

All of the Group's loans disclosed above comprise borrowings in sterling.

The repayment profiles of the loans are as follows:

	Convertible loan notes £000	Bank loan £000	Other loan £000	Total £000
Due within one year	-	755	-	755
Between one and two years	3,800	755	-	4,555
Between two and five years	-	13,039	-	13,039
Balance at 31 December 2015	3,800	14,549	-	18,349
Balance at 31 December 2014	2,800	5,460	1,024	9,100

6. Obligations under Finance Leases

	Present value of minimum lease payments 2015 £'000	2014 £'000
Amounts payable under finance leases:		
Within one year	65	-
In the second to fifth years inclusive	158	-
After five years	10,038	-
Present value of future lease obligations	10,261	-

The group has treated the Holland Park lease as a finance lease on the basis that the present value of the lease payments constitutes the substantial part of a theoretical freehold valuation.
The average effective borrowing rate was 6.55%. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the group's lease obligations is approximately equal to their carrying amount. The Group's finance leases disclosed above are in sterling.

7. Business Combinations

On 16 September 2015, Safestay plc acquired 100% of the assets of the Smart City hostel in Blackfriars Street in Edinburgh, currently trading as Smart City Hostel by Safestay, Edinburgh.

Assets recognised at the date of acquisition were as follows:

	£000's	£000's Directors' adjustment	£000's Directors' valuations
Non-current assets			
Property, plant and equipment	14,900	(1,925)	12,975
Interest in head lease (note 4)	-	1,400	1,400
Current assets			
Stock	16	(16)	-
Current liabilities	-	-	-
Advance deposits	(60)	60	-
Total assets	14,856	(481)	14,375
Consideration			14,900
Net assets acquired			14,375
Goodwill arising on acquisition			525

Consideration transferred:

Cash	14,150
Vendor shares issued 1,209,677 ordinary shares at 62p	750
	14,900

As part of the placing and open offer, an external valuation of the Edinburgh business of £14.9 million was prepared by Colliers International LLP as at 17 August 2015 using the discounted cash flows technique with a 7.4% yield applied to forecasts of future earnings before interest, taxation and depreciation (EBITDA), reflecting both the hostel and student accommodation businesses. Based on performance since acquisition and the strength of expected future performance, the value of the acquisition is fairly reflected.

8. Share Capital

Allotted, issued and fully paid	
19,244,520 Ordinary Shares of 1p each as at 1 January 2015	192
14,974,615 Ordinary Shares of 1p each issued on 10 September 2015	150
34,219,135 Ordinary Shares of 1p each as at 31 December 2015	342

At the 31 December 2015, the ordinary shares rank pari passu. There are no changes to the voting rights of the ordinary shares since the balance sheet date.

9. Share Premium

	£'000
Brought forward as at 1 January 2015	6,410
Share premium received on 14,974,615 Ordinary shares of 1p each 10 September 2015 at 61p per share	9,135
Share issue costs	(1,041)
As at 31 December 2015	14,504

Share issue costs represent the costs of the placing and open offer on 10 September 2015.