

Management Case Study Examination

May - August 2024

Pre-seen material



Context Statement

We are aware that there has been, and remains, a significant amount of change globally. To assist with clarity and fairness, we do not expect students to factor these changes in when responding to, or preparing for, case studies. This pre-seen, and its associated exams (while aiming to reflect real life), are set in a context where current and on-going global issues have not had an impact.

Remember, marks in the exam will be awarded for valid arguments that are relevant to the question asked. Answers that make relevant references to current affairs will, of course, be marked on their merits.

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Introduction

Flatthall is a quoted company that owns and operates 174 residential buildings that are located in towns and cities in its home country of Towland. These buildings are subdivided into flats that are rented to full-time students in nearby colleges and universities.

Towland’s currency is the T\$. Towlandian company law requires companies to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

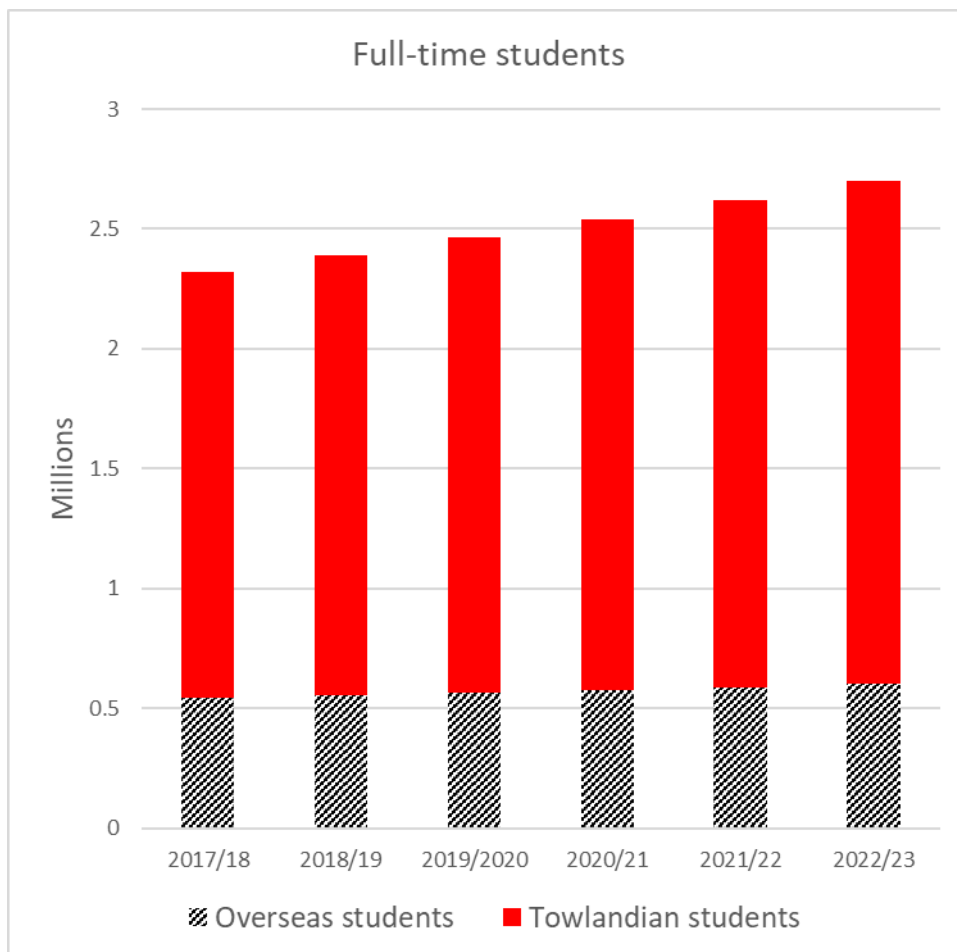
You are a financial manager at Flatthall’s Head Office. Your primary responsibilities are associated with management accounting, and you report to Susanna Leong, Senior Financial Manager, who reports directly to the Finance Director.

Post-school education in Towland

Towland has a well-developed higher education system, with 215 colleges and universities (“institutions”) that provide three-year courses leading to undergraduate degrees.

There is a healthy demand for places at these institutions:

- A large proportion of Towlandians complete a college or university qualification after leaving school. The Towlandian Government subsidises course fees and full-time students can apply for financial support in the form of student loans that need not be repaid until after graduation.
- Towland has a strong international reputation for further and higher education. The country attracts large numbers of overseas students, who believe that they will benefit from studying at a Towlandian university.



In the academic year 2022/23, Towland had 2.1 million home students and a further 0.6 million overseas students.

Institutions are keen to fill all available spaces:

- Towland’s Government subsidises places for home students. Institutions receive student fees and government subsidies, totalling T\$8,000 each year, in respect of each home student. The Government sets the maximum number of subsidised student places for each institution. Institutions face an opportunity cost if any of those places are left unfilled.

- Institutions can accept as many overseas students as they wish. They are free to charge as much as they wish for overseas student fees. Overseas student fees vary from T\$12,000 to T\$30,000 each year, depending on demand for places. Applicant numbers vary according to the reputation of different institutions and also the popularity of different subjects.

Institutions are keen to attract overseas students because of their high fees and because overseas admissions do not count towards the Government allocation of places. Most institutions have sufficient capacity to accept all suitably qualified overseas applicants.



Towland's academic year is structured as follows:

September to December 1 st semester	January to April 2 nd semester	May to August summer vacation
<ul style="list-style-type: none"> • Induction for new students • Tuition for 1st semester classes • 1st semester examinations 	<ul style="list-style-type: none"> • Tuition for 2nd semester classes • 2nd semester examinations 	<ul style="list-style-type: none"> • Graduation for final year students • Resit examinations (if applicable) • Processing applications for new students

Towland's academic year starts in September and ends in May. Students who successfully complete all assessments, including exams and coursework, are free to take a break from their studies during the summer vacation.

Institutions promote themselves to potential students throughout the academic year. Applications for admission during the following academic year are processed during the second semester and the summer vacation. Successful applicants who accept a place must pay their first year's tuition fee before joining their course.

Student accommodation

Institutions are usually located in towns or cities, some close to a town or city centre and others on the outskirts. Students must attend classes and so require accommodation that is within easy commuting distance.

Approximately 40% of home students continue to live in their parental homes for the duration of their studies. The remainder seek alternative accommodation, at least during the 1st and 2nd semesters of each academic year of their courses, when they are required to attend classes and sit examinations. Some home students accept places at institutions that are too far from home for them to travel on a daily basis. Others choose not to live in their family home because they wish to live independently.

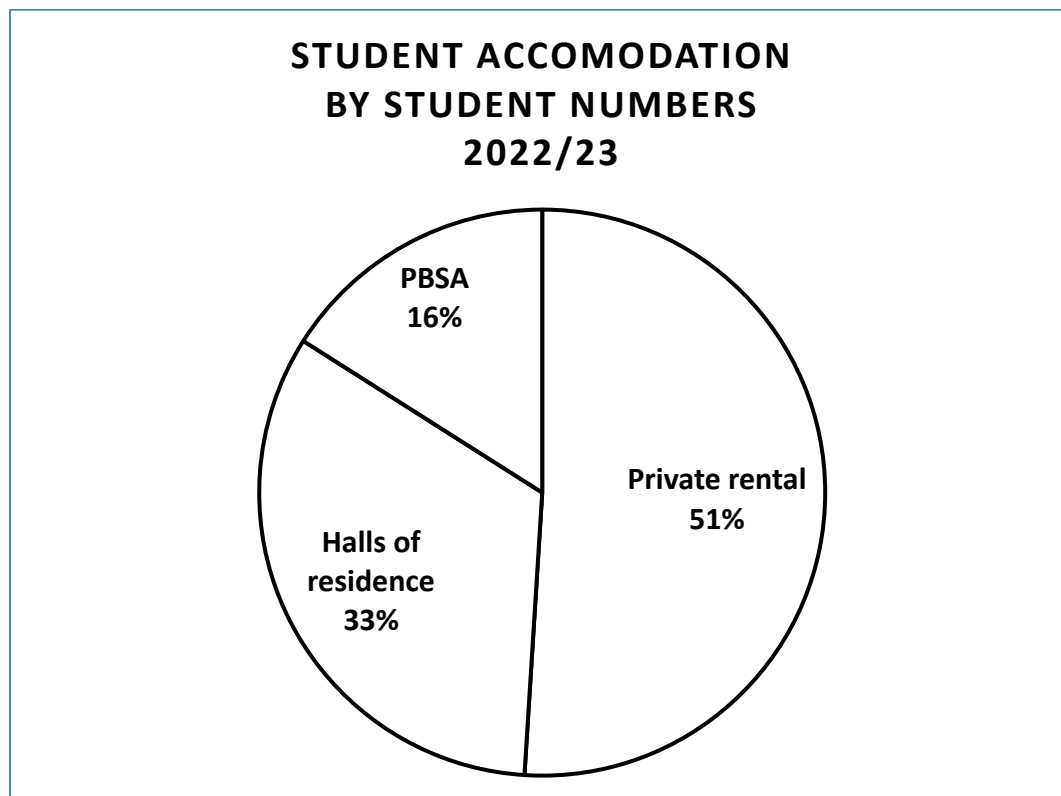
Overseas students must arrange suitable accommodation for the duration of the 1st and 2nd semesters of each academic year of their course.

Most students who require accommodation do so by renting suitable accommodation for the academic year, taking residence in September before classes start and leaving after their examinations in April. Many home students return to their family homes for the summer vacation, or they take the opportunity to travel. Most overseas students return to their home countries to spend the summer vacation with their families.

Student rental agreements usually terminate at the end of the 2nd semester. Students who wish to remain close to their institutions during the summer vacation will often have to move to alternative accommodation for that period.

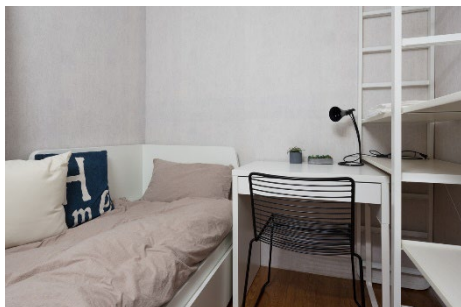
Student accommodation can take a number of forms:

- Halls of residence
- Private rentals
- PBSA (purpose-built student accommodation)



Halls of residence

Most institutions have their own student accommodation that is available for rent. This is often situated on campus, or it may be on a separate site that is within convenient travelling distance.



Students staying in halls are usually provided with a single, furnished room, with a bed, a desk and storage space. Students share bathrooms and kitchens.

The accommodation is basic, but students are reassured by the fact that they are renting from their college or university. Demand for places in halls usually exceeds the number of available places. Many

institutions give first-year students priority in booking places in halls.

Private rentals



Most large towns and cities have several colleges and universities and so there is a constant demand for student accommodation. Some landlords specialise in the student rental market, preferring to rent flats to students rather than to more permanent tenants. Many cities have “student areas” that comprise residential areas that have a substantial student population during the academic year.

Private rentals usually consist of flats with up to three furnished bedrooms. Those flats are typically occupied by several students at once, with each contributing a share of the rent. These students may be friends who set out to rent a flat together, or they may simply have agreed to rent a flat as a group. Students will have their own rooms and will share the flat’s kitchen, bathroom and living room.

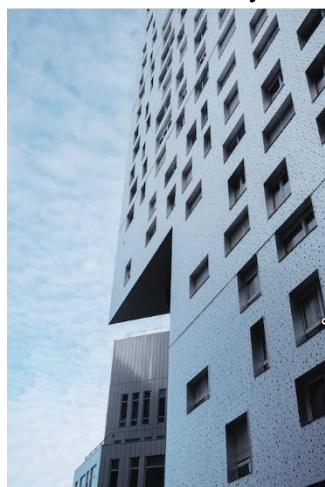
Most institutions offer a student accommodation service that can assist students to find private accommodation. Landlords can publicise the availability of their private rental properties and students can advertise for flatmates who wish to share the rent of a flat. Accommodation services also advise students on practical matters, such as checking the terms in a rental agreement and assist with legal matters such as managing disputes with landlords.

Towland has very strict health and safety laws in place in relation to private rentals, particularly when properties are rented by more than two tenants. Gas and water supplies must be checked regularly and fire alarms and other safety devices must be present and operational. Safety checks are also required for any portable electrical equipment, such as fridges.

Private rentals are often more expensive than places in halls of residence, but they usually offer larger rooms than are available in halls. They are also more likely to be located in areas where students socialise.

PBSA (purpose-built student accommodation)

PBSA is a relatively recent development in the market for student accommodation.



Commercial organisations construct buildings that are specifically designed for the student market. Typically, most of the floors in each building are subdivided into a large number of flats. Each flat consists of a communal living space and 6-8 single bedrooms. The communal spaces are equipped for students to cook and eat their meals and to socialise. The bedrooms provide private spaces where students can sleep and study.

PBSA operators are independent of the institutions whose students they wish to attract. They do, however, have complementary activities. PBSA operators seek to attract students from institutions close to their buildings. Institutions use the availability of nearby accommodation to attract students to their courses. Overseas students are particularly interested in the availability of suitable accommodation because they will be moving to a foreign city that they might not visit until the start of their courses.

Institutions' websites often refer to the availability of good quality accommodation close to campus and may provide links to the websites of PBSAs in the vicinity. PBSAs' websites may list the institutions that are within, say, a 20-minute walk from each of their buildings.

PBSA buildings are generally as secure as halls of residence and are likely to be more secure than private rentals. Entrances are staffed by concierges working in shifts on a 24/7 basis. The concierges check the credentials of everyone who enters their buildings. They also monitor feeds from security cameras and safety systems, such as fire alarms.

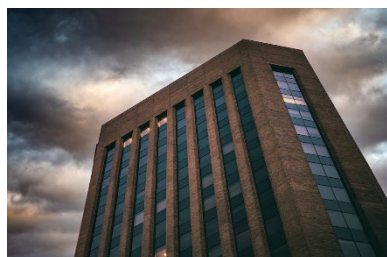
PBSAs employ cleaning staff to keep the public areas of their buildings clean and tidy. They also employ local contractors to maintain their buildings, both public spaces and the flats.



PBSA buildings offer facilities that make them attractive to students. All offer high-speed internet access, with strong Wi-Fi signals throughout their buildings. That is vital because students must be able to access social media, course materials and emails. Buildings can also offer amenities such as media rooms in which groups of residents can watch movies or sports events on a large screen with high-quality sound.

Government planning regulations restrict rentals of rooms in PBSA buildings to students. Operators are not permitted to rent rooms in PBSA buildings to non-students.

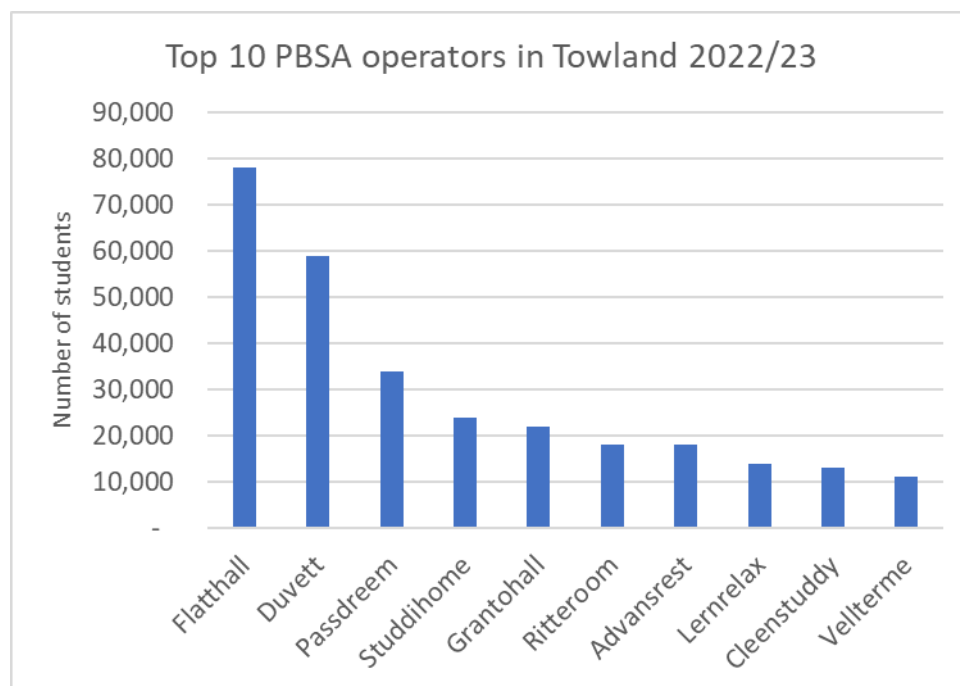
PBSA buildings are generally built within easy walking distance of at least one institution and possibly several. Some cities have a number of institutions located in and around their centres and so there may be several PBSA buildings within a relatively small area of any given town or city, with operators competing for tenants.



Some institutions are on the outskirts of towns and cities and may be served by PBSA buildings that are effectively dedicated to those institutions.

PBSA buildings in town and city centres are generally high-rise. These are attractive to operators because they can accommodate a large number of tenants within a given footprint.

Flatthall built Towland's first PBSA building in 1995. There are now ten major PBSA operators in Towland:



These companies collectively provide accommodation for 16% of those students who do not live with their parents during the 1st and 2nd semesters of the academic year.

It can be difficult to compare halls of residence, private rentals and PBSAs since:

- Rents charged for halls of residence and PBSAs usually include utilities such as electricity and internet connections. Private rentals usually require students to pay separately for these utilities.
- Halls of residence are cheaper than private rentals and PBSA. Places in halls are generally filled long before the start of the academic year. Students are attracted by the convenience of living on or close to campus. Halls of residence are also generally safe and secure, with security wardens on site.
- PBSA is more expensive than halls of residence or private rentals, even after taking the cost of utilities into account. The buildings are usually more modern and better equipped than halls of residence. They are usually located close to campus. PBSA buildings are also safe and secure spaces. PBSA operators usually work to maintain good relationships with institutions' student accommodation services and that can prove reassuring in the event of a dispute with an operator because students can threaten to involve their institutions.
- Private rentals vary significantly in quality. Properties may be old and may have been converted from family homes into living spaces for occupation by small groups of students. Some landlords are greedy and unwilling to invest in maintaining their properties. Towlandian law requires landlords to meet basic safety regulations, but private rental properties are unlikely ever to be as safe and secure as halls of residence or PBSA buildings.
- Students generally arrange accommodation for the forthcoming academic year during the summer vacation. Places in halls of residence and PBSA are usually taken first. Many students are forced to take places in private rentals because all alternatives are

taken, although some students prefer private rentals because they wish to share with friends, or they may have jobs to fund their studies and wish to live close to work.

Flatthall

Flatthall was founded in 1994 by a property developer who commissioned the design and construction of Towland's first PBSA block on a site close to Central City Metropolitan University. The building was ready for occupation in time for the start of the 1995/96 academic year and every room was taken within days of the commencement of trading.

Flatthall built five further properties in Central City over the next year and demand for places increased even further. Feedback indicated that students enjoyed the quality of the accommodation that was being offered. Flatthall's buildings were newly built and freshly decorated, making them more attractive than typical institutional halls of residence or private rental properties.

The company grew steadily, adding more buildings across Towland. It now owns 174 buildings that can accommodate a total of 78,000 students.

Flatthall was listed on the Towland stock exchange in 2002. The property developer who founded the company no longer owns any shares in the company.

Flatthall competes with other PBSA providers on the basis of quality of service and promotion. There is very little difference between the rents charged by different PBSA providers. There is no need to compete by reducing rents because all places are filled well before the start of the academic year. Providers could possibly charge more, but that would lead to accusations of overcharging and could damage relationships with the student accommodation services at local institutions. Rents do vary between cities, in line with local demand. For example, renting a room in a PBSA block in Capital City is 20% more expensive than a similar room in Central City.

Building operations

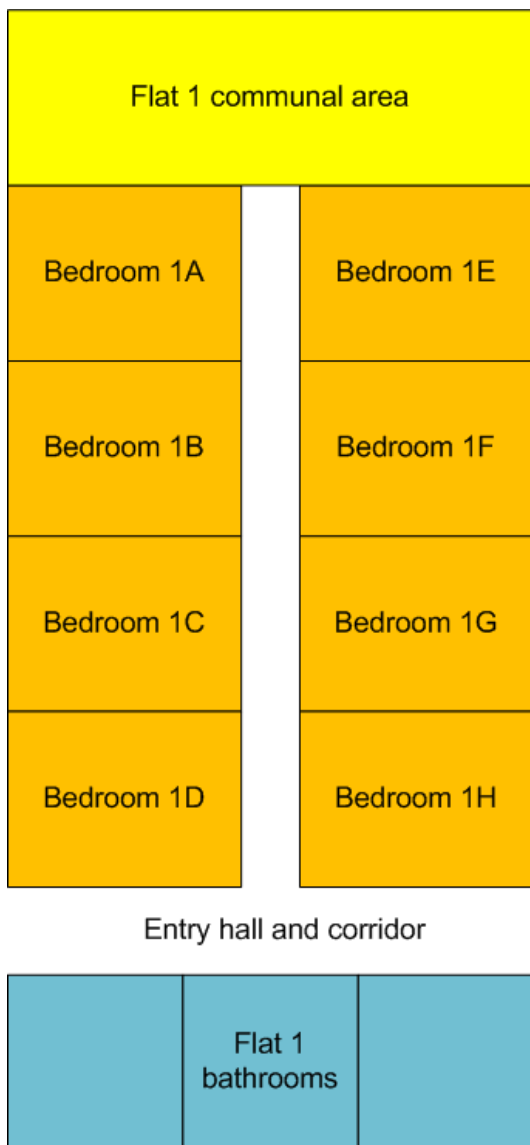
All of Flatthall's buildings are within 20 minutes travel from at least one institution's campus, based on walking distance or public transport. Flatthall pays close attention to the availability of potential sites for new buildings in towns and cities that have large student populations and will act quickly to purchase suitable sites before they can be acquired by competitors.



Flatthall's buildings are also located in districts that are attractive places for students to live. All are in areas that have low crime rates and have good access to areas where students can relax and enjoy themselves when they are not studying.

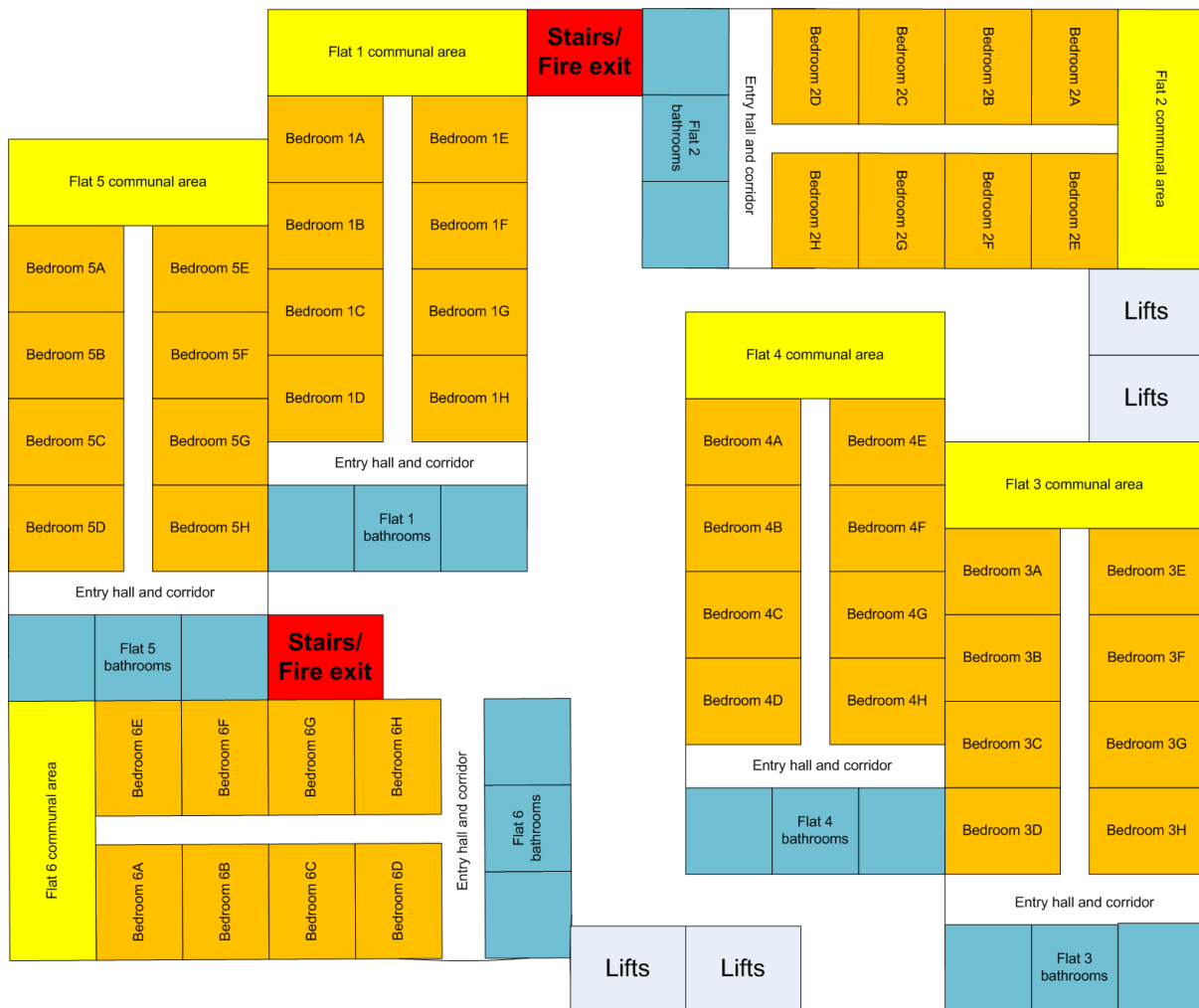
The buildings themselves are designed to be safe and attractive places to live and study. Each floor is divided into several flats, each of which usually has eight bedrooms. Each bedroom accommodates a single student and has sufficient space for a bed and a desk. Each flat has a communal area that has facilities for storing and cooking food and a lounge area. Each flat also has three shared bathrooms.

A typical flat is laid out as follows:

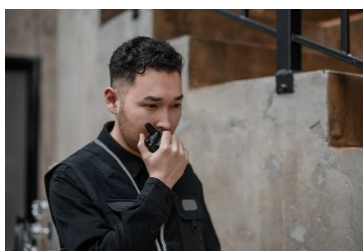


Each of the accommodation floors in Flatthall’s buildings is subdivided into several flats, which allows for an efficient use of space. The following example shows the layout of an accommodation floor in one of Flatthall’s buildings. This building has six flats on each accommodation floor and eight bedrooms in each flat, which means that each floor can accommodate 48 students.

This building has 10 floors for accommodation, which means that it can accommodate 480 students. In this building, the ground floor has a reception desk and a large laundry room. There is one further floor at the top of the building that has a large public space that can be used for social events, including parties and cultural events, such as buffet meals cooked by students from different countries.



Buildings have fully equipped laundry rooms with automatic washing machines and dryers. These are for the exclusive use of students staying in the buildings. The machines are equipped with card readers that enable students to pay for the use of these facilities using their credit or debit cards.



Flatthall’s buildings are kept secure to protect residents and their property. Access is restricted by key cards. Each building has a single main entrance that can only be opened by a key card belonging to a resident or a member of staff. Students’ cards can also open the doors of their flats and their own bedrooms.

Each building has a team of concierges that works in shifts to ensure that at least one is on duty at any given time. Their primary role is safety and security. Concierges staff the reception desk at the building's main door, enabling them to monitor all arrivals. Apart from security, the concierges act as a point of contact for students. For example, students can report maintenance problems to a concierge, who will then organise a repair.

The concierges are responsible for enforcing rules relating to residents' behaviour. Concierges will deal with unsociable behaviour, such as playing loud music.

Flatthall employs cleaners at each of its buildings. They clean all public areas, such as the reception area and corridors. They also clean the communal areas in flats, including shower rooms and cooking areas. Students are required to keep their own rooms clean and tidy during their stay.



Flatthall employs independent contractors to deal with repairs and maintenance in its buildings. The company has approved contractors covering all major trades, such as plumbing, electrical work and decorating.

Rental agreements terminate at the end of the 2nd semester, at which time students move out. Flatthall's buildings are vacant during the summer vacation each year. Each building is given a thorough clean during that time. The interiors of the buildings are also redecorated so that they are fresh and inviting for students. This attention to detail is one of the factors that enables Flatthall to compete with rival PBSA providers.

Promoting Flatthall

Flatthall's website enables students to search for vacant rooms on the basis of location and institution. A student who is considering taking a place at, say, Grandtoun University will be able to check whether there are any rooms available in the city.



The website provides further information about the buildings, including photographs of the public areas, the communal areas in the flats and the bedrooms. These photographs are supplemented by video tours that enable students to experience the illusion of walking through the building.

Students can reserve rooms online, with an initial payment to secure their rooms. Reservations require evidence of an offer of a place in a nearby institution, such as a letter from a college or university. Flatthall will refund any initial payments for students whose places are withdrawn or cannot be taken up for some unavoidable reason. Students who fail resit exams and so cannot continue their studies, or overseas students who are unable to obtain visas to study in Towland, will usually be eligible for a refund.

Most institutions organise "freshers' fairs" for first-year students immediately before the start of the academic year. These are used to publicise a wide range of student clubs and societies and also commercial products, such as student bank accounts. Flatthall always has a stand at each institution's fair, staffed by students who have previously rented a room from the company.

Each of Flatthall's buildings has a number of "open days" at the end of the summer vacation, after the completion of the cleaning and redecoration. Small groups of potential student residents are given guided tours under the supervision of returning students who have previously stayed in a Flatthall property. This is an opportunity to see the buildings and to ask questions.

Flatthall pays a generous hourly rate to students who assist with freshers' fairs and guided tours. It also pays a commission to students who recommend Flatthall to friends who subsequently complete a rental agreement. The company aims to maintain an excellent relationship with students in order to encourage repeat bookings and maintain a positive reputation.

Flatthall's Head Office

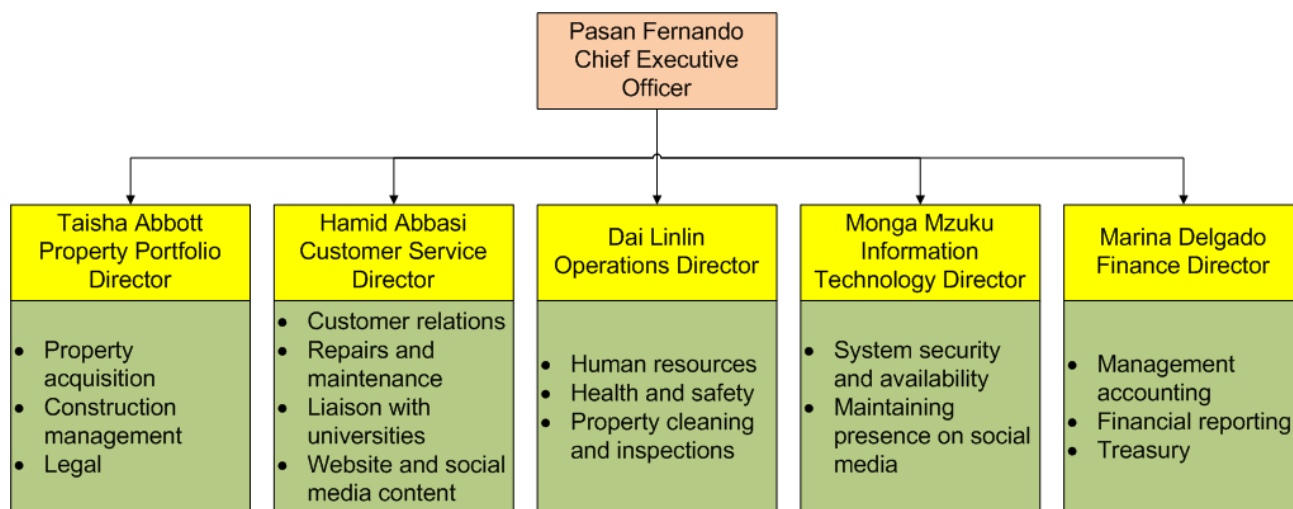
The company's Board of Directors, senior management and supervisory and administrative support staff are based in Flatthall's Head Office.

Property Portfolio Management	<p>Flatthall is constantly searching for land and buildings that can be repurposed as student accommodation. Many of its buildings were constructed on city-centre sites that had previously been used for offices or shops. In most cases, the original buildings were demolished and their sites were used for Flatthall's PBSA buildings. A minority of buildings were converted from offices into PBSA.</p> <p>Flatthall's Property Portfolio Management team has considerable specialist expertise:</p> <ul style="list-style-type: none"> • There are strict statutory safety requirements governing rental properties that have multiple occupants. These include strict fire safety requirements such as the installation of fire alarm systems, which must be tested regularly, and the provision of fire exits and sprinkler systems. • Planning permission can be difficult to obtain, especially when buildings will change the way in which a space in a town or city centre will be used. Flatthall has strong relationships with architects who specialise in designing buildings for sensitive sites and with lawyers who are experienced in applying for planning permission. • Flatthall must ensure that it meets all of the building regulations that are set by both Towland's national government and local town and city councils. <ul style="list-style-type: none"> ○ The national government is responsible for setting regulations that are primarily focussed on safety. For example, PBSA buildings such as Flatthall's must meet extensive fire safety regulations, including fire alarms and emergency exits. Different categories of buildings have different regulations, but the rules for each category are the same across the country. ○ Town and city councils are elected by their local populations. Some of those elected councillors serve on a planning committee that reviews requests to construct or modify buildings within the town or city and has the power to approve or refuse those requests. Planning committees take local priorities into account when deciding whether to approve a new building. For example, a new office building might attract additional traffic to an already congested part of the city or its design might be out of character with the existing buildings in its proposed location.
Customer Service	<p>Flatthall aims to provide students with excellent customer service. Unhappy students often post negative comments on social media and</p>

	<p>those comments can discourage potential tenants who search online for information concerning Flatthall.</p> <p>Students are encouraged to report any problems to their buildings' concierge teams or to email the Customer Service team at Head Office. The company aims to rectify any legitimate concerns as quickly as possible and to keep students informed in the process. For example, if the oven in a flat is not working properly, then Flatthall will arrange to have it repaired or replaced within 24 hours.</p> <p>Concierges have lists of local contractors and are authorised to contact them directly for minor repairs. Larger problems must be reported to Customer Service, who can authorise major repairs. The Customer Service staff have an extensive database of contractors that includes specialists in a wide variety of trades.</p> <p>Customer Service staff also maintain good working relationships with college and university student accommodation services. Customer Service makes regular contact with the head of student accommodation at each institution in order to check whether there are any issues that need to be addressed. If any problems are reported, then those are addressed and feedback is provided to the institution.</p> <p>If students report any complaints to their student accommodation services, then Customer Service takes particular care to ensure that the complaints are investigated and resolved as quickly as possible.</p> <p>Customer Service is responsible for providing content for Flatthall's web pages and social media posts.</p>
Operations	<p>The only full-time staff in Flatthall's residential buildings are the concierges and the cleaners. Those staff are supervised and supported remotely by Operations:</p> <ul style="list-style-type: none"> • Operations deals with all human resources (HR) matters, including staff appraisals, staff discipline and appointments. Most meetings, including job interviews, are carried out remotely by means of video calls. When necessary, Operations staff will travel to buildings to carry out checks and inspections and to meet with local staff. • Operations has an emergency contact centre that is staffed on a 24/7 basis. Any member of concierge or cleaning staff can report emergencies by telephone or email. The contact centre also receives automatic reports of any fire alarms. The contact centre can ensure that the appropriate emergency services are notified of any problems, leaving the concierges free to advise and assist students. <p>Operations staff from Head Office conduct regular visits to Flatthall's PBSA buildings. These involve inspections to check that buildings are being properly cleaned and maintained. Visiting staff also talk to students in order to establish whether they are satisfied with their accommodation and the quality of service that they are receiving.</p> <p>Operations is also responsible for recruiting students to attend open days and freshers' fairs.</p>
Information Technology (IT)	<p>Flatthall depends on IT in order to do business. Students use the photographs, videos and virtual tours on Flatthall's website to evaluate the different buildings that are located within travelling distance of the institution where they plan to study. The IT staff must ensure that the</p>

	<p>company’s website is up to date and available at all times, otherwise Flatthall could lose business.</p> <p>Once students have chosen a building, then all business is conducted online, including the provision of a contract and payment of rent. Flatthall’s IT staff work hard to ensure that the company’s systems are available at all times and are secure.</p> <p>IT also monitors social media, looking for posts relating to Flatthall. It is important for the company to be aware of any negative comments that are posted online because they could discourage future rentals, even if the criticisms are unfounded.</p>
Finance	<p>Finance manages Flatthall’s bookkeeping, accounting and treasury activities.</p> <p>One important role is the collection of student rents. Students pay monthly in advance for their rooms. Finance collects all payments by automated direct debits from students’ bank accounts. That involves some credit control activities when collections fail due to students having insufficient funds in their accounts.</p> <p>Finance is also responsible for managing student deposits. The company takes a security deposit equal to a month’s rent from each student when they sign their rental agreements. That deposit is returned on departure, with deductions for any loss or damage to rooms and their furnishings that occur during students’ stays. Concierges conduct room inspections when students are leaving and they inform Finance of any problems that they encounter.</p>

Flatthall’s Board structure



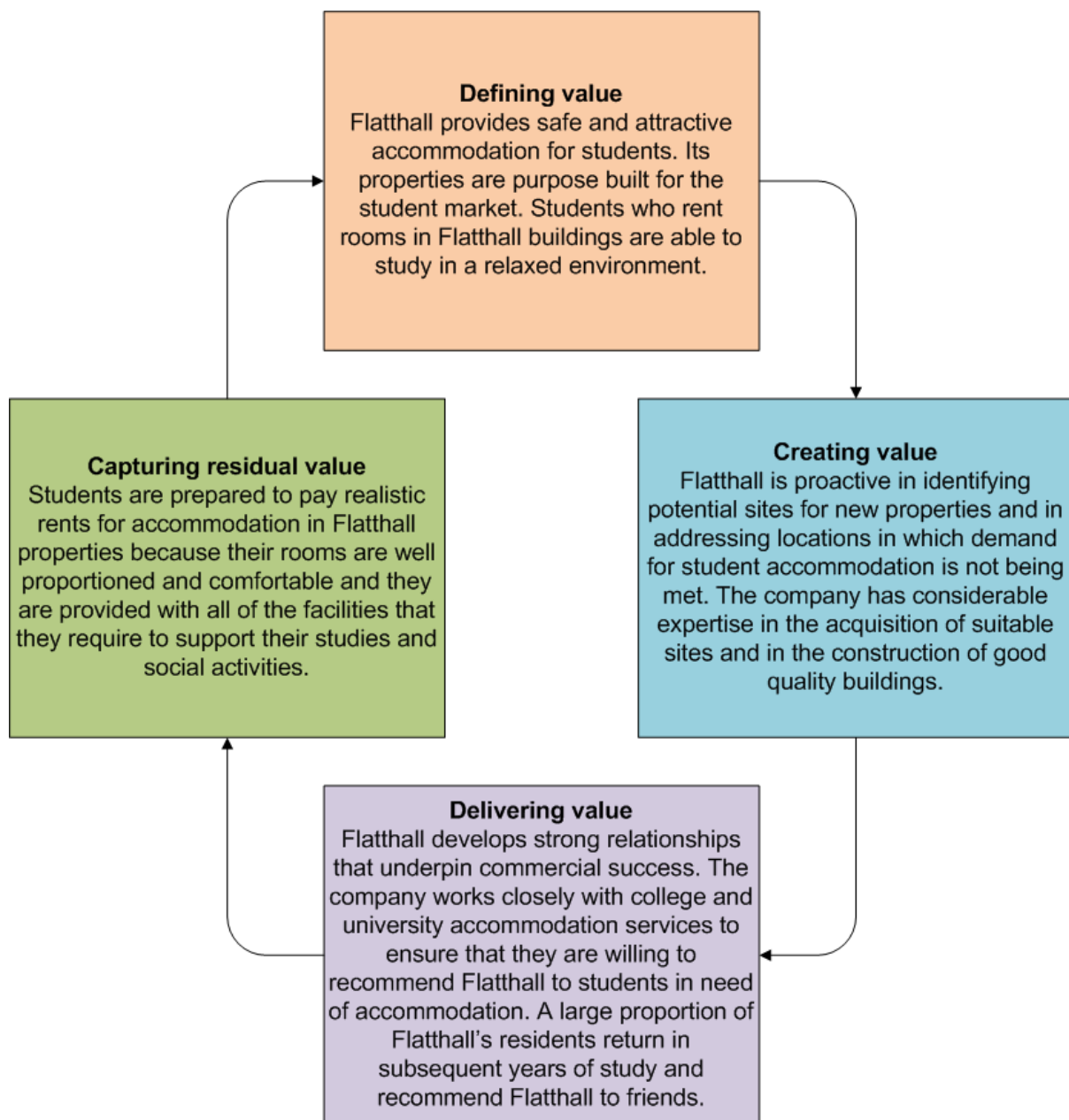
Flatthall’s Board also includes the following non-executive directors:

- Per Thomas Andersen – non-executive chair
- Sahar Ismail Mohamed
- Andrew Menzies

- Sema Yildirim
- Noam Shoked

Flatthall's business model

Flatthall aims to grow steadily through the acquisition of new buildings that will enable it to remain the market leader in PBSA in Towland. A commitment to quality enables Flatthall to maintain a strong brand that attracts students and enables the company to develop relationships with academic institutions.



Extracts from Flatthall’s annual report

Flatthall Group
Consolidated statement of profit or loss
For the year ended 31 August

	2023	2022
	T\$ million	T\$ million
Revenue	735.1	635.9
Cost of revenues	(119.5)	(89.0)
Gross profit	615.6	546.9
Operating expenses	(54.8)	(89.0)
Operating profit	560.8	457.9
Finance costs	(224.0)	(176.0)
Profit before tax	336.8	281.9
Tax	(40.4)	(33.8)
Profit for year	<u>296.4</u>	<u>248.1</u>

Flatthall Group
Consolidated statement of changes in equity
for the year ended 31 August 2023

	Share capital and premium	Retained earnings	Total
	T\$ million	T\$ million	T\$ million
Balance at 31 August 2022	250.0	6,900.2	7,150.2
Profit for the year		296.4	296.4
Dividends		(108.9)	(108.9)
Balance at 31 August 2023	<u>250.0</u>	<u>7,087.7</u>	<u>7,337.7</u>

Flatthall Group
Consolidated statement of financial position
As at 31 August

	2023	2022
	T\$ million	T\$ million
Non-current assets		
Intangible assets	270.3	270.3
Property, plant and equipment	9,960.1	9,140.2
	<u>10,230.4</u>	<u>9,410.5</u>
Current assets		
Inventory	2.1	1.9
Trade and other receivables	41.2	53.4
Bank	27.3	24.6
	<u>70.6</u>	<u>79.9</u>
Total assets	<u><u>10,301.0</u></u>	<u><u>9,490.4</u></u>
Equity		
Share capital and share premium	250.0	250.0
Retained earnings	7,087.7	6,900.2
	<u>7,337.7</u>	<u>7,150.2</u>
Non-current liabilities		
Loans	2,800.0	2,200.0
Current liabilities		
Trade and other payables	125.6	108.5
Tax	37.7	31.7
	<u>163.3</u>	<u>140.2</u>
Total equity and liabilities	<u><u>10,301.0</u></u>	<u><u>9,490.4</u></u>

Trade and other payables include students' deposits and advance rentals.

Extract from Duvett’s annual report

Duvett is a direct competitor of Flatthall, with PBSA blocks in most of the towns and cities in which Flatthall operates.

**Duvett Group
Consolidated statement of profit or loss
For the year ended 31 August**

	2023	2022
	T\$ million	T\$ million
Revenue	546.6	459.1
Cost of revenues	(98.4)	(73.5)
Gross profit	448.2	385.6
Operating expenses	(46.5)	(37.6)
Operating profit	401.7	348.0
Finance costs	(234.0)	(171.0)
Profit before tax	167.7	177.0
Tax	(20.1)	(21.2)
Profit for year	147.6	155.8

**Duvett Group
Consolidated statement of changes in equity
for the year ended 31 August 2023**

	Share capital and premium	Retained earnings	Total
	T\$ million	T\$ million	T\$ million
Balance at 31 August 2022	200.0	4,503.0	4,703.0
Profit for the year		147.6	147.6
Dividends		(58.4)	(58.4)
Balance at 31 August 2023	200.0	4,592.2	4,792.2

Duvett Group
Consolidated statement of financial position
As at 31 August

	2023	2022
	T\$ million	T\$ million
Non-current assets		
Intangible assets	120.0	120.0
Property, plant and equipment	7,321.1	6,522.3
	<u>7,441.1</u>	<u>6,642.3</u>
Current assets		
Inventory	1.6	1.2
Trade and other receivables	30.1	23.4
Bank	24.8	19.9
	<u>56.5</u>	<u>44.5</u>
Total assets	<u><u>7,497.6</u></u>	<u><u>6,686.8</u></u>
Equity		
Share capital and share premium	200.0	200.0
Retained earnings	4,592.2	4,503.0
	<u>4,792.2</u>	<u>4,703.0</u>
Non-current liabilities		
Loans	2,600.0	1,900.0
Current liabilities		
Trade and other payables	87.5	64.3
Tax	17.9	19.5
	<u>105.4</u>	<u>83.8</u>
Total equity and liabilities	<u><u>7,497.6</u></u>	<u><u>6,686.8</u></u>

News reports

Towland Daily Informer

Failing universities urged to improve completion rates



Towland's Minister for Education has expressed concern at the poor completion rates for degree courses at many of the country's colleges and universities. Completion rates reflect the percentage of students who enrol on a degree course and subsequently graduate.

The average completion rate across all of Towland's degree awarding institutions is 78%. There is, however, a significant variation between institutions. The top 10 achieve a completion rate of 97% or more, while completion rate at the bottom 10 ranges from 68% to 72%.

There are many reasons for failure to complete. Students may withdraw because of financial difficulties or because of poor academic performance. The Minister expressed concern that the disparity in completion rates suggests that some institutions were less capable than others of providing the support and encouragement required to enable a student to graduate.

Towland Daily News

Motoring column – Graydcarr Hatcho, perfect if you have a student in the family



I had been dreading having to write a review of the Graydcarr Hatcho. I like to tell readers about what makes a car fun to drive. Everything that I had read about the Hatcho led me to expect a very boring week, test driving a car that was slow and ugly.

Then I remembered ...

Almost exactly a year ago, I had to drive 300 kilometres to collect my daughter from college at the start of her long summer vacation and then 300 kilometres home with my daughter sulking because I had been unable to find space for all of her possessions in the boot of my Troncarr 2000, even with the back seats folded down. She had to throw a lot of her things away in order to create enough space for us in the car. Even then, she had to sit with a box of clothes on her lap for the duration of the journey.

This year, I used the Hatcho to drive the same 300 kilometres to my daughter's student flat. I kept thinking "why do students have so many possessions?". I was right to be worried because this year was worse than last year. She had bought herself a television to go along with a large pile of books and a much larger pile of clothes.

To my surprise, her stuff just fitted into the car in the most boring way imaginable. But boring in a good way. The Hatcho's rear seats folded flat to the floor, leaving a truly cavernous load space. After that, everything just fitted without any drama. Even the television, the large monitor for her laptop and her sports equipment.

Driving the Hatcho is one of the least interesting things that I have ever done, but if you have a student in the family, then I promise that you will have great fun loading your offspring's possessions into it.

Towland Daily News

Don't be afraid to knock down a few walls when you remodel your home



Homeowners often feel that their homes feel cramped because the rooms are too small. Fortunately, the layouts of modern homes can be changed simply by removing or relocating interior walls.

One popular conversion is to remove the walls separating the kitchen from the dining room in order to create a single space that feels bright and airy.

There is, of course, a need to obtain expert advice before remodelling a property. Some walls are load bearing, which means that they support structures such as the roof and the upper floors. Removing a load-bearing wall requires substantial and expensive building work to ensure that the property's structure remains safe and secure. Other walls are not load-bearing and simply separate the property into separate rooms. Those can be removed or relocated without risk. An architect, builder or structural engineer can identify load-bearing walls and homeowners should take professional advice before embarking on any work.

There are further considerations beyond the walls themselves. Alterations could require changes to electrical wiring and plumbing. That is particularly true when adding bathrooms, perhaps by adding a private ensuite bathroom to the primary bedroom.

Remember that creating larger rooms requires space to be taken from elsewhere within the property. Moving a wall may make one room larger, but at the cost of making the room on the other side of the wall smaller. Removing walls altogether creates larger rooms, but there may be fewer rooms. Remodelling a four-bedroom house so that it has three larger bedrooms could reduce the house's market value.

Extracts from Jess the student's Blog

Another new year



It's the start of a new academic year. This will be my third and final year before I graduate. I will be staying in one of those shiny tower blocks that have sprung up round the campus. It's expensive, but it's designed for student life. I have my own room, which opens onto a communal area that I share with seven others. We have a kitchen and two bathrooms and a space where we can sit and chat if we wish. The Wi-Fi is nice and fast. And everything seems

new, even though the building is more than 2 years old. They must redecorate it every year, just before the start of the first semester.

Anyway, here's to a successful year!

COMMENTS

Well said Jess. I hope that you enjoy your new accommodation. Good luck with the year ahead.

Undergrad Lad

I stayed in one of those flats last year and loved it so much that I have rebooked for this year.

Marcie

How do you get coffee stains out of a new carpet?



I've only been here for a week and I have managed to spill a mug of coffee on the new carpet in my student accommodation. I tried to mop it up as much as I could, but there is still a definite stain.

I bought a cheap rug to hide the marks, but that is only a temporary solution.

How can I clean the carpet? I paid a month's rent as a security deposit and the company will deduct the cost of any damage when I vacate the room at the end of the academic year.

COMMENTS

You might have left it a bit late. It would have been easier to remove the stain when it was still damp.

It would still be worth trying to get the stain out by dabbing it with a mixture of dishwashing detergent and warm water. Remember to dab only because rubbing could spread the stain and make it even bigger.

Welltho Tipps

A lot of fuss about nothing



My cousin plans to visit me next month, so I asked one of the concierges in my building if she could share my room for a few days. I was told that it just wouldn't be possible because of city planning regulations.

The company that owns my building had to seek planning permission from the City Council to convert the building into student flats. That permission was granted on the understanding that the building would be rented out to students and would not be used for any other purpose. My cousin isn't a student, she works in a bank. If she stays in my room, then the building's owners will be in breach of planning regulations.

I was tempted to smuggle my cousin into the building and have her stay without permission. That wouldn't work, though, because the reception desk is staffed 24/7 and visitors must be signed in and out and must leave the premises by 22:00. She will just have to stay in a hotel.

COMMENTS

Planning regulations are strict. Every city has its own local government of elected councillors. Some councillors serve as members of the city's planning committee, which sets policies for planning and construction matters. Each city also has a planning department, comprising officials who are responsible for reviewing and enforcing planning regulations.

The councillors on the planning committee focus on the impact that new buildings might have on the city. For example, would its design complement existing developments? They also take account of things like the economic benefits, such as the ability of new shops to attract visitors and generate wealth.

The planning department's inspectors check that buildings comply with planning regulations, including any conditions set by the planning committee, but also ensuring that the plans meet health and safety regulations and other legal requirements.

When the planning application for your building was first submitted, the builder would have specified everything from the building's purpose to the colour of its window frames. Any deviation from that submission could lead to severe penalties, unless permission is granted. I am not surprised that the concierge won't risk letting you breach planning regulations.

Legal Eagle