

SC PELHAM TERRACE MANAGEMENT LIMITED

COMPANY NUMBER 08451716 (ENGLAND AND WALES)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

FRIDAY



A9DV9R93

A12

18/09/2020

#71

COMPANIES HOUSE

SC PELHAM TERRACE MANAGEMENT LIMITED

COMPANY INFORMATION

Directors

Mr J Singh
Mr D Mathewson
Mr M McIlhagger

Company number

08451716

Registered office

Kintyre House
70 High Street
Fareham
Hampshire
PO16 7BB

Independent auditor

Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

Business address

16 D'Arblay Street
London
W1F 8EA

Solicitors

Bryan Cave Leighton Paisner LLP
Governors House
5 Laurence Pountney Hill
London
EC4R 0BR

Bankers

HSBC Bank Plc
8 Canada Square
London
E14 5HQ

SC PELHAM TERRACE MANAGEMENT LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Balance sheet	7
Notes to the financial statements	8 - 16

SC PELHAM TERRACE MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors present their Annual report and audited financial statements for the year ended 31 August 2019. This Directors' report has been prepared in accordance with the provision applicable to companies entitled to the small companies' exemption. Accordingly, the directors have elected to take advantage of the exemption from preparing a Strategic report.

Principal activities

The principal activity of the company is that of property development and management.

Results and dividends

The profit for the year after taxation amounted to £3,078,677 (2018: £nil). No interim dividends were paid during the year (2018: £nil) and the directors do not recommend payment of a final dividend (2018: £nil).

Directors

The following directors have held office since 1 September 2018 to the date of signing:

Mr J Singh (Appointed 20 December 2019)

Mr D Mathewson (Appointed 20 December 2019)

Mr M McIlhagger (Appointed 20 December 2019)

Mr C Cade (Resigned 20 December 2019)

Mrs J Hawthorn (Resigned 20 December 2019)

Mr S Dance (Resigned 20 December 2019)

Mr A Maxwell (Resigned 20 December 2019)

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

SC PELHAM TERRACE MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the company to be equivalent to those facing the group, Student Castle Investments Holdco Limited, as outlined within the Strategic report accompanying those consolidated financial statements, which are publicly available, see note 12.

Going concern

There is a risk that the demand for student accommodation may be adversely affected by the impact of the Covid-19 pandemic.

The Company is funded by its parent company, Student Castle Investments Holdco Limited (the "Group"), which is funded by a combination of both operating cashflows and loans from Singapore Press Holdings Limited, the ultimate parent company, and its subsidiaries.

The Group has carried out a cashflow forecast on the assumption that universities open as planned for the 2020/21 academic year in Autumn 2020. This forecast shows no further financial support will be required from Singapore Press Holdings from the date of signing of these financial statements.

Singapore Press Holdings Limited has provided a letter of financial support to Student Castle Investments Holdco Limited; the parent company, who has provided a letter of support to its subsidiaries, confirming intention that it will continue to provide any financial support that is required for a period of at least 12 months from the date of signing of these financial statements.

The Directors have prepared these financial statements on a going concern basis but acknowledge that there remains an uncertainty over the future impact of Covid-19, in particular the risk that there could be a second lockdown which delays the opening of universities. Whilst the Directors cannot be certain whether there will be a second lockdown, they have modelled the potential impact were there to be a second lockdown required in the coming months. Given the timescales seen in the first lockdown imposed, it is expected that universities would remain closed in September 2020 and delay their opening until January 2021. The Directors have modelled the financial impact of such a scenario and report that further financial support up to £15.3m would be required from Singapore Press Holdings Limited.

Given the financial support available to the Group and the assurances provided by our parent undertaking, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period no less than 12 months from the date of signing the financial statement. However, the Directors also acknowledge that the letters of intent provided by the parent do not constitute a legally binding commitment to provide funds to the Group, and as a result the Directors acknowledge the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern, due to Covid-19. See note 1 to the financial statements.

Post balance sheet events

Details of significant events since the balance sheet date, including the impact of the COVID-19 pandemic are contained in note 13 to the financial statements.

Approved by the Board of Directors and signed on its behalf by



.....
Mr D Mathewson

Director

Date: 9 September 2020

SC PELHAM TERRACE MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SC PELHAM TERRACE MANAGEMENT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of SC Pelham Terrace Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income and retained earnings;
- the balance sheet; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.6 in the financial statements, which states that in the event that further lockdown procedures negatively impact the level of income and operational cash flows of the Company, it is likely that the Company would be required to call upon support from its parent Student Castle Investment Holdco Limited, who in turn would require support from their ultimate parent Singapore Press Holdings Limited. Assurances have been given by Singapore Press Holdings Limited and Student Castle Investment Holdco Limited that this support would be provided, however these assurances are not legally binding or enforceable, and are therefore dependent on approval being granted at the point in time that support is requested. As stated in note 1.6, these events or conditions, along with the other matters as set forth in note 1.6 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SC PELHAM TERRACE MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SC PELHAM TERRACE MANAGEMENT LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

SC PELHAM TERRACE MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SC PELHAM TERRACE MANAGEMENT LIMITED

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Ward FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor
Reading
United Kingdom
Date: 10 September 2020

SC PELHAM TERRACE MANAGEMENT LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
Administrative expenses		(7,952)	-
Operating loss		(7,952)	-
Gain on revaluation of investment property	5	3,717,201	-
Profit before taxation	3	3,709,249	-
Tax on profit	4	(630,572)	-
Profit for the year		3,078,677	-
Total profit		3,078,677	-
Retained earnings at 1 September		-	-
Retained earnings at 31 August		3,078,677	-

The Statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

SC PELHAM TERRACE MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	5	3,717,201			-
Current assets					
Debtors	6	1,353		1	
		1,353		1	
Creditors: amounts falling due within one year	7	(7,952)		-	
Net current (liabilities) / assets		(6,599)			1
Total assets less current liabilities		3,710,602			1
Creditors: amounts falling due after more than one year	8	(631,924)			-
Net assets		3,078,678			1
Capital and reserves					
Called-up share capital	10	1			1
Profit and loss account	11	3,078,677			-
Shareholder's funds		3,078,678			1

Approved by the Board and authorised for issue on 9 September 2020.



.....
Mr D Mathewson
Director

Company Registration No. 08451716

SC PELHAM TERRACE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and preceding period.

1.1 Basis of accounting

SC Pelham Terrace Management Limited is a company incorporated in the United Kingdom under the Companies Act 2006.

The company is a private Company limited by shares and is registered in England and Wales. The address of the company's registered office is shown at the beginning of these accounts.

The principal activities of the company are set out in the Directors' Report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102), and with the Companies Act 2006.

The functional currency of SC Pelham Terrace Management Limited is pounds sterling because that is the currency of the primary economic environment in which the company operates.

SC Pelham Terrace Management Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personal. SC Pelham Terrace Management Limited is consolidated in the financial statements of Student Castle Investments Holdco Limited, whose financial statements may be obtained at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB.

1.2 Turnover

Turnover represents rental income received during the course of the year and ancillary income. Rental income is deferred over the rental contract term and recognised on the date that it is receivable. Ancillary income is recognised on the date that the charge is incurred. Turnover is stated net of VAT and is wholly derived from the United Kingdom.

1.3 Investment properties

Investment properties for which the fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the Statement of profit and retained earnings.

1.4 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance sheet date. Deferred tax is measured on a non-discounted basis.

SC PELHAM TERRACE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (continued)

1.5 Wages and remuneration

The Company has no employees. The directors are not remunerated by the Company. Directors are remunerated by Student Castle Property Management Services Limited (formerly Student Castle Limited), a group company, for services rendered to SC Pelham Terrace Management Limited.

1.6 Going concern

There is a risk that the demand for student accommodation may be adversely affected by the impact of the Covid-19 pandemic.

The Company is funded by its parent company, Student Castle Investments Holdco Limited (the "Group"), which is funded by a combination of both operating cashflows and loans from Singapore Press Holdings Limited, the ultimate parent company, and its subsidiaries.

The Group has carried out a cashflow forecast on the assumption that universities open as planned for the 2020/21 academic year in Autumn 2020. This forecast shows no further financial support will be required from Singapore Press Holdings from the date of signing of these financial statements.

Singapore Press Holdings Limited has provided a letter of financial support to Student Castle Investments Holdco Limited; the parent company, who has provided a letter of support to its subsidiaries, confirming intention that it will continue to provide any financial support that is required for a period of at least 12 months from the date of signing of these financial statements.

The Directors have prepared these financial statements on a going concern basis but acknowledge that there remains an uncertainty over the future impact of Covid-19, in particular the risk that there could be a second lockdown which delays the opening of universities. Whilst the Directors cannot be certain whether there will be a second lockdown, they have modelled the potential impact were there to be a second lockdown required in the coming months. Given the timescales seen in the first lockdown imposed, it is expected that universities would remain closed in September 2020 and delay their opening until January 2021. The Directors have modelled the financial impact of such a scenario and report that further financial support up to £15.3m would be required from Singapore Press Holdings Limited.

Given the financial support available to the Group and the assurances provided by our parent undertaking, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period no less than 12 months from the date of signing the financial statement. However, the Directors also acknowledge that the letters of intent provided by the parent do not constitute a legally binding commitment to provide funds to the Group, and as a result the Directors acknowledge the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern, due to Covid-19.

1.7 Financial instrument

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

SC PELHAM TERRACE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (continued)

1.7 Financial instrument (Continued)

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a. The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b. The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

SC PELHAM TERRACE MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (continued)

1.8 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

SC PELHAM TERRACE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

Revaluation of investment properties

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss.

The property included within investment property at the year end relates to the freehold interest in a student accommodation development in Brighton. There is a requirement to separately value this freehold interest as an investment property in these financial statements. However, the directors note that whilst the freehold and leasehold interests sit within separate entities, both of these interests remain under common control within the Student Castle Group. This common control allows the interests to be effectively managed as one, providing the ability to exercise changes to the terms of the underlying agreements, receive the full benefit from the combined interests and it is also the view of the directors that should the interests ever be sold, they would be done so as a combined property. In arriving at the basis for valuation of the freehold interest within these financial statements, the marriage value, representing control over the overall property asset, is therefore deemed to be protected and is included within the valuations. As such, the sum of the leasehold and freehold interests held within the Group equates to the total property valuation. Should the operating lease and freehold interest ever be split and separately sold, this marriage value would be lost and the valuation of each component would be expected to be adversely impacted.

Knight Frank provided an overall valuation for the site, representing both the leasehold and freehold, of £37,172,555 at 30 August 2019. The valuation performed by Knight Frank was based on a discounted cash flow model. The Directors do not believe there has been any movement in the fair value of the site between the date of the valuation and the year end.

The Directors have apportioned a valuation of £32,720,000 at 31 August 2019 to SC Pelham Terrace Limited and £3,717,201 to SC Pelham Terrace Management Limited. This valuation has been calculated by determining the net present value of the projected cash flows for each of the two companies. A higher yield has been used in the valuation for SC Pelham Terrace Management Limited, to reflect that the lease is limited to a period of 25 years.

The determined fair value of the investment property is most sensitive to the estimated yields in the final valuation and discount rate applied to investment properties in the course of construction.

The Directors are of the opinion that there are no other critical accounting judgements or key sources of estimation uncertainty during the current or preceding year.

SC PELHAM TERRACE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3	Profit before taxation	2019	2018
		£	£

The analysis of the auditor's remuneration is as follows:

Fees payable to the company's auditor for the audit of the company's annual accounts

4,800 -

Total audit fees

4,800 -

Taxation compliance services

3,152 -

Total non-audit fees

3,152 -

7,952 -

4 Tax on profit

2019
£

2018
£

The tax credit comprises:

Current tax

UK corporation tax on profits for the period

- -

Adjustments in respect of previous periods

- -

Total tax credit

- -

Deferred tax

Origination and reversal of timing differences

704,757 -

Adjustment in respect of previous periods

- -

Effect of changes in tax rates

(74,185) -

Total deferred tax charge

630,572 -

Total tax charge on profit

630,572 -

The tax credit for the year can be reconciled to the profit per the Statement of income and retained earnings as follows:

Profit / (loss) before tax 3,709,249 -

Tax on profit / (loss) at standard UK corporation tax rate of 19.00%

704,757 -

Effects of:

Tax rate changes

(74,185) -

Total tax charge for period

630,572 -

Factor that may affect the tax rate

The finance Act 2016 which was substantively enacted on 6 September 2016 introduced legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. Accordingly, these rates have been applied when calculating deferred tax assets and liabilities as at 31 August 2019. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 August 2019 continue to be measured at a rate of 17%. If the amended tax rate had been used, the deferred tax liability would have been £74,185 higher at £704,757.

SC PELHAM TERRACE MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

5 Tangible fixed assets

	Investment Property
	£
Valuation	
At 1 September 2018	-
Revaluation	3,717,201
	<hr/>
At 31 August 2019	3,717,201
	<hr/>
Depreciation	
At 1 September 2018	-
Charge for the year	-
	<hr/>
At 31 August 2019	-
	<hr/>
Net book value	
At 31 August 2019	3,717,201
	<hr/>
At 31 August 2018	-
	<hr/>

The investment property included in the accounts relates to student accommodation developed in Brighton. The valuation of £3,717,201 recognised in these financial statements were valued by Knight Frank LLP, an entity registered with the Royal Institute of Chartered Surveyors, on 30 August 2019. See note 2 for further details on the valuation.

6 Debtors	2019 £	2018 £
Other debtors	1	1
Deferred tax asset (see note 9)	1,352	-
	<hr/>	<hr/>
	1,353	1
	<hr/>	<hr/>

SC PELHAM TERRACE MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

7	Creditors: amounts falling due within one year	2019	2018
		£	£
	Accruals and deferred income	7,952	-
		<u>7,952</u>	<u>-</u>

8	Creditors: amounts falling due after more than one year	2019	2018
		£	£
	Deferred tax liability (see note 9).	631,924	-
		<u>631,924</u>	<u>-</u>

9 Deferred taxation

The deferred tax asset / (liability) is made up as follows:

	£
At 1 September 2018	-
Charged to Statement of income and retained earnings	(630,572)
At 31 August 2019	<u>(630,572)</u>

	2019	2018
	£	£
Short term timing differences (included in debtors, note 6)	1,352	-
Fixed asset timing differences (included in creditors, note 8)	(631,924)	-
	<u>(630,572)</u>	<u>-</u>

The net deferred tax liability amounts expected to reverse in 2020 is £nil.

10	Called-up share capital	2019	2018
		£	£
	Allotted, called-up and fully-paid		
	1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

The ordinary shares carry equal voting rights.

11 Reserves

Profit and loss account – this reserve records retained earnings and accumulated losses.

SC PELHAM TERRACE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Control

The direct parent company is SC Pelham Terrace Limited, a company registered in England and Wales, whose registered address is the same as Student Castle Investments Holdco Limited stated below.

On the 20 December 2019, Student Castle Investments Holdco Limited, the parent company of SC Pelham Terrace Limited, was acquired by Straits Ten Pte Ltd, a company incorporated in Singapore. The ultimate controlling party at this date became Singapore Press Holdings Limited, a company incorporated in Singapore and listed on the Singapore stock exchange.

The company's results are included in the consolidated financial statements of Student Castle Investments Holdco Limited, whose financial statements can be obtained from their registered address at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB. This is the smallest and largest group into which the results of the company are consolidated.

13 Post Balance sheet events

There were no post Balance sheet events identified that require adjustment to the financial statements.

See note 12 for details of the acquisition of Student Castle Investments Holdco Limited.

On the 23 March 2020, the UK entered into lockdown due to the COVID-19 global pandemic, which resulted in the closure of Universities.

Whilst universities are currently planning to open as usual for the 2020/21 academic year, there remain a number of risks to Student Castle:

- The risk that a second wave of the pandemic might return to the UK resulting in a further lockdown and forcing universities to remain closed or offer online learning;
- The risk that student numbers will decline following the change to the university experience on offer;
- The risk that the UK introduces travel bans from certain countries which prevent students from entering the UK.

At the time of signing of these financial statements there are no plans for a future UK lockdown and all the key universities in the cities in which the business operates are planning to open as normal in September or October 2020. UCAS reports that total university applications for the 2020/21 academic year are up 1.6% on the prior year. Similarly, Student Castle Investments Holdco Group reports that like for like bookings for the 2020/21 academic year are up 5% on the prior year. UK borders remain open to travellers from around the world (although quarantine periods are required for travellers from some countries considered more at risk from Covid-19).

The Company acknowledges that there remains an uncertainty over the future impact of Covid-19 and the potential financial impacts have been modelled and quantified. Please see note 1 for further details.

14 Related party relationships and transactions

The company has taken advantage of the exemption available under FRS 102, Section 33: Related Party Disclosures whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.