

SC PULTENEY ROAD MANAGEMENT LIMITED

COMPANY NUMBER 09053826 (ENGLAND AND WALES)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



SC PULTENEY ROAD MANAGEMENT LIMITED

COMPANY INFORMATION

Directors

Mr C Cade
Mrs J Hawthorn
Mr S Dance
Mr A Maxwell

Company secretary

Mr S Dance

Company number

09053826

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

Osborne Clarke
One London Wall
London
EC2Y 5EB

Bankers

HSBC Bank Plc
8 Canada Square
London
E14 5HQ

SC PULTENEY ROAD MANAGEMENT LIMITED

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SC PULTENEY ROAD MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their Annual report and audited financial statements for the year ended 31 August 2018. 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 property management.

Results and dividends

The profit in the year after taxation amounted to £1,234,812 (2017: £3,959,502 profit). No interim dividends were paid during the year (2017: £nil) and the directors do not recommend payment of a final dividend (2017: £nil).

Directors

The following directors have held office since 1 September 2017 to the date of signing:

Mr C Cade
Mrs J Hawthorn
Mr S Dance
Mr A Maxwell

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 period. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

SC PULTENEY ROAD MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

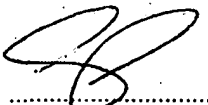
Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. See accounting policies note 1 for further information.

Post balance sheet events

Details of significant events since the Balance sheet date are included within note 14 to the financial statements.

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



.....
Mr S Dance

Director

Date:

..... 11/01/2019

SC PULTENEY ROAD MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SC PULTENEY ROAD MANAGEMENT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of SC Pulteney Road Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2018 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 comprehensive income and retained earnings;
- the balance sheet;
- and the related notes 1 to 15.

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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

SC PULTENEY ROAD MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SC PULTENEY ROAD 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 Financial Reporting Council'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 PULTENEY ROAD MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SC PULTENEY ROAD 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 prepare the financial statements in accordance with the small companies regime and 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: 11 January 2019

SC PULTENEY ROAD MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
Turnover	1	1,929,092	4,628
Cost of sales		(180,289)	(3,725)
Gross profit		1,748,803	903
Administrative expenses		(944,614)	(24,342)
Operating profit / (loss)		804,189	(23,439)
Gain on revaluation of investment property	7	761,745	4,797,260
Interest payable and similar charges	5	(95,826)	(2,719)
Profit before taxation	3	1,470,108	4,771,102
Tax on profit	6	(235,296)	(811,600)
Profit for the year		1,234,812	3,959,502
Total comprehensive income		1,234,812	3,959,502
Retained earnings at 1 September		3,959,502	
Retained earnings at 31 August		5,194,314	3,959,502

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

SC PULTENEY ROAD MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	7	17,510,550		14,210,800	
Current assets					
Stock		5,559		5,426	
Debtors	8	1,172,095		4,298	
Cash at bank and in hand		552,826		482,347	
		1,730,480		492,071	
Creditors: amounts falling due within one year	9	(1,124,749)		(9,927,834)	
Net current assets / (liabilities)		605,731		(9,435,763)	
Total assets less current liabilities		18,116,281		4,775,037	
Creditors: amounts falling due after more than one year	10	(12,921,966)		(815,534)	
Net assets		5,194,315		3,959,503	
Capital and reserves					
Called-up share capital	12	1		1	
Profit and loss account		5,194,314		3,959,502	
Shareholder's funds		5,194,315		3,959,503	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 11/01/2019


.....
Mr S Dance
Director

Company Registration No. 09053826

SC PULTENEY ROAD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of accounting

SC Pulteney Road Management Limited is a company incorporated in the United Kingdom under the Companies Act.

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) Section 1A, and with the Companies Act 2006.

The functional currency of SC Pulteney Road Management Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

SC Pulteney Road 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 Pulteney Road Management Limited is consolidated in the financial statements of its ultimate parent entity, 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.

Included within turnover during the year are compensation payments made to students following the late completion of the property. This has had the effect of reducing turnover by £145,950 (2017: £nil).

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight line basis over its expected useful life, as follows:

Computer equipment	33% straight line
Fixtures & fittings	15-33% straight line

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 profit and loss account.

1.4 Stock

Stock is held at the lower of cost and net realisable value.

1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Profit and loss account in the year they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance sheet.

SC PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (continued)

1.5 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.

1.6 Directors

The directors are not remunerated by the company in either year.

1.7 Going concern

In considering the appropriateness of the going concern basis the Board have reviewed the key risks and uncertainties to which they believe the company is exposed, being the highly competitive market, demand for the student accommodation and fluctuation in the value of land and property, the company's ongoing financial commitments and the availability of sufficient resources for the next twelve months and beyond.

Given the net current asset position of the company, and having considered the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, the Directors have assessed that there is no material uncertainty surrounding the going concern of the entity. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.8 Financial instruments

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 PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (continued)

1.8 Financial instruments (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 PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (continued)

1.9 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 PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 leasehold interest in a student accommodation development in Bath. There is a requirement to separately value this leasehold 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 leasehold 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 £38,000,000 at 31 July 2018. 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 £20,500,000 at 31 August 2018 to SC Pulteney Road Limited and £17,500,000 to SC Pulteney Road 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 Pulteney Road 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 PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

3	Profit before taxation	2018	2017
		£	£
	Profit before taxation after charging:		
	Depreciation of tangible assets	2,272	-
	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	5,820	3,360
	Total audit fees	5,820	3,360
	Taxation compliance services	2,619	3,208
	Total non-audit fees	2,619	3,208
		8,439	6,568
4	Staff costs		
	The average monthly number of employees was:		
		2018	2017
		Number	Number
	Administration	13	-
	Their aggregate remuneration comprised:		
		2018	2017
		£	£
	Wages and salaries	217,741	1,536
	Social security costs	16,888	-
	Contributions to pension schemes	2,524	-
	Total staff costs for the year	237,153	1,536
5	Interest payable and similar charges	2018	2017
		£	£
	Interest payable on amounts owed to group undertakings	85,615	-
	Bank Charges	10,211	2,719
		95,826	2,719

SC PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

6 Tax on profit

	2018 £	2017 £
The tax charge comprises:		
Current tax		
UK corporation tax on profits for the period	70,416	-
Adjustment in respect of previous periods	(4,448)	-
Total current tax	<u>65,968</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	184,933	934,812
Adjustment in respect of previous periods	3,862	-
Effect of changes in tax rates	(19,467)	(123,212)
Total deferred tax (see note 11)	<u>169,328</u>	<u>811,600</u>
Total tax charge	<u>235,296</u>	<u>811,600</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

Profit before tax	<u>1,470,108</u>	<u>4,774,120</u>
Tax on profit at standard UK corporation tax rate of 19.00% (2017: 19.58%)	279,321	934,812
Effects of:		
Expenses not deductible for tax purposes	(74)	-
Adjustments to tax in respect of previous periods	(586)	-
Changes in tax rates	(19,466)	(123,212)
Revaluation of investment properties	(23,899)	-
Total tax charge for period	<u>235,296</u>	<u>811,600</u>

Factor that may affect the tax rate

The Finance Act 2015 which was substantively enacted on 26 October 2015 included legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. In addition, the finance Act 2016 which was substantively enacted on 6 September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly, these rates have been applied when calculating deferred tax assets and liabilities as at 31 August 2018.

SC PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

7 Tangible fixed assets

	Investment Property	Computer equipment	Furniture and fixtures	Total
	£	£	£	£
Cost				
At 1 September 2017	14,210,800	-	8,938	14,210,800
Additions	2,527,455	3,884	-	2,540,277
Gain on revaluation	761,745	-	-	761,745
At 31 August 2018	17,500,000	3,884	8,938	17,512,822
Depreciation				
At 1 September 2017	-	-	-	-
Charge for the year	-	1,267	1,005	2,272
At 31 August 2018	-	1,267	1,005	2,272
Net book value				
At 31 August 2018	17,500,000	2,617	7,933	17,510,550
At 31 August 2017	14,210,800	-	-	14,210,800

8 Debtors	2018	2017
	£	£
Trade debtors	83,479	97
Other debtors	1	1
Prepayments and accrued income	4,775	266
Deferred tax asset (see note 11)	43	3,934
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,083,797	-
	<u>1,172,095</u>	<u>4,298</u>

SC PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

9	Creditors: amounts falling due within one year	2018 £	2017 £
	Trade creditors	29,526	8,198
	Accruals and deferred income	562,989	451,881
	Other taxes and social security	4,290	-
	Other creditors	81,580	45,000
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	446,364	9,422,755
		<u>1,124,749</u>	<u>9,927,834</u>
10	Creditors: amounts falling due after more than one year	2018 £	2017 £
	Deferred tax liability (see note 11)	980,971	815,534
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	11,940,995	-
		<u>12,921,966</u>	<u>815,534</u>

Amounts owed to group undertakings and undertakings in which the company has a participating interest are repayable on demand, but it is anticipated that these will not be repayable until at least 12 months from the date of signing the financial statements at the earliest.

Of the total amount of £11,940,995, £9,480,000 of this balance is owed to SC Pulteney Road Limited. Interest is charged on this balance at 1.85% plus 3-month Libor.

The remaining amount of £2,460,995 is owed to Student Castle Limited. Interest is charged on this balance at 10%.

SC PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

11 Deferred taxation

The deferred tax liability is made up as follows:

	Deferred tax	
	£	
At 31 August 2017		(811,600)
Charged to profit and loss account		(169,328)
At 31 August 2018		<u>(980,928)</u>
	2018	2017
	£	£
Tax losses available (included in debtors, see note 8)	-	3,862
Short term timing differences (included in debtors, see note 8)	43	72
Fixed asset timing differences (included in creditors, see note 10)	(980,971)	(815,534)
	<u>(980,928)</u>	<u>(811,600)</u>

The deferred tax losses are expected to be utilised against foreseeable profits and is therefore appropriate to recognise these.

12 Called-up share capital

	2018	2017
	£	£
Allotted, called-up and fully-paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

13 Control

The direct parent company is SC Pulteney Road Limited, a company registered in England and Wales. The ultimate parent entity is Student Castle Investments Holdco Limited, a Company registered in England and Wales. The company's results are included in the consolidated financial statements of Student Castle Investments Holdco Limited, whose financial statements are publicly available and may be obtained at Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB. This is the largest and smallest group into which the results of the company are consolidated.

The ultimate controlling parties of Student Castle Investments Holdco Limited are the shareholders: Sir C Dunstone; Mr P Morton; Mr C Cade; Mr R Taylor; Mr R Clarkson; Mr J Eckbert; Mr J Gildersleeve; Mr T Morris; Mrs J Hawthorn; and Mr S Dance. Sir C Dunstone, due to the size of his shareholding, has significant influence over Student Castle Investments Holdco Limited.

SC PULTENEY ROAD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

14 Post Balance sheet events

There were no post balance sheet events that required adjustment or disclosure in the accounts.

15 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.