

**UPP Group Limited  
Report and financial statements**

**For the year ended 31 August 2012**

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**UPP Group Limited**  
**Report and financial statements**  
**for the year ended 31 August 2012**



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**Directors and advisors**

**Directors**

S O'Shea  
M Allen  
G Behr  
J Benkel  
D Palmer  
J Wakeford  
E Lydon  
S Bailey Watts

**Secretary**

J Benkel

**Auditor**

Grant Thornton UK LLP  
Grant Thornton House  
202 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
MK9 1LW

**Registered office**

40 Gracechurch Street  
London  
EC3V 0BT

# **UPP Group Limited**

## **Directors' report (continued)**

### **for the year ended 31 August 2012**



The directors present their report and financial statements for the year ended 31 August 2012

#### **Results, principal activities and review of the business**

The company's principal activities are that of an investment holding company and the provision of treasury management facilities. The principal activity of its subsidiary undertakings is the development, funding, construction and operation (including facilities management) of student accommodation under the University Partnerships Programme ('UPP')

During the year the company established a new business, UPP Asset Finance Limited. This new business will support the work completed by UPP Projects Limited. In addition to this, controlling interests were acquired in UPP (Exeter) Holdings Limited and UPP (Clifton) Holdings Limited. These entities were obtained by way of share for share exchange.

The company will continue to progress its strategy for growth through its subsidiary companies UPP Projects Limited, UPP Asset Finance Limited and UPP Residential Services Limited.

UPP Projects Limited, supported by UPP Asset Finance Limited, will continue to generate development fee income as a result of its bidding, transaction and development activities. The company will also generate returns from subordinated debt investments in each of the Special Purpose Vehicles established through the activity of UPP Projects Limited. UPP Residential Services Limited will increase its operational returns and generate fees from developing its Asset Management business.

Consolidated financial statements are not produced as the results of all of its subsidiary undertakings are included within the consolidated financial statements of the parent company, UPP Group Holdings Limited.

The profit for the year attributable to shareholders and reported in the financial statements is £10,173,000 (2011 £7,232,000).

#### **Post balance sheet event**

On 12 September 2012, UPP Group Holdings Limited, the largest group of which the company is a member, had a 60% stake acquired by PGGM Vermogensbeheer BV ("PGGM"), on behalf of its pension fund clients. PGGM is incorporated in the Netherlands. The largest group of which the company is a member will remain UPP Group Holdings Limited.

On 2 October 2012 the company acquired 93,867 shares in subsidiary company UPP (Reading I) Holdings Limited. This additional investment did not alter the control structure of UPP (Reading I) Limited.

In January 2013, the remaining 40% stake in UPP Group Holdings Limited was sold.

On 5 March 2013 six of the company's subsidiary undertakings, being UPP (Alcuin) Limited, UPP (Broadgate Park) Holdings Limited, UPP (Kent Student Accommodation) Limited, UPP (Nottingham) Limited, UPP (Oxford Brookes) Limited and UPP (Plymouth Three) Limited, replaced their short term bank facilities with long term funding provided through a bond issuance listed on the Irish Stock Exchange. This bond was issued through a new subsidiary company called UPP Bond 1 Issuer plc. At the same time the company subscribed for £70,129,000 of subordinated debt and £31,100,000 of shares in these subsidiary undertakings. Additionally, the company acquired the shares and subordinated debt held in UPP (Alcuin) Limited and UPP (Nottingham) Limited by University of York and Nottingham Trent University respectively for cash consideration.

# UPP Group Limited

## Directors' report (continued)

### for the year ended 31 August 2012

#### Going concern

The directors have reviewed the company's projected profits and cash flows which they have prepared on the basis of a detailed analysis of the company's finances, contracts and likely future demand trends. After consideration of these projections the directors consider that the company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis.

Included within creditors due within one year is a loan from PGGM of £30,771,000 that was provided to the company to provide the subordinated loan note funding to UPP (Reading 1) Holdings Limited. This loan was repaid on 12 September 2012 from the proceeds of a loan from a company that was a parent company from that date, Student UK Acqco Limited. This new loan bears interest at 12.5% and is repayable in December 2022.

#### Financial risk management objectives and policies

The company uses various financial instruments including loans, cash, equity investments and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. All of the company's financial instruments are of sterling denomination and the company does not trade in financial instruments or derivatives.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from the previous year.

#### Interest rate risk

The company finances its operations through a mixture of retained profits and intra group borrowings. Interest on the intra group borrowings is at commercial rates.

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and debt servicing and to invest cash assets safely and profitably.

#### Dividend

The directors paid a dividend of £16,278,000 during the year (2011: £nil).

#### Directors and their interests

The directors holding office during the year ended 31 August 2012

M Allen	
G Behr	
J Benkel	
A Clapp	(resigned 13 September 2012)
P Goddard	(resigned 27 March 2013)
D Palmer	
S O'Shea	
J Wakeford	
E Lydon	(appointed 19 March 2012)
S Bailey Watts	(appointed 12 March 2012)

At 31 August 2012, none of the directors had any beneficial interests in the shares of the company or in any of the group companies.

# UPP Group Limited

## Directors' report (continued)

### for the year ended 31 August 2012

#### Creditor payment terms

When entering into commitments for the purchase of services and goods, the company gives due consideration to quality, price and the terms of payment. Suppliers are made aware of these terms. The company abides by these terms whenever it is satisfied that suppliers have provided the services or goods in accordance with such agreed terms and conditions. In the event of disputes, efforts are made to resolve these quickly. The average creditor days in the year were 26 days (2011: 41 days).

#### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 laws).

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 and 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 judgments 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,
- 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### Auditor

Having passed elective resolutions of the shareholders the company is exempt from the obligation to annually re-appoint auditors and to hold annual general meetings. Accordingly the board recommend that Grant Thornton UK LLP continue in office as auditor to the company.

On behalf of the Board



**G Behr**  
Director

3 April 2013

## **Report of the independent auditor to the members of UPP Group Limited**

We have audited the financial statements of UPP Group Limited for the year ended 31 August 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the independent auditor to  
the members of UPP Group Limited (continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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

*Grant Thornton UK LLP*

**Giles Mullins  
Senior Statutory Auditor  
For and on behalf of Grant Thornton UK LLP  
Statutory Auditors, Chartered Accountants**

**Central Milton Keynes**

**3 April 2013**



**UPP Group Limited**  
**Profit and loss account**  
**for year ended 31 August 2012**



	Notes	Year ended 31 August 2012 £'000	Year ended 31 August 2011 £'000
Other operating income	2	256	84
Investment income from subsidiary undertakings		6,000	2,500
Operating expenses		(5,219)	(3,114)
<b>Operating profit / (loss)</b>	3	<b>1,037</b>	<b>(530)</b>
Interest receivable & similar income	7	9,133	7,235
<b>Profit on ordinary activities before taxation</b>		<b>10,170</b>	<b>6,705</b>
Tax credit on profit on ordinary activities	8	3	527
<b>Profit for the financial year</b>	16	<b>10,173</b>	<b>7,232</b>

The above results all relate to continuing operations

The company has no recognised gains and losses other than the profit for the years ended 31 August 2012 and 31 August 2011 and therefore no separate statement of total recognised gains and losses has been presented

**UPP Group Limited**  
**Balance sheet**  
**as at 31 August 2012**

	Notes	31 August 2012 £'000	31 August 2011 £'000
<b>Fixed assets</b>			
Tangible assets	9	569	635
Investments	10	25,317	19,337
<b>Current assets</b>			
Debtors amounts falling due within one year	11	9,801	8,601
Debtors amounts falling due after more than one year	12	140,173	80,604
Cash at bank and in hand		3,739	6,917
		<b>153,713</b>	<b>96,122</b>
Creditors amounts falling due within one year	13	(54,552)	(4,304)
<b>Net current assets</b>		<b>99,161</b>	<b>91,818</b>
<b>Total assets less current liabilities</b>		<b>125,047</b>	<b>111,790</b>
<b>Provisions for liabilities</b>	14	<b>(54)</b>	<b>(41)</b>
		<b>124,993</b>	<b>111,749</b>
<b>Share capital and reserves</b>			
Called up share capital	15	1	1
Share premium account	16	104,688	85,493
Capital reserve	16	899	745
Profit and loss account	16	19,405	25,510
		<b>124,993</b>	<b>111,749</b>

The financial statements were approved by the board on 03 April 2013  
 and were signed on its behalf by



**G Behr**  
 Director



**J Benkel**  
 Director

**Registered number: 06218832**

# UPP Group Limited

## Notes to the financial statements

### for the year ended 31 August 2012

#### 1. Principal accounting policies

##### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. The accounting policies remain unchanged from the previous year.

##### (b) Consolidation

The company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006, as the company forms part of a larger group headed up by UPP Group Holdings Limited which produces consolidated financial statements. These accounts present information about the company as an individual undertaking and not about its group.

##### (c) Going concern

The directors have reviewed the company's projected profits and cash flows which they have prepared on the basis of a detailed analysis of the company's finances, contracts and likely future demand trends. After consideration of these projections the directors consider that the company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis.

Included within creditors due within one year is a loan from PGGM of £30,771,000 that was provided to the company to provide the subordinated loan note funding to UPP (Reading 1) Limited. This loan was repaid on 12 September 2012 from the proceeds of a loan from a company that was a parent company from that date, Student UK Acqco Limited. This new loan bears interest at 12.5% and is repayable in December 2022.

##### (d) Cash flow statement

The company has taken advantage of the exemption available under FRS 1 (revised) and has not prepared a cash flow statement by virtue of being a small company.

##### (e) Investments

Investments are held at historic cost.

For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

For investments in subsidiaries acquired for consideration including the issue of shares qualifying for group reconstruction relief, cost is measured by reference to the net asset value of the shares issued, and the premium is accounted for accordingly. Where the subsidiary acquired was in a net liability position at acquisition the investment is shown at the nominal value of the shares issued.

##### (f) Tangible fixed assets

Tangible fixed assets are stated at historic cost, less accumulated depreciation. Depreciation is calculated so as to write off the cost of the assets to their estimated residual values by equal annual instalments over their expected useful economic life as follows:

Office equipment	10 years
Leasehold improvements	10 years

Capitalised art work is included within the leasehold improvements but is not depreciated.

# UPP Group Limited

## Notes to the financial statements

### for the year ended 31 August 2012

#### 1. Principal accounting policies (continued)

##### (g) Impairment reviews

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

##### (h) Taxation

###### (i) Current tax

The charge for current taxation for the year is based on the result for the year, adjusted for disallowable items

###### (ii) Deferred tax

Full provision has been made for deferred taxation in respect of timing differences that have originated, but not reversed at the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in the future by the balance sheet date except that

- Provision is made for gains on disposal of assets that have been rolled over into replacement assets only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned
- Provision is not made for the remittance of a subsidiary, associate or joint venture's earnings that would cause tax to be payable where no commitment has been made to the remittance of the earnings
- Deferred tax assets are recognised to the extent that it is 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 on a non-discounted basis at the tax rates that are expected to apply in the years in which the timing differences reverse, based on the tax rates enacted at the balance sheet date. Group relief is only accounted for to the extent that a formal policy is in place at the year / period end. Where no policy is in place, current and deferred tax is measured before benefits which may arise from a formal group relief policy

##### (i) Defined contribution pension scheme

Contributions to employees' personal pension arrangements during the year are charged to the profit and loss account as incurred. For eligible employees, contributions are made to employees' personal pension schemes, based on a predetermined percentage of individuals' salaries

##### (j) Related party transactions

The company is a wholly owned subsidiary of UPP Group Holdings Limited and as such the company has taken advantage of the terms of FRS 8 not to disclose related party transactions which are eliminated on consolidation

##### (k) Capital reserve

The capital contributions relate to benefits assigned by The Alma Mater Fund LP who retain the risks associated with the benefits. These have been received in cash and are non-refundable

##### (l) Operating leases

Leases where substantially all of the risks and rewards of ownership are not transferred to the company are treated as operating leases. Rentals under operating leases are charged on a straight line basis over the period of the lease

**UPP Group Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 August 2012**



**2. Other operating income**

Other operating income represents fees (net of VAT) charged to subsidiary undertakings for various services provided

**3. Operating loss**

The operating loss is stated after charging

	Year ended 31 August 2012 £'000	Year ended 31 August 2011 £'000
Depreciation	<u>68</u>	<u>52</u>

**4. Directors' remuneration**

	Year ended 31 August 2012 £'000	Year ended 31 August 2011 £'000
Emoluments	781	364
Company contributions to defined contribution schemes	<u>43</u>	<u>32</u>
	<u>824</u>	<u>396</u>

The amounts included above in respect of the highest paid director are as follows

	Year ended 31 August 2012 £'000	Year ended 31 August 2011 £'000
Emoluments	389	165
Company contributions to defined contribution schemes	<u>19</u>	<u>15</u>
	<u>408</u>	<u>180</u>

In addition a number of directors of the company were also directors of the subsidiary undertakings, UPP Projects Limited and UPP Residential Services Limited, and their remuneration is disclosed in the accounts of those companies

**5. Employee costs**

	2012 Number	2011 Number
The average number of persons employed by the company during the year was as follows		
Administration	<u>10</u>	<u>10</u>

These employees are paid through the subsidiary undertakings and the company was recharged an amount of £807,000 by its subsidiary, UPP Projects Limited, for services provided by these employees (2011 £766,000)

**UPP Group Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 August 2012**



**6. Auditors' remuneration**

	Year ended 31 August 2012 £'000	Year ended 31 August 2011 £'000
Fees payable to the Company's auditor for the audit of the company's annual accounts	3	3
Fees payable to the Company's auditor and its associates for other services		
Audit of other group companies	33	33
Tax services	7	6
	<u>43</u>	<u>42</u>

**7. Interest receivable and similar income**

	Year ended 31 August 2012 £'000	Year ended 31 August 2011 £'000
Interest on cash balances	284	278
Interest from secured subordinated loan notes	8,849	6,957
	<u>9,133</u>	<u>7,235</u>

**8. Tax on profit on ordinary activities**

	Year ended 31 August 2012 £'000	Year ended 31 August 2011 £'000
<b>a) Analysis of credit for the year</b>		
<i>Current tax</i>		
Current tax on income for the year (note 8b)	-	-
Adjustment to tax charge in respect of prior years	-	(556)
		<u>(556)</u>
<i>Deferred tax</i>		
Current year	(4)	31
Rate difference	(2)	-
Adjustments to tax charge in respect of previous years	3	(2)
Total deferred tax	<u>(3)</u>	<u>29</u>
<b>Tax credit on profit on ordinary activities</b>	<u>(3)</u>	<u>(527)</u>

**UPP Group Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 August 2012**

**8. Tax on profit on ordinary activities (continued)**

**b) Factors affecting current tax (credit) / charge for the year**

The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK 25% (2011 27%) The differences are explained below

	Year ended 31 August 2012 £'000	Year ended 31 August 2011 £'000
Profit on ordinary activities before tax	<u>10,170</u>	<u>6,705</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2011 27%)	2,543	1,810
<i>Effects of</i>		
Expenses disallowable for tax purposes	533	5
Capital allowances in excess of depreciation	-	(35)
Other timing differences	4	3
Non taxable income	(1,500)	(675)
Adjustment to tax charge in respect of prior years	-	(556)
Group relief claimed not paid for	(1,580)	(1,108)
<b>Current tax charge / (credit) for the year (note 8a)</b>	<u>-</u>	<u>(556)</u>

**9. Tangible fixed assets**

	Leasehold Improvements £'000	Office Equipment £'000	Total £'000
<b>Cost</b>			
At 1 September 2011	496	191	687
Additions	-	2	2
<b>At 31 August 2012</b>	<u>496</u>	<u>193</u>	<u>689</u>
<b>Depreciation</b>			
At 1 September 2011	(37)	(15)	(52)
Charge during the year	(49)	(19)	(68)
<b>At 31 August 2012</b>	<u>(86)</u>	<u>(34)</u>	<u>(120)</u>
<b>Net book value</b>			
<b>At 31 August 2012</b>	<u>410</u>	<u>159</u>	<u>569</u>
At 31 August 2011	<u>459</u>	<u>176</u>	<u>635</u>

**10. Fixed asset investments**

Company	Interest in subsidiary undertakings £'000
At 1 September 2011	19,337
Additions	5,980
<b>At 31 August 2012</b>	<u>25,317</u>

# UPP Group Limited

## Notes to the financial statements (continued)

### for the year ended 31 August 2012



#### 10. Fixed asset investments (continued)

During the year the Company acquired 100% of the issued share capital of UPP (Exeter) Holdings Limited and 80% of the issued share capital of UPP (Clifton) Holdings Limited, and the additions are included in the additions above

Additionally the company incorporated a new subsidiary UPP (Reading I) Holdings Limited and ultimately acquired 80% of the issued share capital, 24% as a direct investment and 56% through a wholly owned subsidiary UPP (MidCo) Limited. At the same time, UPP (Reading I) Holdings Limited acquired the wholly owned subsidiary UPP (Reading) Limited from the company

Finally the company incorporated a new subsidiary UPP (Byron House) Holdings Limited and ultimately acquired 80% of the issued share capital

On 5 March 2013 the company acquired the remaining 22% of the issued share capital in UPP (Alcuin) Limited and the remaining 20% of the issued share capital of UPP (Nottingham) Limited from University of York and Nottingham Trent University respectively

A list of the subsidiary undertakings that were trading at the balance sheet date is as below

	<b>Proportion of shares held</b>	<b>Nature of Business</b>
UPP (Alcuin) Limited	78%	Student Accommodation
UPP (Lancaster) Holdings Limited	100%	Student Accommodation
UPP (Nottingham) Limited	80%	Student Accommodation
UPP (Broadgate Park) Holdings Limited	100%	Student Accommodation
UPP (Plymouth Three) Limited	100%	Student Accommodation
UPP (Kent Student Accommodation) Limited	100%	Student Accommodation
UPP (Loughborough Student Accommodation) Holdings Limited	100%	Student Accommodation
UPP (Oxford Brookes) Limited	100%	Student Accommodation
UPP Leeds Metropolitan II Limited	100%	Student Accommodation
UPP Loring Hall Limited	100%	Student Accommodation
UPP (Kent Student Accommodation II) Holdings Limited	100%	Student Accommodation
UPP (Exeter) Holdings Limited	100%	Student Accommodation
UPP (Clifton) Holdings Limited	80%	Student Accommodation
UPP (Byron House) Holdings Limited	80%	Student Accommodation
UPP (Reading I) Holdings Limited	24%	Student Accommodation
UPP (MidCo) Limited	100%	Investment company, holding 56% of shares in UPP (Reading I) Holdings Limited
UPP Projects Limited	100%	Develop partnerships for the provision of student accommodation
UPP Residential Services Limited	100%	Provision of facility management services
UPP Asset Finance Limited	100%	Provision of financial advisory & modelling services

The proportion of voting rights held are in line with the proportion of shares held except at UPP (Nottingham) Limited where the company holds 85% of the voting rights



**UPP Group Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 August 2012**



**10. Fixed asset investments (continued)**

The results for the year ended 31 August 2012, and the capital & reserves as at 31 August 2012 for each of these subsidiary undertakings is -

	<b>Profit &amp; Loss for the year £'000</b>	<b>Capital &amp; Reserves £'000</b>
UPP (Alcurn) Limited	(13)	17,363
UPP (Lancaster) Holdings Limited	(1,694)	24,450
UPP (Nottingham) Limited	(2,020)	(1,636)
UPP (Broadgate Park) Holdings Limited	(1,889)	(5,631)
UPP (Plymouth Three) Limited	(459)	14,877
UPP (Kent Student Accommodation) Limited	(69)	3,212
UPP (Loughborough Student Accommodation) Holdings Limited	58	1,518
UPP (Oxford Brookes) Limited	(566)	2,554
UPP Leeds Metropolitan II Limited	(416)	(1,464)
UPP Loring Hall Limited	227	374
UPP (Kent Student Accommodation II) Holdings Limited	(25)	6,643
UPP (Exeter) Holdings Limited	402	23,380
UPP (Clifton) Holdings Limited	(476)	1,384
UPP (Byron House) Holdings Limited	-	564
UPP (Reading I) Holdings Limited	(5,035)	11,726
UPP (MidCo) Limited	(621)	613
UPP Projects Limited	1,235	3,902
UPP Residential Services Limited	3,138	4,672
UPP Asset Finance Limited	160	160

**11. Debtors: amounts falling due within one year**

	<b>31 August 2012 £'000</b>	<b>31 August 2011 £'000</b>
Sundry debtors and accrued income	271	118
VAT recoverable	63	87
Amounts due from group undertakings	9,467	8,396
	<b>9,801</b>	<b>8,601</b>

**12. Debtors: amounts falling due after more than one year**

	<b>31 August 2012 £'000</b>	<b>31 August 2011 £'000</b>
Secured subordinated loan notes	140,173	80,604

**Secured subordinated loan notes**

The subordinated loan note funding is provided to a number of the subsidiary undertakings. During the financial year £27,577,000 was extended to subsidiary undertaking UPP (MidCo) Limited. In addition to this a further amount of £11,818,000 was issued to subsidiary UPP (Reading I) Holdings Limited. At the same time the funding provided to UPP (Reading) Limited was redeemed. £8,577,000 was extended to subsidiary UPP (Byron House) Holdings Limited.

**UPP Group Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 August 2012**



**12. Debtors: amounts falling due after more than one year (continued)**

On acquisition of UPP (Exeter) Holdings Limited and UPP (Clifton) Holdings Limited the company acquired the benefit of the subordinated debt funding provided to these two companies, being £11,058,000 and £4,118,000 respectively

The weighted average interest rate is 12.41% per annum for a weighted average period of 42 years. The final repayment dates on the subordinated loan notes range from August 2044 and August 2062

**13. Creditors: amounts falling due within one year**

	<b>31 August 2012 £'000</b>	31 August 2011 £'000
Trade creditors	381	250
Other loans	30,771	-
Loans from group undertakings	2,431	2,431
Loans from parent company	17,493	-
Amounts owed to group undertakings	2,120	847
Corporation tax payable	-	-
Accruals and deferred income	1,356	776
	<b>54,552</b>	<b>4,304</b>

The other loan was provided by PGGM Vermogensbeheer BV ("PGGM"), was interest free and was fully repaid on 12 September 2012

**14. Provisions for liabilities**

	<b>Deferred tax £'000</b>	<b>Dilapidations £'000</b>	<b>Total £'000</b>
At 1 September 2011	29	12	41
(Credited) / charged to profit & loss account	(3)	16	13
<b>At 31 August 2012</b>	<b>26</b>	<b>28</b>	<b>54</b>

	<b>31 August 2012 £'000</b>	31 August 2011 £'000
<b>Deferred Tax</b>		
The deferred tax liability consists of		
Accelerated capital allowances	33	33
Other timing differences	(7)	(4)
<b>Total deferred tax liability</b>	<b>26</b>	<b>29</b>

The dilapidations provision relates to the estimated expenditure in relation to the period that will be required to be incurred to return the leased premises to its original condition on expiry of the lease term

**UPP Group Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 August 2012**



**15. Called up share capital**

	31 August 2012 £	31 August 2011 £
<b>Authorised</b>		
21,100,000 Ordinary shares of 0.01p each	<u>2,110</u>	<u>2,000</u>
<b>Allotted, called up and fully paid</b>		
11,040,158 Ordinary shares of 0.01p each (2011 10,000,021 shares)	<u>1,104</u>	<u>1,000</u>

On 16 December 2011 the company increased its authorized share capital to 2,110,000 Ordinary shares of 0.01p each

On the same day the company issued 754,390 ordinary shares in exchange for the entire issued capital of UPP (Exeter) Holdings Limited and 285,742 ordinary shares in exchange for 80% of the share capital of UPP (Clifton) Holdings Limited. These shares were issued at a premium of £25.48 per share and the company has taken advantage of group reconstruction relief in reflecting this premium.

On 12 September 2012 the existing issued 11,040,158 Ordinary shares of 0.01p each were redesignated as A Ordinary shares of 0.01p each, and 25,000 B Ordinary shares of 1p each were created and issued at par.

**16. Reconciliation of shareholders' funds and movement on reserves**

	Share capital £'000	Share premium account £'000	Profit & loss account £'000	Capital reserve £'000	Total shareholders' funds £'000
At 1 September 2011	1	85,493	25,510	745	111,749
Issue of shares	-	19,195	-	-	19,195
Capital contribution	-	-	-	154	154
Profit for the year	-	-	10,173	-	10,173
Dividends paid	-	-	(16,278)	-	(16,278)
<b>At 31 August 2012</b>	<u>1</u>	<u>104,688</u>	<u>19,405</u>	<u>899</u>	<u>124,993</u>

The capital contributions relate to benefits assigned by The Alma Mater Fund LP who retain the risks associated with the benefits. These have been received in cash and are non-refundable.

**17. Parent undertaking and controlling party**

The company's immediate parent undertaking is UPP Group Holdings Limited.

UPP Group Holdings Limited is controlled by a 60% stake held by PGGM Vermogensbeheer BV ("PGGM") on behalf of its pension fund clients. PGGM is incorporated in The Netherlands.

**UPP Group Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 August 2012**



**17. Parent undertaking and controlling party (continued)**

Previous to this UPP Group Holdings Limited was 100% owned by The Alma Mater Fund LP (acting through its general partner Barclays Alma Mater General Partner Limited), Barclays European Infrastructure Fund (UPP) LP (acting through its general partner Barclays European Infrastructure Limited) and Barclays European Infrastructure Fund II LP (acting through its Barclays European Infrastructure II Limited) The Alma Mater Fund LP and Barclays Alma Mater General Partner Limited are collectively referred to as 'Alma Mater' In January 2013 the remaining 40% stake in the group was also sold

It is the directors' opinion that the ultimate controlling party changed from Alma Mater to PGGM on 12 September 2012

The parent undertaking of the smallest and largest group of which the company is a member and for which group accounts are prepared is UPP Group Holdings Limited

Copies of the accounts can be obtained from Companies House, Cardiff CF4 3UZ, once they have been filed

**18. Related party transactions**

The company is a wholly owned subsidiary of UPP Group Holdings Limited and as such the company has taken advantage of the terms of FRS 8 not to disclose related party transactions which are eliminated on consolidation

Five of the company's subsidiary undertakings, UPP (Alcuin) Limited, UPP (Nottingham) Limited, UPP (Clifton) Holdings Limited, UPP (Byron House) Holdings Limited and UPP (Reading 1) Holdings Limited are not 100% owned by the company and therefore this exemption does not apply The transactions with these companies are detailed below

	Sub debt interest receivable and directors fees			
	2012	2011		
	£'000	£'000		
<b>Profit and Loss Account</b>				
UPP (Alcuin) Limited	277	276		
UPP (Nottingham) Limited	1,070	1,141		
UPP (Clifton) Holdings Limited	305	-		
UPP (Byron House) Holdings Limited	-	-		
UPP (Reading 1) Holdings Limited	449	-		
			Amounts due from group undertakings within one year	Amounts due from group undertakings in more than one year
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
<b>Balance sheet</b>				
UPP (Alcuin) Limited	257	257	3,112	3,112
UPP (Nottingham) Limited	1,026	1,761	12,210	12,210
UPP (Clifton) Holdings Limited	375	-	4,118	-
UPP (Byron House) Holdings Limited	-	-	8,577	-
UPP (Reading 1) Holdings Limited	449	-	11,819	-

**UPP Group Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 August 2012**



**19. Financial commitments**

At 31 August 2012, the company has annual commitments under non-cancellable operating leases that expire as set out below

<b>Operating leases which expire:</b>	<b>Year ended 31 August 2012 Land &amp; buildings £'000</b>	<b>Year ended 31 August 2011 Land &amp; buildings £'000</b>
Within 12 months	-	-
Between two and five years	<b>419</b>	<b>419</b>

**20. Post balance sheet events**

On 12 September 2012, UPP Group Holdings Limited, the largest group of which the company is a member, had a 60% stake acquired by PGGM Vermogensbeheer BV ("PGGM") on behalf of its pension fund clients. PGGM is incorporated in the Netherlands.

On 2 October 2012 the company acquired 93,867 shares in subsidiary company UPP (Reading I) Holdings Limited. This additional investment did not alter the control structure of UPP (Reading I) Holdings Limited.

On 21 January 2013, the remaining 40% stake in UPP Group Holdings Limited was sold.

On 5 March 2013 six of the company's subsidiary undertakings, being UPP (Alcuin) Limited, UPP (Broadgate Park) Holdings Limited, UPP (Kent Student Accommodation) Limited, UPP (Nottingham) Limited, UPP (Oxford Brookes) Limited and UPP (Plymouth Three) Limited, replaced their short term bank facilities with long term funding provided through a bond issuance listed on the Irish Stock Exchange. This bond was issued through a new subsidiary company called UPP Bond 1 Issuer plc. At the same time the company subscribed for £70,129,000 of subordinated debt and £31,100,000 of shares in these subsidiary undertakings. Additionally, the company acquired the shares and subordinated debt held in UPP (Alcuin) Limited and UPP (Nottingham) Limited by University of York and Nottingham Trent University respectively for cash consideration.