

**UPP Bond 1 Holdings Limited
Unaudited financial statements**

For the six months ended 28 February 2015

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Basis of reporting

The company commenced trading on 5 March 2013 by ultimately acquiring six subsidiary companies from its parent company, UPP Group Limited. The company ultimately acquired an additional company UPP (Exeter) Limited on the 9 December 2014.

The principal activity of the company is of a holding company to its subsidiary undertakings and subordinated debt financing.

For the purpose of these financial statements and the relevant notes provided the comparative period is for the six months ended 28 February 2014.

UPP Bond 1 Holdings Limited
Profit and loss account
For the six months ended 28 February 2015



	Notes	Six months ended 28 February 2015 £'000	Six months ended 28 February 2014 £'000
Interest receivable & similar income	4	9,277	8,619
Interest payable & similar charges	5	(9,108)	(8,462)
Profit on ordinary activities before taxation		169	157
Tax charge on profit on ordinary activities		-	-
Profit for the financial period	12	169	157

The above results all relate to continuing operations.

UPP Bond 1 Holdings Limited

Company balance sheet

as at 28 February 2015



	Notes	28 February 2015 £'000	28 February 2014 £'000
Fixed assets			
Investments	6	<u>55,570</u>	<u>36,849</u>
		55,570	36,849
Current assets			
Debtors: amounts falling due within one year	7	26,386	15,108
Debtors: amounts falling due after one year	8	<u>146,669</u>	<u>125,361</u>
		173,055	140,469
Creditors: amounts falling due within one year	9	<u>(25,750)</u>	<u>(14,798)</u>
Net current assets		<u>147,305</u>	<u>125,671</u>
Total assets less current liabilities		202,875	162,520
Creditors: amounts falling due after more than one year	10	<u>(146,669)</u>	<u>(125,361)</u>
		<u>56,206</u>	<u>37,159</u>
Share capital and reserves			
Called up share capital	11	55,570	36,849
Profit and loss account	12	<u>636</u>	<u>310</u>
		<u>56,206</u>	<u>37,159</u>

UPP Bond 1 Holdings Limited

Notes to the unaudited financial statements for the six months ended 28 February 2015

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.

(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 financial statements present information about the company as an individual undertaking and not about its group.

(c) 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.

(d) Going concern

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

(e) Investments

Fixed asset investments are carried at cost less any provision for impairment in value. 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.

(f) Impairment reviews

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

(g) Taxation

(i) Current tax

The charge for current taxation for the period is based on the result for the period, 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.

UPP Bond 1 Holdings Limited

Notes to the unaudited financial statements for the six months ended 28 February 2015



2. Principal accounting policies (continued)

(g) Taxation (continued)

(i) Deferred tax (continued)

- 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.

(m) 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 100% owned.

2. Directors' remuneration

The immediate subsidiary undertaking, UPP Bond 1 Limited, paid fees of £1,400 (2014: £1,400) to Structured Finance Management Limited in respect of services performed in connection with the management of the affairs of the company for the period up to 28 February 2015

No other directors of the company received payment for services performed in relation to the management of the group.

3. Auditors' remuneration

The audit fees for the period ended 28 February 2015 are £4,000 (2014: £3,000) and have been borne by the subsidiary company UPP Bond 1 Limited.

4. Interest receivable and similar income

	Period ended 28 February 2014 £'000	Period ended 28 February 2014 £'000
Interest from unsecured loan notes	<u>9,277</u>	<u>8,619</u>

UPP Bond 1 Holdings Limited

Notes to the unaudited financial statements for the six months ended 28 February 2015



5. Interest payable and similar charges

	Period ended 28 February 2015 £'000	Period ended 28 February 2014 £'000
Interest due on unsecured loan notes	<u>9,108</u>	<u>8,462</u>

6. Investments

Company	Interest in subsidiary undertakings £'000
At 1 September 2014	36,849
Additions	18,721
At 28 February 2015	<u>55,570</u>

The company ultimately owns 100% of the issued ordinary share capital in the companies listed below. All of these companies are registered in England and Wales.

On 9 December 2014 the share capital of UPP (Exeter) Holdings Limited was purchased for £18,721,000.

Subsidiary undertaking	Nature of business
UPP (Alcuin) Limited	Provision of student accommodation
UPP (Broadgate Park) Holdings Limited	Provision of student accommodation
UPP (Kent Student Accommodation) Limited	Provision of student accommodation
UPP (Nottingham) Limited	Provision of student accommodation
UPP (Oxford Brookes) Limited	Provision of student accommodation
UPP (Plymouth Three) Limited	Provision of student accommodation
UPP (Exeter) Limited	Provision of student accommodation
UPP Bond 1 Issuer plc	Financing company
UPP Bond 1 Limited	Treasury management company

The fixed asset investment value above represents the carrying value of the company's investment in its subsidiary undertakings.

UPP Bond 1 Holdings Limited
Notes to the unaudited financial statements
for the six months ended 28 February 2015



7. Debtors: amounts falling due within one year

	28 February 2015 £'000	28 February 2014 £'000
Amounts receivable from subsidiary company	<u>26,386</u>	<u>15,108</u>

8. Debtors: amounts falling due after one year

	28 February 2015 £'000	28 February 2014 £'000
Unsecured loan notes	<u>146,669</u>	<u>125,361</u>

The company subscribed for unsecured loan notes in its subsidiary undertaking, UPP Bond 1 Limited, on 5 March 2013.

Additional £21,308,000 unsecured loan notes were subscribed for on 9 December 2014.

The loan notes are scheduled to be repaid by August 2057, with repayments commencing in August 2030, and bear an interest rate of 13.75%.

9. Creditors: amounts falling due within one year

	28 February 2015 £'000	28 February 2014 £'000
Amounts owed to immediate parent company	<u>25,750</u>	<u>14,798</u>

10. Creditors: amounts falling due after more than one year

	28 February 2015 £'000	28 February 2014 £'000
Unsecured loan notes	<u>146,669</u>	<u>125,361</u>

Maturity of debt

Repayable in more than five years	<u>146,669</u>	<u>125,361</u>
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Unsecured loan notes

UPP Group Limited has provided unsecured loan notes of £146,669,000 to the company. These loan notes bear interest at 13.5% and are repayable by 2057. Payment of interest is subject to the group passing lock up tests and availability of cash reserves.

UPP Bond 1 Holdings Limited

Notes to the unaudited financial statements for the six months ended 28 February 2014



11. Called up share capital

	28 February 2015 £'000	28 February 2014 £'000
Issued, allotted, called up and fully paid		
55,570,408 Ordinary shares of £1 each	<u>55,570</u>	<u>36,849</u>

On 15 October 2012 the company issued 1 ordinary share of £1 each at par. On 16 January 2013 the company issued 49,999 ordinary shares of £1 each at par for cash consideration.

On 5 March 2013 the company issued 32,884,298 ordinary shares of £1 each at par in exchange for the issued share capital in six subsidiary undertakings owned by UPP Group Limited. On the same day the company also issued 3,914,429 ordinary shares of £1 each at par for cash consideration.

On 9 December 2014 the company issued 18,721,682 ordinary shares of £1 each at par in exchange for the issued share capital in UPP (Exeter) Limited owned by UPP Group Limited.

12. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Profit & loss account £'000	Total shareholders' funds £'000
At 1 September 2013	36,849	467	37,316
Share capital issued	18,721	-	18,721
Profit for the period	-	169	169
At 28 February 2014	<u>55,570</u>	<u>636</u>	<u>56,206</u>

13. Parent undertaking and controlling party

The company is wholly owned by UPP Group Limited, a company itself a wholly owned subsidiary of UPP Group Holdings Limited.

From 12 September 2012, UPP Group Holdings Limited was controlled by a 60% stake held by PGGM Vermogensbeheer BV ("PGGM"), a company incorporated in The Netherlands.

It is the directors' opinion that PGGM is the ultimate controlling party.

The parent undertaking of the smallest group of which the company is a member and for which group accounts are prepared is UPP Bond 1 Holdings Limited.

The parent undertaking of the 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.