

**UPP Bond 1 Limited  
Unaudited financial statements**

**For the six months ended 28 February 2015**

# **UPP Bond 1 Limited**

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### **For the six months ended 28 February 2015**



#### **Basis of reporting**

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

The principal activity of the company is to provide treasury services to these seven 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 Limited**  
**Profit and loss account**  
**For the six months ended 28 February 2015**



|  |       | <b>Six months<br/>ended<br/>28 February<br/>2015</b> | Six months<br>ended<br>28 February<br>2014 |
|--|-------|--|--|
|  | Notes | <b>£'000</b>   | £'000                                      |
| Operating expenses                                   |       | <u>(15)</u>  | <u>(41)</u>                                |
| <b>Operating loss</b>                                |       | <b>(15)</b>  | <b>(41)</b>                                |
| Interest receivable & similar income                 | 3     | <b>9,644</b>   | 8,974                                      |
| Interest payable & similar charges                   | 4     | <u>(9,277)</u>                                       | <u>(8,619)</u>                             |
| <b>Profit on ordinary activities before taxation</b> |       | <b>352</b>   | 314  |
| Tax charge on profit on ordinary activities          |       | -  | -  |
| <b>Profit for the financial period</b>               | 11    | <u><b>352</b></u>                                    | <u>314</u>                                 |

The above results all relate to continuing operations.

# UPP Bond 1 Limited

## Balance sheet

### as at 28 February 2015



|   |    | 28 February<br>2015<br>£'000 | 28 February<br>2014<br>£'000 |
|---|----|------------------------------|------------------------------|
| <b>Fixed assets</b>                                     |    |                              |                              |
| Fixed asset investment                                  | 5  | <u>52,355</u>                | <u>33,634</u>                |
|   |    | <b>52,355</b>                | <b>33,634</b>                |
| <b>Current assets</b>                                   |    |                              |                              |
| Debtors: amounts falling due within one year            | 6  | 25,945                       | 13,953                       |
| Debtors: amounts falling due after one year             | 7  | 149,502                      | 128,193                      |
| Cash at bank and in hand                                |    | <u>27,720</u>                | <u>19,906</u>                |
|   |    | <b>203,167</b>               | <b>162,052</b>               |
| Creditors: amounts falling due within one year          | 8  | <u>(51,949)</u>              | <u>(32,850)</u>              |
| <b>Net current assets</b>                               |    | <u><b>151,218</b></u>        | <u><b>129,202</b></u>        |
| <b>Total assets less current liabilities</b>            |    | <b>203,573</b>               | <b>162,836</b>               |
| Creditors: amounts falling due after more than one year | 9  | (146,669)                    | (125,361)                    |
|   |    | <u><b>56,904</b></u>         | <u><b>37,475</b></u>         |
| <b>Share capital and reserves</b>                       |    |                              |                              |
| Called up share capital                                 | 10 | 55,570                       | 36,849                       |
| Profit and loss account                                 | 11 | <u>1,334</u>                 | <u>626</u>                   |
|   |    | <u><b>56,904</b></u>         | <u><b>37,475</b></u>         |

# UPP Bond 1 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 and the Companies Act 2006.

#### (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 for which UPP Group Holdings Limited 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.

#### (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

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.
- 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.

# UPP Bond 1 Limited

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



### 1. Principal accounting policies (continued)

#### (g) Taxation (continued)

##### (ii) Deferred tax

- 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.

#### (h) 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.

### 2. Directors' remuneration

The company paid a fee 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 six months up to 28 February 2015. Additionally the company paid fees of £1,400 (2014: £1,400) to Structured Finance Management Limited for the services it provided to its parent company UPP Bond 1 Holdings Limited and £3,200 (2014: £2,700) in relation to services provided to its subsidiary undertaking UPP Bond 1 Issuer plc for the same period.

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

### 3. Interest receivable and similar income

|                             | <b>Six months<br/>ended<br/>28 February<br/>2015<br/>£'000</b> | Six months<br>ended<br>28 February<br>2014<br>£'000 |
|-----------------------------|--|---|
| Loan note interest received | <u>9,644</u>   | <u>8,974</u>  |

### 4. Interest payable and similar charges

|                            | <b>Six months<br/>ended<br/>28 February<br/>2015<br/>£'000</b> | Six months<br>ended<br>28 February<br>2014<br>£'000 |
|----------------------------|--|---|
| Loan note interest payable | <u>9,277</u>   | <u>8,619</u>  |

# UPP Bond 1 Limited

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



### 5. Fixed asset investment

| Company                    | Investments<br>in subsidiary<br>undertakings<br>£'000 |
|----------------------------|---|
| At 1 September 2014        | 33,634  |
| Additions                  | 18,721  |
| <b>At 28 February 2015</b> | <b>52,355</b>   |

The company 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 |

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

### 6. Debtors: amounts falling due within one year

|                                      | 28 February<br>2015<br>£'000 | 28 February<br>2014<br>£'000 |
|--------------------------------------|------------------------------|------------------------------|
| Amounts owed by subsidiary companies | 25,848                       | 13,848                       |
| Prepayments and accrued income       | 97                           | 105                          |
|                                      | <b>25,945</b>                | <b>13,953</b>                |

### 7. Debtors: amounts falling after more than one year

|                                      | 28 February<br>2014<br>£'000 | 28 February<br>2014<br>£'000 |
|--------------------------------------|------------------------------|------------------------------|
| Amounts owed by subsidiary companies | 149,502                      | 128,193                      |

The company subscribed for unsecured loan notes in six of its subsidiary undertakings on 5 March 2013.

Additional £21,309,000 unsecured loan notes were subscribed for in its seventh subsidiary undertaking 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 14%.

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



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

|   | <b>28 February<br/>2015<br/>£'000</b> | 28 February<br>2014<br>£'000 |
|---|---------------------------------------|------------------------------|
| Amounts owed to subsidiary undertakings | <b>26,386</b>                         | 17,717                       |
| Amounts owed to parent company          | <b>25,561</b>                         | 15,108                       |
| Accruals and deferred income            | <b>2</b>                              | 25                           |
|   | <b><u>51,949</u></b>                  | <u>32,850</u>                |

**9. Creditors: amounts falling due after more than one year**

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

**Maturity of debt**

|                                   |                       |                |
|-----------------------------------|-----------------------|----------------|
| Repayable in more than five years | <b><u>146,669</u></b> | <u>125,361</u> |
|-----------------------------------|-----------------------|----------------|

The company issued loan notes on 5 March 2013 to its parent company, UPP Bond 1 Holdings Limited.

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%.

Additional loan notes of £21,308,000 were issued on 9 December 2014.

The additional loan notes are scheduled to be repaid by August 2051, with repayments commencing in August 2032, and bear an interest rate of 13.75%.

**10. Called up share capital**

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



# UPP Bond 1 Limited

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



### 11. Reconciliation of shareholders' funds and movement on reserves

|                            | Share<br>capital | Profit & loss<br>account | Total<br>shareholders'<br>funds |
|----------------------------|------------------|--------------------------|---------------------------------|
|                            | £'000            | £'000                    | £'000                           |
| At 1 September 2014        | 36,849           | 982                      | 37,831                          |
| Shares issued              | 18,721           | -                        | 18,721                          |
| Profit for the period      | -                | 352                      | 352                             |
| <b>At 28 February 2015</b> | <b>55,570</b>    | <b>1,334</b>             | <b>56,904</b>                   |

### 12. Parent undertaking and controlling party

The company's immediate parent undertaking is UPP Bond 1 Holdings Limited.

UPP Bond 1 Holdings Limited is a wholly owned subsidiary of UPP Group Limited.

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UPP Group Holdings Limited is controlled by a 60% stake held by PGGM Vermogensbeheer BV ("PGGM").