UPP REIT Holdings Limited

Condensed consolidated interim financial statements for the six months ended 28 February 2022

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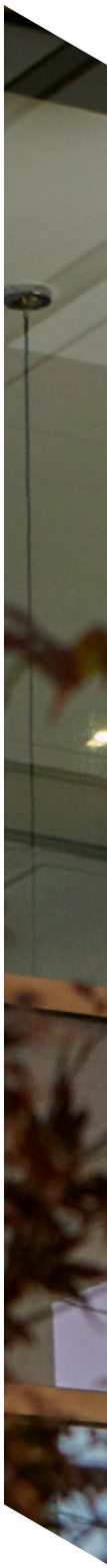

Directors	Irina Frolova (resigned 12 May 2022)
	Henry Gervaise-Jones (resigned 29 April 2022)
	Elaine Hewitt
	Jingshen Hu
	Hendrik Huizing
	Robert McClatchey
	Andrew Wilkie
	Stuart Bousfield (appointed 12 May 2022)
–	–
Secretary	Sanne Secretaries Limited
–	–
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	Jersey, JE1 1ST


Eleanor
Rosa
House

Strategic report

The Directors present their report and financial statements for the six months ended 28 February 2022.

Principal activity and business review

UPP REIT Holdings Limited ('the Company') (ISIN – JE00BF5PSP50) is a close-ended UK REIT and the Parent of the UPP REIT Holdings Limited Group ('the Group') and UPP Group Holdings Limited, trading as the University Partnerships Programme ('UPP'). The Company was incorporated on 18 April 2017 and admitted to the Official List of The International Stock Exchange (TISE) on 28 February 2018.

The Company's principal activities are those 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 residential and academic accommodation for UPP.

The results for the six months ended 28 February 2022 continue to demonstrate the resilience of the UPP business model, which delivers returns based on stable, long-term, RPI-linked revenues.

During the period, the Company saw like for like revenue increase by 5.3% with contractual rental increases being applied across the portfolio. Gross profit also grew by 5.4% to £75.2 million (20/21: £71.3m). Turnover decreased by 9.4 per cent to £103.3 million (2020/21: £114.0m) due to there being no construction revenue in the period.

The operational performance remained strong following the gradual easing of Covid-19 restrictions with the UPP REIT Holdings portfolio achieving 99.5 percent occupancy during the six months and with all Term One and Two rents received from university partners as due and in full. The Company has continued to deliver new accommodation with existing partners, increasing the number of operational beds under management.

UPP began the 2021/22 academic year with a successful student intake across the portfolio, and this included the opening of the final phase of accommodation at East Park, University of Exeter. Residents moved into a further 578 new ensuite rooms on the University's Streatham Campus, following the earlier completion of 604 new rooms which opened in September 2020. UPP now operate more than 4,100 rooms in partnership with the University, having procured more than £300m of investment over the last decade. The completion of East Park boosts UPP's portfolio to nearly 35,000 rooms in operation through long-term, bespoke partnerships with 15 UK universities.

In October, UPP successfully started delivering first-line reactive maintenance services to Keynes and Turing Colleges at the University of Kent. Under the agreement, which will remain in place for the remainder of the existing partnership into the 2060s, all reactive maintenance services are now delivered by UPP Residential Services. This extends the arrangement already in place at Woolf College and this services extension has resulted in a more streamlined process for students to report faults and receive support as they now have a single point of contact for all reactive maintenance issues through the Company's student app home@halls.

The Group has continued its focus on long-term strategic management of assets under operation, including full defects management. The Directors continue to review opportunities for additional equity investment in the AssetCos to enhance the accommodation offering as these plans are developed further, the Directors will engage with the Monitoring Adviser as and appropriate.

During 2020, intrusive survey works identified

defects in the cladding on the Francis Drake hall of residence at the Plymouth AssetCo. Temporary remedial works were completed prior to students arriving to ensure that the building was safe for occupation. During the period covered by this report, the AssetCo has entered into a building contract with Kier Construction Limited to undertake the required cladding remedial works. Conditional consent for the works were set out in a Monitoring Adviser Recommendation dated 23 December 2021 and subsequent, related recommendations dated 25 February 2022 and 31 March 2022. These works are due to complete during the summer of 2022 and are subject to enhanced monitoring by the Monitoring Adviser (including the provision of monthly reports).

In terms of developments in UK higher education (HE), the sector continues to see strong rates of academic demand both domestically and from overseas. UCAS data for the end of the 2021 application cycle identified that in total 606,645 people across the UK applied to universities in 2021/22, an increase of 5 per cent on 2020, with 492,005 accepted (+1 per cent). As the 18-year-old population continues to increase, 7 per cent more UK 18-year-olds were placed (27,235 up from 257,895 in 2020).

Of those gaining a place, 81 per cent secured their first-choice university or college (up from 76 per cent). Overall, 38.3 per cent of UK 18-year-olds gained a place in 2021 (up from 37 per cent in 2020 and 34.1 per cent in 2019). Continuing with the Centre Assessment Grade approach to student evaluation, the number of applicants achieving the top A level grades almost doubled compared to 2020 to 19,595 from 12,735 – a near quadrupling from pre-pandemic levels (5,655 in 2019). As a result, more than 103,000 UK young people were accepted at higher tariff providers (those requiring in excess of 154 UCAS points) – up 11 per cent from 92,650 in 2020.

Internationally, whilst a total of 142,925 people of all ages applied (-5 per cent on 2020), acceptances were up 1 per cent year on year to 70,005. This movement was composed of 111,255 people from outside the EU, an increase of 12 per cent, with 54,030 accepted (+2 per cent). In terms of EU applicants, as predicted by post-Brexit modelling, 31,670 people applied, a large fall of 40 percent with 16,025 accepted (-50 per cent).

Unconditional offer-making fell from a high of 15.7 per cent of all offers made in 2020 to 3.3 per cent in 2021, with ‘conditional unconditional offers’ all but eliminated within this cycle. In the most recent applicant data for the 2022/23 cycle, published in February, UCAS identified that the emerging data continues the underlying message of sustained, long-term growth despite a slight decrease in the total number of applicants. The data evidenced strong demand from young people in the UK, coupled with enduring international appeal. UCAS noted that its recent optimistic forecast for a million applicants per annum by 2026 appeared very much on track.

In headline terms, applicant numbers from the UK are marginally down at 1 per cent, however, relative to comparable data from last year’s cycle, numbers of UK 18-year-old applicants have jumped by just under 15,000, to more than 320,000. This means that for the first time at this point of an application cycle, nearly 45 per cent of all young people in the population are applying (43.4 per cent in 2022, compared to the previous record of 42.6 percent in 2021).

Fuelled by both the continual attractiveness of undergraduate study and on-going population increases over the next decade, UCAS is also anticipating that the number of home (UK) students applying each year directly from school or college will increase by around 25,000 for the next few cycles. The latest data identifies just over 320,000 UK students applying for a place and UCAS expect this to surpass 400,000 by 2026.

In summary, the position of UPP remains strong; its business model is robust and it is well positioned to continue to deliver strong commercial and operational performance from a portfolio of assets that are central to the operations of its university partners.

Condensed consolidated statement of profit or loss

For the six months ended 28 February 2022

	Note	Six months ended 28 February 2022	Six months ended 28 February 2021
		£'000	£'000
Rental and other income	5	103,284	113,968
Cost of sales		(28,129)	(42,701)
Gross profit		**75,155**	**71,267**
Operating expenses		(37,411)	(38,387)*
Operating profit		**37,744**	**32,880**
Finance income	6	**4,332**	**4,963**
Senior financing interest	7	(54,184)	(33,135)
Other interest payable & similar charges	7	(8,352)	(1,585)
Finance cost total		**(62,536)**	**(34,720)**
(Loss)/profit on ordinary activities before taxation		**(20,460)**	**3,123**
(Loss)/profit on ordinary activities before taxation		-	-
(Loss)/profit for the financial period		**(20,460)**	**3,123**
(Loss)/profit for the financial period attributable to:			
Non-controlling interests		(2,489)	(9)
Owners of the parent		(17,971)	3,132
(Loss)/profit for the financial period		**(20,460)**	**3,123***

*Restated – comparative profit and loss for the period ended 28 February 2021 was restated.
For further information refer to note 22.

The above results all relate to continuing operations.
The notes on pages 15 to 40 form part of these financial statements.

Condensed consolidated statement of other comprehensive income

For the six months ended 28 February 2022

	Six months ended 28 February 2022	Six months ended 28 February 2021
	£'000	£'000
(Loss)/profit for the financial period	**(20,460)**	**3,123***
Items that will not be reclassified to profit and loss		
Reversal of deferred tax on revaluation of principal assets	-	-
	-	**-**
Items that are or may be reclassified subsequently to profit and loss		
Fair value movements on swaps	(8,559)	30,099
	(8,559)	**30,099**
Total other comprehensive income for the period	**(8,559)**	**30,099**
Total comprehensive income for the period	**(29,019)**	**33,222**

*Restated – comparative profit and loss for the period ended 28 February 2021 was restated.
For further information refer to note 22.

The notes on pages 15 to 40 form part of these financial statements.

Condensed consolidated statement of other comprehensive income (continued)

	Six months ended 28 February 2022	Six months ended 28 February 2021
	£'000	£'000
Other comprehensive income for the period attributable to:		
Non-controlling interests	(42)	546
Owners of the parent	(8,517)	29,553
Total	**(8,559)**	**30,099**
Total other comprehensive income for the period attributable to:		
Non-controlling interests	(2,531)	537
Owners of the parent	(26,488)	32,685
Total	**(29,019)**	**33,222**
Profit per share (in GBP)		
Basic	(17.6)	3.1*
Diluted	(17.6)	3.1*

*Restated – comparative profit and loss for the period ended 28 February 2021 was restated.
For further information refer to note 22.

The notes on pages 15 to 40 form part of these financial statements.

Condensed consolidated statement of financial position

As at 28 February 2022

	Note	28 February 2022	31 August 2021
		£'000	£'000
Assets			
Non-current assets			
Property, plant and equipment		5,964	7,456
Service concession arrangements - Intangible assets	8	1,600,582	1,619,823
Service concession arrangements - Financial assets		141,356	142,472
Other intangible assets		116,293	116,457
Total non-current assets		**1,864,195**	**1,886,208**
Current assets			
Trade and other receivables	10	7,953	12,907
Service concession arrangements - Financial assets		677	602
Financial assets		872	1,704
Cash at bank and in hand	21	185,279	179,242
Total current assets		**194,781**	**194,455**
Total assets		**2,058,976**	**2,080,663**
Equity and liabilities			
Liabilities			
Non-current liabilities			
Borrowings	13	1,769,858	1,762,376
Derivative financial instruments	13	199,467	184,196
Employee benefit obligations		1,999	1,999
Total non-current liabilities		**1,971,324**	**1,948,571**

Condensed consolidated statement of financial postion (continued)

	Note	28 February 2022	31 August 2021
		£'000	£'000
Current liabilities			
Borrowings	13	44,914	51,092
Trade and other payables	11	5,356	14,154
Accrual and deferred income	11	55,817	46,334
Provisions	16	2,101	4,029
Total current liabilities		**108,188**	**115,609**
Total liabilities		**2,079,512**	**2,064,180**
Equity			
Called-up share capital		1,032	1,032
Share premium account		473,485	473,485
Capital reserves		23,428	23,428
Cash flow hedge reserve		(182,802)	(174,285)
Retained earnings		(315,231)	(289,260)
Equity attributable to owners of the Parent Company		**(88)**	**34,400**
Non-controlling interest		(20,448)	(17,917)
Total equity		**(20,536)**	**16,483**

The notes on pages 15 to 40 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 27 June 2022 and were signed on its behalf by:

Elaine Hewitt,
Director

Condensed consolidated statement of changes in equity

For the six months ended 28 February 2022

	Attributable to equity holders of the Parent Company								
	Share capital	Share premium	Capital reserve	Other reserve	Cash flow hedge reserve	Retained earnings	**Shareholders' equity**	Non-controlling interest	**Total equity**
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**	£'000	**£'000**
At 1 September 2020	**1,032**	**473,485**	**23,428**	**-**	**(173,713)**	**(254,359)**	**69,873**	**(15,149)**	**54,724**
Profit for the financial period	-	-	-	-	-	3,132	**3,132**	(9)	**3,123**
Other comprehensive income	-	-	-	-	29,553	-	**29,553**	546	**30,099**
Total comprehensive income	-	-	-	-	**29,553**	3,132	32,685	537	**33,222**
Equity-settled share-based payments	-	-	-	-	-	**(64)**	**(64)**	-	**(64)**
At 28 February 2021	**1,032**	**473,485**	**23,428**	**-**	**(144,160)**	**(251,291)**	**102,494**	**(14,612)**	**87,882**
At 1 September 2021	**1,032**	**473,485**	**23,428**	**-**	**(174,285)**	**(289,260)**	**34,400**	**(17,917)**	**16,483**
Loss for the financial period	-	-	-	-	-	(17,971)	(17,971)	(2,489)	**(20,460)**
Other comprehensive income	-	-	-	-	(8,517)	-	(8,517)	(42)	**(8,559)**
Total comprehensive income	-	-	-	-	**(8,517)**	**(17,971)**	**(26,488)**	**(2,531)**	**(29,019)**
Transactions with owners							**-**		
Dividends paid	-	-	-	-	-	(8,000)	**(8,000)**	-	**(8,000)**
At 28 February 2022	**1,032**	**473,485**	**23,428**	**-**	**(182,802)**	**(315,231)**	**(88)**	**(20,448)**	**(20,536)**

The notes on pages 15 to 40 form part of these financial statements.

Condensed consolidated statement of cash flows

For the six months ended 28 February 2022

	Period ended 28 February 2022	Period ended 28 February 2021
	£'000	£'000
(Loss) / profit for the financial period	**(20,460)**	**3,123**
Adjustments for:		
Tax on loss on ordinary activities	-	-
Net interest expense	58,204	29,757
Amortisation of service concession arrangements	19,241	18,475
Depreciation	2,964	563
Goodwill impairment	-	-
Amortisation of computer software	428	517
Operating profit	**60,377**	**52,435**
Increase / (decrease) in provisions for dilapidations	15	(200)
Decrease in debtors due within one year	4,953	3,330
(Decrease) / increase in creditors due within one year	(1,714)	12,032
Net cash inflow from operating activities	**63,631**	**67,597**

Condensed consolidated statement of cash flows (continued)

	Period ended 28 February 2022	Period ended 28 February 2021
	£'000	£'000
Investing activities		
Interest received	5,321	4,680
Payments for intangible fixed assets	-	(37)
Payments for concession arrangements	(2,397)	(18,834)
Payments to acquire tangible fixed assets	(103)	(1,725)
Net cash flow used in investing activities	**2,821**	**(15,916)**
Financing activities		
New debt drawn	-	9,777
Interest paid	(28,761)	(12,290)
Senior debt repayments	(23,133)	(23,158)
Dividends paid	(8,000)	-
Finance lease payments	(521)	(517)
Net cash flow used in financing activities	**(60,415)**	**(26,188)**
Increase in cash and cash equivalents	**6,037**	**25,493**
Cash and cash equivalents at 1 September	**179,242**	**188,075**
Cash and cash equivalents at 28 February	**185,279**	**213,568**

The notes on pages 15 to 40 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 27 June 2022 and were signed on its behalf by:

Elaine Hewitt,
Director

Notes to the condensed consolidated interim financial statements

For the six months ended 28 February 2022

1. General information

UPP REIT Holdings Limited ('the Company') is a close-ended UK REIT and the Parent of the UPP REIT Holdings Group ('the Group').

UPP REIT Holdings Limited is a private company limited by shares and incorporated on 18 April 2017 in Jersey, with company number 123688. The registered office is IFC 5, St. Helier, Jersey, JE1 1ST. These condensed consolidated interim financial statements ('interim financial statements') for the six months ended 28 February 2022 comprise the Company and its subsidiaries (together referred to as 'the Group').

The Company's principal activities are those 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 REIT Holdings Limited is listed on The International Stock Exchange (TISE). UPP REIT Holdings Limited is UK tax resident.

2. Basis of preparation

These interim financial statements of the Group have been prepared in accordance with IAS 34 'Interim Financial Reporting' and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 August 2021 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant with regard to any changes in the Group's financial position and performance since the last annual financial statements.

The accounting policies and methods of computation applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 August 2021.

These interim financial statements for the six months ended 28 February 2022 were authorised for issue by the Company's Board of Directors on 27 June 2022.

3. Judgements and key sources of estimation uncertainty

The preparation of interim financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. However, the nature of estimation means that actual outcomes could differ from those estimates.

The significant judgements and estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

The areas involving the most sensitive estimates and assumptions that are significant to the financial statements are set out below:

Estimates in relation to valuation of RPI and IR swaps

Derivatives are initially recognised at fair value at the date a derivative is entered into and are subsequently remeasured to their fair value at each reporting date.

Fair value estimates of derivatives are based on relevant market information and information about the financial instruments which are subjective in nature. The fair value of these financial instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, spot and forward rates, as well as option volatility.

The Group incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Group has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

The Group has used a third-party expert to assist with valuing derivative instruments.

Estimates in relation to impairment of non-financial assets

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

For goodwill or assets under construction, the impairment loss recognised for all assets is reversed in a subsequent period only if the reasons for the impairment loss have ceased to apply.

Estimates in relation of defined benefit pension plan valuation

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of high-quality corporate bonds in the respective currency, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates.

The below are in relation to key judgements made by management in the period:

Judgement of fair value level classification

Although the Group has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilise Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of 28 February 2021, the Group has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Group has determined

3. Judgements and key sources of estimation uncertainty (continued)

that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Judgement in hedge accounting for inflation swaps

The Group has chosen to apply hedge accounting for all hedging instruments which are in a qualifying hedging relationship under IFRS 9. Significant judgement is exercised in concluding that the forecasted cash flows that are hedged items are highly probable. Also a judgement is exercised in relation to the fact, that that future inflationary increases or decreases in rent receivable from university partners are separately identifiable and reliably measurable components of the rental income which ensures the inflation component of rental income and the related RPI swaps are in a hedging relationship which meets the qualifying criteria for hedge accounting under IFRS 9.6.9.1(c).

4. Segment information

For management purposes the Group is organised into business units based on their services and has three reportable segments as follows:

- Special Purpose Vehicles (SPVs) – performing development, funding, construction and operation of student accommodation under the University Partnerships Programme
- UPP Residential Services Limited (URSL) – providing facilities management services to SPVs
- UPP Projects Limited (UPL) – securing long-term, bespoke partnership agreements to design, build and finance student accommodation and related academic infrastructure

The Group's management monitors the operating results of its segments separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the condensed consolidated interim financial statements.

Transfer prices between operating segments are set on an arm's length basis.

All segments operate and perform all transactions in the UK.

Other operations include financing and general Group management, which are not considered by management as a separate reporting segment.

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4. Segment information (continued)

	Note	SPVs	URSL	UPL	Total segments	Adjustments and eliminations	Consolidated
		£'000	£'000	£'000	£'000	£'000	£'000
Six months ended 28 February 2022							
Rental and other income – external		100,856	2,428	-	103,284	-	103,284
Rental and other income – internal	A	-	9,326	-	9,326	(9,326)	-
Cost of sales	B	(29,085)	(8,664)	(5)	(37,754)	9,625	(28,129)
Gross profit		**71,771**	**3,090**	**(5)**	**74,856**	**299**	**75,155**
Operating expenses	B	(16,092)	(2,022)	(85)	(18,199)	(19,212)	(37,411)
Operating profit		**55,679**	**1,068**	**(90)**	**56,657**	**(18,913)**	**37,744**
Finance income		**4,670**	**-**	**-**	**4,670**	**(338)**	**4,332**
Senior financing interest		(54,112)	-	-	(54,112)	(72)	(54,184)
Other interest payable and similar charges	C	(8,596)	-	-	(8,596)	244	(8,352)
Finance cost total		**(62,708)**	**-**	**-**	**(62,708)**	**172**	**(62,536)**
Segment (loss)/profit on ordinary activities before taxation		**(2,359)**	**1,068**	**(90)**	**(1,381)**	**(19,079)**	**(20,460)**
Tax on loss on ordinary activities		-	-	-	-	-	-
Segment (loss)/profit for the financial year		**(2,359)**	**1,068**	**(90)**	**(1,381)**	**(19,079)**	**(20,460)**
Total assets	D	**2,016,930**	**52,237**	**7,591**	**2,076,758**	**(17,782)**	**2,058,976**
Total liabilities	D	**2,438,818**	**33,481**	**19,549**	**2,491,848**	**(412,336)**	**2,079,512**

4. Segment information (continued)

	Note	SPVs	URSL	UPL	Total segments	Adjustments and eliminations	Consolidated
		£'000	£'000	£'000	£'000	£'000	£'000
Six months ended 28 February 2021							
Rental and other income – external		110,967	3,000	-	113,967	1	113,968
Rental and other income – internal	A	-	8,589	-	8,589	(8,589)	-
Cost of sales	B	(43,626)	(7,203)	(21)	(50,850)	8,149	(42,701)
Gross profit		**67,341**	**4,386**	**(21)**	**71,706**	**(439)**	**71,267**
Operating expenses	B	(14,278)	(3,081)	(1,053)	(18,412)	(19,975)	(38,387)
Operating profit		**53,063**	**1,305**	**(1,074)**	**53,294**	**(20,414)**	**32,880**
Finance income		**4,963**	**-**	**-**	**4,963**	**-**	**4,963**
Senior financing interest		(33,016)	-	-	(33,016)	(119)	(33,135)
Other interest payable and similar charges	C	(14,519)	-	-	(14,519)	12,934	(1,585)
Finance cost total		**(47,535)**	**-**	**-**	**(47,535)**	**12,815**	**(34,720)**
Segment profit/(loss) on ordinary activities before taxation		**10,491**	**1,305**	**(1,074)**	**10,722**	**(7,599)**	**3,123**
Tax on loss on ordinary activities		-	-	-	-	-	-
Segment profit/(loss) for the financial year		**10,491**	**1,305**	**(1,074)**	**10,722**	**(7,599)**	**3,123**
Total assets	D	2,132,617	34,959	4,487	**2,172,063**	(60,115)	**2,111,948**
Total liabilities	D	2,365,537	16,287	15,410	**2,397,234**	(373,168)	**2,024,066**

4. Segment information (continued)

Notes to the segment information:

A. Rental and other income

Adjustments and eliminations represent intercompany transactions that are eliminated on consolidation. Those transactions are mainly held between URSL and each SPV. There is also an elimination of UPL income that represents internal revenue from any new development projects. This income is eliminated against the SPV's assets.

B. Cost of sales and operating expenses

Adjustments and eliminations represent intercompany transactions that are eliminated on consolidation. Those transactions are mainly transactions held between URSL and each SPV. The adjustments and eliminations line also represents administrative costs that are not allocated to any of the segments.

C. Other interest payable & similar charges

Adjustments and eliminations mainly represent financing costs payable to Shareholders that are not allocated to any of the segments.

D. Total assets and total liabilities

Adjustments and eliminations related to total assets mainly represent assets related to the Group management companies (such as UPP Group Limited) and represent goodwill and cash allocated to those companies. Adjustments and eliminations related to total liabilities represent mainly UPP Bond I Issuer PLC liabilities and accruals and trade creditors related to Group management activities.

5. Turnover

Turnover represents the amounts derived from the provision of services, which fall within the Group's ordinary activities, stated net of value added tax.

The Group operates in four main areas of activity - that of the provision of student accommodation, construction services, the provision of facilities management services and management and development services.

Group turnover arises wholly in the UK and is split as below:

	Six months ended 28 February 2022	Six months ended 28 February 2021
	£'000	£'000
Student accommodation rental income	100,856	96,724
Construction services	-	15,829
Management and development services	-	-
Facilities management services	2,428	1,416
	103,284	**113,969**

In the following table, revenue from contracts with customers is disaggregated by service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 4).

5. Turnover (continued)

	Note	SPVs	URSL	UPL	Total segments	Adjustments and eliminations	Consolidated
		£'000	£'000	£'000	£'000	£'000	£'000
Six months ended 28 February 2022							
Student accommodation rental income		100,856	-	-	100,856	-	100,856
Construction services		-	-	-	-	-	-
Facilities management services		-	2,428	-	2,428	-	2,428
Facilities management services intragroup		-	9,326	-	9,326	(9,326)	-
Total		**100,856**	**11,754**	**-**	**112,610**	**(9,326)**	**103,284**
Revenue as reported in Segments	4	100,856	11,754	-	112,610	(9,326)	103,284
Six months ended 28 February 2021							
Student accommodation rental income		95,138	-	-	95,138	-	95,138
Construction services		15,829	-	-	15,829	-	15,829
Facilities management services		-	3,001	-	3,001	-	3,001
Facilities management services – intragroup		-	8,588	-	8,588	(8,588)	-
Total		**110,967**	**11,589**	**-**	**122,556**	**(8,588)**	**113,968**
Revenue as reported in Segments	4	110,967	11,589	-	122,556	(8,588)	113,968

5. Turnover (continued)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	28 February 2022	31 August 2021
Receivables, which are included in 'Trade and other receivables'	2,854	4,378
Contract assets, which are included in 'Service Concession Arrangements'	142,033	143,074
Contract liabilities, which are included in 'Accruals and deferred income'	(23,538)	(1,360)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers. This will be recognised as revenue when the service is provided and is expected to be recognised as revenue in next financial year. The whole amount of contract liability balance at the beginning of the period was recognised as revenue during the year.

The Group issues invoices for rental serviced to universities on regular basis as per agreement with university (which varies from quarterly to three times per year). The invoices for rental services are raised upfront for the period agreed with the universities. The payments are typically done within 1 month from the issuance of the invoice.

The Group issues invoices for facilities management services on a monthly basis after the services were performed. The payments are typically done within 1 month from the issuance of the invoice.

During the construction phase, the service concession grantor gives the Group non-cash consideration in the form of an intangible asset being a licence to charge users of the public service, in exchange for construction services. Therefore, there are no revenue cash flows or invoicing activities in relation to construction services revenue.

6. Interest and similar income

	Six months ended 28 February 2022	Six months ended 28 February 2021
	£'000	£'000
Interest received on cash balances	200	213
Interest income on finance receivable	4,132	4,467
Finance gain on fair value movements on swaps	-	283
	4,332	**4,963**

7. Interest and similar expense

	Six months ended 28 February 2022	Six months ended 28 February 2021
	£'000	£'000
Financial liabilities measured at amortised cost		
Interest payable on senior secured notes	17,004	10,421
Interest payable on senior debt	15,035	17,114
Interest payable on index-linked facilities	22,145	5,600
Subordinated loan note interest	1,640	1,585
Financial liabilities measured at fair value		
Fair value movements on swaps	6,712	-
	62,536	**34,720**

8. Intangible assets – service concession arrangements

	Service concession arrangements	Assets in the course of construction	Total
	£'000	£'000	£'000
Cost			
At 1 September 2021	1,790,544	-	1,790,544
At 28 February 2022	**1,790,544**	**-**	**1,790,544**
Amortisation			
At 1 September 2021	170,721	-	170,721
Charge during the year	19,241	-	19,241
At 28 February 2022	**189,962**	**-**	**189,962**
Net book value			
At 28 February 2022	**1,600,582**	**-**	**1,600,582**
At 1 September 2021	1,619,823	-	1,619,823

8. Intangible assets – service concession arrangements (continued)

	Service concession arrangements	Assets in the course of construction	Total
	£'000	£'000	£'000
Cost			
At 1 September 2020	1,616,051	140,559	1,756,610
Additions	-	33,934	33,934
Transfer	174,493	(174,493)	-
At 31 August 2021	**1,790,544**	**-**	**1,790,544**
Amortisation			
At 1 September 2020	132,105	-	132,105
Charge during the year	38,616	-	38,616
At 31 August 2021	**170,721**	**-**	**170,721**
Net book value			
At 31 August 2021	**1,619,823**	**-**	**1,619,823**
At 31 August 2020	1,483,946	140,559	1,624,505

Included in intangible assets are properties being managed under service concession arrangements. Assets under construction became operational in September 2021. Additions in assets under construction comprise of all the costs incurred for asset construction during the financial year.

9. Leases

Property Plant and Equipment comprises owned and leased assets that do not meet the definition of investment property. The Group lease land and buildings for its office space.

Right-of use assets

	Property	Total
	£'000	£'000
Balance at 1 September 2021	4,086	4,086
Additions	-	-
Depreciation charge	(521)	(521)
Balance at 28 February 2022	**3,565**	**3,565**

Lease liabilities maturity analysis – contractual undiscounted cash flows

	28 February 2022	31 August 2021
	£'000	£'000
Less than one year	450	278
One to two years	581	556
Two to five years	1,114	1,715
More than five years	2,275	1,947
Total undiscounted lease liabilities.	**4,420**	**4,496**

The lease for one office space runs for a period of 10 years commencing in November 2021 and was recognised as a lease liability at this date. The other office lease runs for a period of 5 years.

Lease liabilities included in the statement of financial position

	28 February 2022	31 August 2021
	£'000	£'000
Current	450	278
Non-current	3,970	3,808
	4,420	**4,086**

9. Leases (continued)

Amounts recognised in profit or loss

	Period ended 28 February 2022	Year ended 31 August 2021
	£'000	£'000
Interest on lease liabilities	391	(15)
Depreciation charge	(521)	(751)

Amounts recognised in statements of cash flows

	Period ended 28 February 2022	Year ended 31 August 2021
	£'000	£'000
Total cash outflow for leases	(521)	(517)

10. Current trade and other receivables

	28 February 2022	31 August 2021
	£'000	£'000
Trade debtors	2,854	4,378
VAT recoverable	152	539
Prepayments and accrued income	4,947	7,990
	7,953	**12,907**

11. Current trade and other payables

	28 February 2022	31 August 2021
	£'000	£'000
Trade creditors	3,930	13,264
Other taxes and social security	976	890
Lease liabilities	450	-
Accruals and deferred income	55,817	46,334
	61,173	**60,488**

12. Financial assets

	28 February 2022	31 August 2021
	£'000	£'000
Financial assets at amortised cost		
Financial receivable - service concession arrangements	142,033	143,074
Financial assets	872	1,704
Trade and other receivables	2,854	4,378
Cash at bank and in hand	185,279	179,242
	331,038	**328,398**
Total current	189,682	185,926
Total non-current	141,356	142,472

Derivatives designated as hedging instruments reflect the fair value of swap contracts designated as cash flow hedges. Those hedges are used to hedge highly-probable revenue changes due to RPI or interest rate changes.

Derivatives not designated as hedging instruments reflect the fair value of those RPI swap contracts, which are not designated in a hedge relationship, but are nevertheless intended to reduce the level of revenue changes due to RPI changes.

The terms of the finance agreement provide that the lender will seek repayment of the finance only to the extent that sufficient funds are generated by specific assets financed and will not seek recourse to the Company in any other form.

13. Financial liabilities

	28 February 2022	31 August 2021
	£'000	£'000
Financial liabilities at amortised cost		
Senior secured notes	492,815	486,551
Senior debt	480,174	485,571
Senior index linked debt	709,531	714,480
Non-recourse bank debt finance	84,462	79,569
Secured subordinated loan notes	43,371	43,002
Lease liabilities	4,420	4,606
Trade and other payables	3,930	13,264
Derivatives designated as hedging instruments		
Interest rate swaps	103,322	137,879
RPI swaps	81,909	38,793
Derivatives not designated as hedging instruments		
RPI swaps	14,236	7,524
	2,018,170	**2,011,239**
Total current	49,294	64,356
Total non-current	1,968,876	1,946,883

Phase 2 IBOR Reform

The Company has considered the impact of interest rate benchmark reform ("IBOR reform") on its loan accounting and hedge accounting. The Company has adopted the Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39 and IFRS 7 issued in August 2020 ("Phase 2 relief"). Adopting these amendments provides temporary relief from applying specific loan accounting and hedge accounting requirements for hedging relationships directly affected by IBOR reform. For loan accounting, the reliefs have the effect that the Company can update its effective interest rate for the change to the new risk-free rate without recognising an immediate gain or loss. For hedge accounting, the reliefs have the effect that IBOR reform should not generally cause hedge accounting to cease and updates to hedge documentation relating to IBOR reform will not result in a de-designation event for existing hedge relationships. However, any hedge ineffectiveness should continue to be recorded in the income statement. Qualifying for the reliefs is contingent on the Group's transition, i.e. the new risk-free rate plus credit adjustment spread, being economically equivalent to the previous LIBOR basis.

On 5 March 2021, the UK's Financial Conduct Authority (FCA) formally announced the cessation of all GBP London Interbank Offered Rate (LIBOR) benchmark settings currently published by ICE Benchmark Administration (IBA) immediately after 31 December 2021. In response, during the current year, the Group has entered into agreements with its lenders to amend the benchmark rate referenced in the agreements from GBP LIBOR to GBP SONIA plus a credit adjustment spread to compensate for the basis differential between the two benchmarks. The loans were amended as of:

- February 2022 with a rate switch date to SONIA effective as of 28 February 2022 for a debt repayable on 31 August 2039
- February 2022 with a rate switch date to SONIA effective as of 28 February 2022 for a debt repayable on 31 August 2039
- February 2022 with a rate switch date to SONIA effective as of 28 February 2022 for a debt repayable on 31 August 2041
- April 2022 with a rate switch date to SONIA effective as of 31 March 2022 for a debt repayable on 31 August 2042
- January 2022 with a rate switch date to SONIA effective as of 14 March 2022 for a debt repayable on 31 August 2044
- January 2022 with a rate switch date to SONIA effective as of 31 December 2021 for a revolving credit facility

As part of the Company's IBOR reform programme, the derivative instruments hedging the GBP LIBOR interest rate risk were also amended to update the reference benchmark index from GBP LIBOR to SONIA plus an economically equivalent credit adjustment spread. The hedging instruments were amended as of:

- February 2022 for two derivative instruments with a rate switch date to SONIA effective as of 28 February 2022
- January 2022 for one derivative instrument with a rate switch date to SONIA effective as of 14 March 2022
- April 2022 for one derivative instrument with a rate switch date to SONIA effective as of 31 March 2022

In accordance with the Phase 2 amendments to IFRS 9, the Company has adjusted the effective interest rate on its borrowings resulting in no immediate impact on profit or loss. The Company determined that the amendment to the derivative contracts resolved the uncertainty arising from the timing and cash flows arising from a change in interest rate benchmark and has therefore also updated its hedge documentation with no discontinuation of hedge accounting or immediate release from the cash flow hedge reserve.

14. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group uses RPI swaps to manage some of the inflation-related risk in relation to revenue. These contracts are not designated as cash flow hedges and are entered into for the period consistent with the length of the service concession arrangement contract.

Cash flow hedges

The Group uses RPI swaps and IR swaps to manage some of the inflation risk in relation to the Group's revenue and to manage interest rate risk in relation to the debt costs. The derivative contract lengths are aligned with the length of the service concession arrangement contract in relation to the RPI swaps and with the length of the debt contracts in relation to IR swaps.

	28 February 2022		31 August 2021	
	£'000		£'000	
	Assets	Liabilities	Assets	Liabilities
IR swaps designated as hedging instrument	-	(103,322)	-	(137,879)
RPI swaps designated as hedging instrument	-	(81,909)	-	(38,793)
RPI swaps not designated as hedging instruments	-	(14,236)	-	(7,524)
	-	**(199,467)**	**-**	**(184,196)**

14. Hedging activities and derivatives (continued)

The Group chooses to adopt hedge accounting for all its derivative financial instruments which meet the qualifying criteria for hedge accounting and reflect all movements in the fair value of these derivative financial instruments through the cash flow hedge reserve as follows:

	28 February 2022	31 August 2021
	£'000	£'000
Fair value of derivatives used for hedging		
Creditors: amounts falling due after one year	(185,231)	(176,672)
Debtors: amounts falling due after one year	-	-
Movement in fair value of derivatives used for hedging		
Recognised profit/(loss) through other comprehensive income:		
Owners of the Parent	(8,517)	(572)
Non-controlling interest	(42)	(170)
Fair value of derivatives not used for hedging		
Creditors: amounts falling due after more than one year	(14,236)	(7,524)
Debtors: amounts falling due after one year	-	-
Movement in fair value of derivatives not used for hedging		
Recognised profit through the income statement	(6,712)	(3,821)

15. Fair value measurement

The following table provides the fair-value measurement and hierarchy of the Group's financial assets and liabilities:

	28 February 2022		31 August 2021	
	£'000		£'000	
	Book value	Significant observable inputs Level 2	Book value	Significant observable inputs Level 2
Financial assets				
Derivatives designated as hedging instruments				
RPI swaps	-	-	-	-
Derivatives not designated as hedging instruments				
RPI swaps	-	-	-	-
Financial assets at amortised cost				
Financial receivable - service concession arrangements	142,033	134,838	143,074	133,921
Financial assets - other	872	872	1,704	1,704
Trade and other receivables	2,854	*	4,378	*
Cash at bank and in hand	185,279	*	179,242	*
	331,038		**328,398**	
Financial liabilities				
Borrowings				
Senior secured notes	492,815	464,645	486,551	472,456
Senior debt	480,174	478,793	485,571	482,148
Senior index-linked debt	709,531	640,882	714,480	649,312
Non-recourse bank debt finance	84,462	81,261	79,569	81,792
Secured subordinated loan notes	43,371	22,564	43,002	22,507
Lease liabilities	4,420	4,420	4,606	4,606
Derivatives designated as hedging instruments				
Interest rate swaps	103,322	103,322	137,879	137,879
RPI swaps	81,909	81,909	38,793	38,793
Derivatives not designated as hedging instruments				
RPI swaps	14,236	14,236	7,524	7,524
Financial liabilities at amortised cost				
Trade and other payables	3,930	*	13,264	*
	2,018,170		**2,011,239**	

* The Group has not disclosed the fair values for financial instruments, such as short-term trade receivables and payables, because their carrying amount is a reasonable approximation of fair value.

15.1 Valuation techniques and significant unobservable inputs

Type	Valuation technique
Derivative instruments	The fair values of the derivative IR swap contracts and RPI swap contracts are estimated by discounting expected future cash flows using market interest rates and market inflation rates
Financial receivables - service concession arrangements Trade and other receivables Cash at bank and in hand Trade and other payables	The fair values of the Group's cash and cash equivalents and trade payables and receivables are not materially different from those at which they are carried in the financial statements due to the short-term nature of these instruments
Borrowings	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate

16. Provisions for liabilities

	Dilapidations	Cladding	Total
	£'000	£'000	£'000
At 1 September 2021	30	3,999	4,029
(Credited) / charged to profit & loss account		(1,928)	(1,928)
At 28 February 2022	**30**	**2,071**	**2,101**

	Dilapidations	Cladding	Total
	£'000	£'000	£'000
At 1 September 2020	215	-	215
(Credited) / charged to profit & loss account	(185)	3,999	3,814
At 31 August 2021	**30**	**3,999**	**4,029**

In prior years the Group identified that certain remedial works were required to the cladding at one of its properties. Anticipated cost of £3,999k was identified in year ended 31 August 2021. Work had commenced and is ongoing. As there is an obligation to complete the works, it is probable that economic benefit will transfer, and the liability can be estimated reliably.

17. Reserves

Capital reserve

Contained with the Capital reserve is £16,037k relating to capital contributions made by the previous shareholders of the Group to fund the liabilities previously accrued under the long term incentivisation scheme and the contingent consideration that arose on the purchase of shares in UPP Projects Limited in 2008. All of these contributions have been received in cash and are non-refundable. A further £6,348k of the capital contributions relate to subordinated debt acquired by the group on September 2012 from Barclays European Infrastructure Fund II LP, a previous shareholder.

Cash flow hedge reserve

Cash flow hedge reserve record the fair-value movements on the derivatives financial instruments and the deferred tax associated with these.

Profit and loss account

The reserve consists of current and prior year profit and loss.

18. Parent undertaking and controlling party

The Group and the Company is 60% owned by PGGM Vermogensbeheer BV ('PGGM'), on behalf of their pension fund clients. This entity is incorporated in The Netherlands.

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

19. Related party transactions

As at 28 February 2022, the Directors consider that, during the year, Nottingham Trent University, the University of Reading, the University of London and the University of Hull are the only related parties of the Group by virtue of their shareholdings in the Company: UPP (Clifton) Holdings Limited, UPP (Byron House) Holdings Limited, UPP (Reading 1) Holdings Limited, UPP (Cartwright Gardens) Holdings Limited, UPP (Duncan House) Holdings Limited and UPP (Hull) Holdings Limited respectively.

During the six months ended 28 February 2022, the Group received an income of £5,719k (six months ended 29 February 2021: £5,693k) from Nottingham Trent University in respect of services provided by UPP (Clifton) Holdings Limited and UPP (Byron House) Holdings Limited.

During the six months ended 28 February 2022, the Group received an income of £15,607k (six months ended 29 February 2021: £15,463k) from University of Reading in respect of services provided by UPP (Reading I) Holdings Limited and incurred costs of £1,467k (six months ended 29 February 2021: £1,117k) in respect of services provided by the University of Reading.

During the six months ended 28 February 2022, the Group incurred costs of £152k (six months ended 29 February 2021: £184k) in respect of services provided by the University of London and received income of £8,415k (six months ended 29 February 2021: £8,329k) in respect of services provided by UPP (Cartwright Gardens) Holdings Limited and UPP (Duncan House) Holdings Limited.

During the six months ended 28 February 2022, the Group incurred costs of £5k (six months ended 29 February 2021: nil) in respect of services provided by the University of London and received income of £5,232k (six months ended 29 February 2021: £4,722k) in respect of services provided by UPP (Hull) Holdings Limited.

During the period ended 28 February 2022 the Group has paid a dividend of £8,000k to the shareholders PGGM and Okra Gee Investment Limited.

20. Investments

The Company owns 100% of the issued share capital in UPP Group Holdings Limited, which itself owns 100% of the issued share capital of UPP Group Limited.

Details of subsidiaries in which UPP Group Limited holds 20% or more of the nominal value of any class of share capital (or effective interest in), and which are included within the consolidated results of these financial statements, are as follows:

The proportion of voting rights held is in line with the proportion of shares held.

Entity	Proportion	Shares held class	Nature of Business
UPP (Alcuin) Limited	100%	Ordinary	Student Accommodation
UPP (Lancaster) Holdings Limited	100%	Ordinary	Student Accommodation
UPP (Broadgate Park) Holdings Limited	100%	Ordinary	Student Accommodation
UPP (Nottingham) Limited	100%	Ordinary	Student Accommodation
UPP (Plymouth Three) Limited	100%	Ordinary	Student Accommodation
UPP (Kent Student Accommodation) Limited	100%	Ordinary	Student Accommodation
UPP (Loughborough Student Accommodation) Holdings Limited	100%	Ordinary	Student Accommodation
UPP Leeds Student Residences Limited	100%	Ordinary	Student Accommodation
UPP Loring Hall Limited	100%	Ordinary	Student Accommodation
UPP (Oxford Brookes) Limited	100%	Ordinary	Student Accommodation
UPP (Reading I) Holdings Limited	80%	Ordinary	Student Accommodation
UPP (Kent Student Accommodation II) Holdings Limited	100%	Ordinary	Student Accommodation
UPP (Clifton) Holdings Limited	80%	Ordinary	Student Accommodation
UPP (Exeter) Limited	100%	Ordinary	Student Accommodation
UPP (Byron House) Holdings Limited	80%	Ordinary	Student Accommodation

Entity	Proportion	Shares held class	Nature of Business
UPP (Kent Turing) Holdings Limited	100%	Ordinary	Student Accommodation
UPP (Cartwright Gardens) Holdings Limited	85%	Ordinary	Student Accommodation
UPP (Duncan House) Holdings Limited	85%	Ordinary	Student Accommodation
UPP (Hull) Holdings Limited	90%	Ordinary	Student accommodation
UPP (Swansea) Holdings Limited	100%	Ordinary	Student accommodation
UPP (Exeter 2) Holdings 1 Limited	100%	Ordinary	Student accommodation
UPP (Exeter 2) Holdings 2 Limited	100%	Ordinary	Student accommodation
UPP (East Park) Holdings 1 Limited	100%	Ordinary	Student accommodation
UPP (East Park) Holdings 2 Limited	100%	Ordinary	Student accommodation
UPP (Swansea 2) Holdings 1 Limited	100%	Ordinary	Student accommodation
UPP (Swansea 2) Holdings 2 Limited	100%	Ordinary	Student accommodation
UPP Bond 1 Issuer plc	100%	Ordinary	Provision of senior secured bond funding
UPP Projects Limited	100%	Ordinary	Partnerships development for the provision of student accommodation
UPP Residential Services Limited	100%	Ordinary	Provision of facility management services
UPP Group Holdings Limited	100%	Ordinary	Holding company
UPP Group Limited	100%	Ordinary	Holding company
UPP (MidCo) Limited	100%	Ordinary	Holding company
Residence Cloud Limited	100%	Ordinary	Provision of IT services

20. Investments (continued)

Entity	Proportion	Shares held class	Nature of Business
UPP (York) Limited	100%	Ordinary	Dormant company
UPP (Plymouth Two) Limited	100%	Ordinary	Dormant company
UPP (Plymouth) Limited	100%	Ordinary	Dormant company
UPP James Square Plymouth Limited	100%	Ordinary	Dormant company
UPP (Gill Street) Limited	100%	Ordinary	Dormant company
UPP Secretarial Services Limited	100%	Ordinary	Dormant company
UPP Management Limited	100%	Ordinary	Dormant company
UPP Asset Finance Limited	100%	Ordinary	Dormant company
UPP Limited	100%	Ordinary	Dormant company
UPP Warehouse Limited	100%	Ordinary	Dormant company
UPP (RNCM) Limited	100%	Ordinary	Dormant company
UPP Dormant 1 Limited	100%	Ordinary	Dormant company
UPP (Aberdeen) Limited	100%	Ordinary	Dormant company
UPP (Miller Street) A Limited	100%	Ordinary	Dormant company

21. Cash and cash equivalents

	28 February 2022	31 August 2021
	£'000	£'000
Cash at bank and in hand	150,279	172,416
Short-term deposits	35,000	6,826
Cash and cash equivalents	**185,279**	**179,242**

The cash and cash equivalents disclosed above and in the statement of cash flows include £175,602k as at 28 February 2022 (£171,804k as at 31 August 2021) of restricted cash. This cash is subject to be used only by SPVs in line with the service concession agreements and is therefore not available for general use by the other entities within the Group.

22. Restatement of prior periods

During the period ended 28 February 2022 management have revised and corrected some overheads costs that were presented incorrectly in Profit and Loss for the period ended 28 February 2021.

Consolidated statement of profit or loss for the six months ended 28 February 2021

	As previously reported	Adjustments	As restated
	£'000		£'000
Operating expenses	(38,987)	600	(38,387)
Operating profit	**32,280**	**600**	**32,880**
Profit/(Loss) for the financial year	**2,523**	**600**	**3,123**
Profit/(Loss) per share (in GBP)			
Basic	2.5		3.1
Diluted	2.5		3.1

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