

**UPP (Plymouth) Limited
Report and financial statements**

For the year ended 31 August 2013

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UPP (Plymouth) Limited

Report and financial statements

for the year ended 31 August 2013

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UPP (Plymouth) Limited

Directors and advisors



Directors

G Behr
J Benkel

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 (Plymouth) Limited

Directors' report

for the year ended 31 August 2013



The directors present their report and financial statements for the year ended 31 August 2013

Results, principal activity and review of the business

The company's principal activity was the development, funding, and construction of student accommodation under the University Partnerships Programme

On the 5 March 2013 UPP (Plymouth Three) Limited acquired the business and assets and assumed all liabilities of the company for a consideration of £11,709,000. The company ceased to trade from this date.

The profit for the year attributable to shareholders and reported in the financial statements is £53,000 (2012 profit £151,000).

Key performance indicators

The business and assets of the company were acquired by the parent company, UPP (Plymouth Three) Limited, on 5 March 2013 and the key performance indicators relating to the business of the company have been considered in the financial statements of that company.

Financial risk management objectives and policies

The company ceased to trade from 5 March 2013 with all liabilities being assumed by the acquiring company UPP (Plymouth Three) Limited, therefore no financial risk management objectives and policies have been considered.

Dividend

The directors propose the payment of a dividend of £2,959,000 (2012 £Nil).

Directors and their interests

The directors holding office during the year ended 31 August 2013 and subsequently are

G Behr
J Benkel
A Clapp (Resigned 13 September 2012)
R McClatchey (Resigned 12 September 2012)

At 31 August 2013, none of the directors had any beneficial interests in the shares of the company or in any of the group companies.

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 (2012 20 days).

UPP (Plymouth) Limited

Directors' report (continued)

for the year ended 31 August 2013

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 judgements and 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

The directors are responsible for keeping adequate accounting records that 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 the directors are 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



J Benkel
Director

30 October 2013



Grant Thornton

Report of the independent auditor to the members of UPP (Plymouth) Limited

We have audited the financial statements of UPP (Plymouth) Limited for the year ended 31 August 2013 which comprise the profit and loss account, statement of total recognised gains and losses, note of historical cost profits and losses, 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 3, 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 an audit of financial statements is provided on the APB's website at 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 2013 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.



Grant Thornton

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

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

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

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

30 **October 2013**

UPP (Plymouth) Limited

Profit and loss account

for year ended 31 August 2013

		Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
	Notes		
Turnover	2	936	1,872
Cost of sales		(316)	(466)
Gross profit		620	1,406
Operating expenses		(111)	(285)
Operating profit	6	509	1,121
Interest payable & similar charges	7	(447)	(939)
Profit on ordinary activities before taxation		62	182
Tax charge on profit on ordinary activities	8	(9)	(31)
Profit for the financial year	14	53	151

The above results all relate to discontinued operations

UPP (Plymouth) Limited
Statement of total recognised gains
and losses for year ended 31 August 2013

		Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
	Notes		
Profit for the financial year	14	53	151
Revaluation of principal asset	14	-	701
Total recognised gains and losses relating to the year		53	852

Note of historical cost profits and losses

	Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
Reported profit on ordinary activities before taxation	62	182
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated at the revalued amount	-	18
Historical cost profit on ordinary activities before taxation	62	200

UPP (Plymouth) Limited
Balance sheet
as at 31 August 2013

	Notes	31 August 2013 £'000	31 August 2012 £'000
Fixed assets			
Tangible assets	9	-	21,460
Current assets			
Debtors amounts falling due within one year	10	-	2
Creditors amounts falling due within one year	11	-	(11,271)
Net current liabilities		-	(11,269)
Total assets less current liabilities		-	10,191
Provisions for liabilities and charges	12	-	(309)
		-	9,882
Share capital and reserves			
Called up share capital	13	-	200
Revaluation reserve	14	-	6,811
Profit and loss account	14	-	2,871
		-	9,882

The financial statements were approved by the board on 30 October 2013
and were signed on its behalf by



J Benkel
Director

Registered No: 03452420

UPP (Plymouth) Limited

Notes to the financial statements

for the year ended 31 August 2013

1. Principal accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed assets, and in accordance with applicable accounting standards and the Companies Act 2006. The accounting policies remain unchanged from the previous year.

(b) 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.

(c) Presentation of principal asset

Rent receivable is generated from the company's interests in university accommodation.

Each year the company reviews the status of these interests, in accordance with the provisions of FRS 5 (Application Note F), assessing the balance of the significant risks and rewards of ownership of the asset. The appropriate balance sheet treatment of these interests is to treat the asset as a finance receivable asset where the company does not have the majority of significant risks and rewards. Where it does, the asset is treated as a tangible fixed asset.

The directors consider the balance of the risks and rewards lies with the Company and therefore the asset is treated as a tangible fixed asset.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of the tangible fixed assets, less any residual value, over the expected useful economic lives of the assets concerned once construction is complete. The principal rates of depreciation used for this purpose are:

Assets for use in operating leases - annuity method over the term of the lease

The economic benefit of the principal assets for use in operating leases is the return on assets invested into the financing arrangement with the relevant university. The annuity method takes into account the cost of capital notionally invested in the principal asset. Notional interest calculated using the relevant company's actual weighted cost of capital and depreciation combined will give an approximately constant charge to revenue.

UPP (Plymouth) Limited
Notes to the financial statements (continued)
for the year ended 31 August 2013

1. Principal accounting policies (continued)

(d) Tangible fixed assets (continued)

The company has adopted a policy to revalue the principal asset every five years with an interim valuation performed in year three of the cycle and in other years if there is evidence that the value has changed significantly. The surplus or deficit on the book value of the historical asset is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves.

(e) Income recognition

Rent receivable is recognised on the basis of the amount receivable in respect of the accounting period. Amounts received in advance are included within deferred income.

(f) Debt issue costs

The debt issue costs incurred have been offset against the related debt and will be charged to finance costs at a constant rate on the carrying value of the debt. If it becomes clear that the related debt will be redeemed early then the charge to finance costs will be accelerated. Where there is an early repayment clause within the debt instrument, costs incurred are amortised to the profit and loss account to the earliest opportunity the debt could be repaid.

(g) Taxation

(i) Current tax

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

UPP (Plymouth) Limited

Notes to the financial statements (continued)

for the year ended 31 August 2013

1. Principal accounting policies (continued)

(g) Taxation (continued)

(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 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 (Plymouth Three) Limited which is a wholly owned subsidiary of the ultimate parent company 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. Turnover

Turnover represents income, on the basis of accounting policy 1(e), excluding VAT, attributed to the provision of student accommodation.

3. Directors' remuneration

The directors accrued £Nil (2012: £Nil) in respect of services performed in connection of the management of the affairs of this company.

UPP (Plymouth) Limited
Notes to the financial statements (continued)
for the year ended 31 August 2013

4. Auditors' remuneration

	Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
Fees payable to the Company's auditor for the audit of the company's annual accounts	5	16
Fees payable to the Company's auditor and its associates for other services		
Tax services	5	4
	10	20

5. Employee information

The average number of persons employed by the company during the year was as follows

	2013 Number	2012 Number
Administration, maintenance and cleaning (full and part time)	3	7

The employment costs of all employees included above were

	Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
Wages and salaries	39	75
Social security costs	2	4
Other pension costs	-	-
	41	79

6. Operating profit

The operating profit is stated after charging

	Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
Depreciation	34	62

UPP (Plymouth) Limited
Notes to the financial statements (continued)
for the year ended 31 August 2013

7. Interest payable and similar charges

	Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
Interest payable on loan from immediate parent undertaking	<u>447</u>	<u>939</u>

8. Tax on profit / (loss) on ordinary activities

	Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
a) Analysis of charge for the year		
Current tax on income for the year (note 8b)	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Current year (note 12)	18	58
Rate difference	-	(27)
Adjustment in respect to prior years	<u>(9)</u>	<u>-</u>
Tax charge on profit on ordinary activities	<u>9</u>	<u>31</u>

b) Factors affecting current tax charge for the year

The tax assessed for the year is higher (2012 higher) than the standard rate of corporation tax in the UK 23% (2012 25%) The differences are explained below

	Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
Profit on ordinary activities before tax	<u>62</u>	<u>182</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 25%)	14	46
<i>Effects of</i>		
Disallowable expenses	6	12
Capital allowances in excess of depreciation	(18)	(58)
Unutilised tax losses	<u>(2)</u>	<u>-</u>
Current tax charge for the year (note 8a)	<u>-</u>	<u>-</u>

c) Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided is £nil (2012 £184,000). At present, it is not envisaged that any tax will become payable in the foreseeable future.

UPP (Plymouth) Limited
Notes to the financial statements (continued)
for the year ended 31 August 2013

9. Tangible fixed assets

	Assets for use in operating leases £'000
Cost or valuation	
At 1 September 2012	21,460
Disposal of asset	(21,460)
At 31 August 2013	-
Depreciation	
At 1 September 2012	-
Charge during the year	(34)
Disposal of asset	34
At 31 August 2013	-
Net book value	
At 31 August 2013	-
At 31 August 2012	21,460

The interest in the asset for use in operating leases was sold to the parent company UPP (Plymouth Three) Limited on 5 March 2013

If assets used in operating leases had not been revalued they would have been included at the following amounts

	Assets for use in operating leases 31 August 2013 £'000	Assets for use in operating leases 31 August 2012 £'000
Cost	-	14,820
Depreciation	-	(171)
Net book value	-	14,649

UPP (Plymouth) Limited
Notes to the financial statements (continued)
for the year ended 31 August 2013

10. Debtors: amounts falling due within one year

	31 August 2013 £'000	31 August 2012 £'000
Prepayments and accrued income	-	2
	<u>-</u>	<u>2</u>

11. Creditors: amounts falling due within one year

	31 August 2013 £'000	31 August 2012 £'000
Trade creditors	-	1
Amounts owed to group undertakings	-	113
Amounts owed to parent company	-	11,133
Accruals and deferred income	-	24
	<u>-</u>	<u>11,271</u>

At the 31 August 2012 the loan from the company's immediate parent undertaking, UPP (Plymouth Three) Limited was repayable on demand and the interest was fixed at a rate of 7.75%

Under the terms of the sale and purchase agreement this loan was deemed settled when UPP (Plymouth Three) Limited acquired the business and assets and assumed all liabilities of the company on 5 March 2013

12. Provisions for liabilities

Deferred tax liability	31 August 2013 £'000	31 August 2012 £'000
At 1 September	309	278
Charged to profit & loss account	9	31
Transfers	(318)	-
At 31 August	<u>-</u>	<u>309</u>

Deferred Tax	31 August 2013 £'000	31 August 2012 £'000
The deferred tax liability consists of		
Accelerated capital allowances	-	309
Total deferred tax liability	<u>-</u>	<u>309</u>

UPP (Plymouth) Limited
Notes to the financial statements (continued)
for the year ended 31 August 2013

13. Called up share capital

	31 August 2013 £'000	31 August 2012 £'000
Authorised		
Ordinary shares of £1 each	-	200
Allotted, called up and fully paid		
Ordinary shares of £1 each	-	200

14. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Revaluation Reserve £'000	Profit & loss account £'000	Total shareholders' funds £'000
At 1 September 2012	200	6,811	2,871	9,882
Repurchase of share capital	(200)	-	-	(200)
Transfer to profit and loss	-	(35)	35	-
Loss on disposal	-	(6,776)	-	(6,776)
Dividends paid	-	-	(2,959)	(2,959)
Profit for the year	-	-	53	53
At 31 August 2013	-	-	-	-

15. Parent undertaking and controlling party

The company's immediate parent undertaking is UPP (Plymouth Three) Limited

UPP (Plymouth Three) Limited is a wholly owned subsidiary of UPP Group Limited, which is 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. In January 2013 the remaining 40% stake in the group was sold

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'

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 (Plymouth Three) 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