

**UPP Group Limited
Report and financial statements**

For the year ended 31 August 2011



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UPP Group Limited

Report and financial statements

for the year ended 31 August 2011



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**UPP Group Limited
Directors' report
for the year ended 31 August 2011
Directors and advisors**



Directors

S O'Shea
M Allen
G Behr
J Benkel
A Clapp
P Goddard
D Palmer
J Wakeford

Secretary

J Benkel

Auditor

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

Registered office

40 Gracechurch Street
London
EC3V 0BT

UPP Group Limited

Directors' report

for the year ended 31 August 2011



The directors present their report and financial statements for the year ended 31 August 2011

Results, principal activities and review of the business

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

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

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

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

The profit for the year attributable to shareholders and reported in the financial statements is £7,232,000 (2010: £5,740,000).

Post balance sheet event

On 16 December 2011 the company acquired all of the shareholding in UPP (Exeter) Holdings Limited and 80% of the shareholding in UPP (Clifton) Holdings Limited by way of a share for share exchange with its parent company UPP Group Holdings Limited, who acquired these entities by way of a share for share exchange with Barclays European Infrastructure Funds II LP.

On 21 December 2011 the company acquired 100% of the share capital in a newly created investment entity, UPP (MidCo) Limited. On the same date, the company acquired 24% of a newly created student accommodation company, UPP (Reading I) Holdings Ltd, whilst UPP (MidCo) Limited acquired 56% of the same company. The total increase in new investments, including the subscription of subordinated loan notes, is £49.6m.

On 20 December 2011 the entity drew down a loan for an amount of £24,153,822, out of a total available facility of £28,537,900. This loan is redeemable by 31 May 2012 either in cash or shares, and will incur interest ranging between 0 - 12%.

Financial risk management objectives and policies

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

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

UPP Group Limited

Directors' report (continued)

for the year ended 31 August 2011

Interest rate risk

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

Liquidity risk

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

Dividend

The directors paid a dividend of £nil during the year (2010 £2,800,000).

Directors and their interests

The directors holding office during the year ended 31 August 2011

M Allen	
G Behr	
J Benkel	
A Clapp	
C Crawford	(resigned 2 October 2010)
P Goddard	
D Lomas	(resigned 29 September 2010)
D Palmer	(appointed 26 January 2011)
S O'Shea	
Y Wells	(resigned 24 January 2011)
J Wakeford	(appointed 23 February 2011)

At 31 August 2011, 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 41 days (2010 55 days).

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

UPP Group Limited
Directors' report (continued)
for the year ended 31 August 2011

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

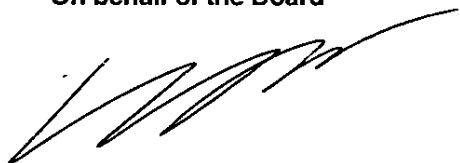
In so far as each of the directors is aware

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

Auditor

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

On behalf of the Board



G Behr
Director

31 January 2012

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

We have audited the financial statements of UPP Group Limited for the year ended 31 August 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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



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

Central Milton Keynes

31 January 2012

UPP Group Limited

Profit and loss account

for year ended 31 August 2011



		Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
	Notes		
Other operating income	2	84	77
Investment income from subsidiary undertakings		2,500	4,315
Operating expenses		(3,114)	(4,590)
Operating loss	3	(530)	(198)
Interest receivable & similar income	7	7,235	6,494
Profit on ordinary activities before taxation		6,705	6,296
Tax credit / (charge) on profit on ordinary activities	8	527	(556)
Profit for the financial year	17	7,232	5,740

The above results all relate to continuing operations

The company has no recognised gains and losses other than the profit for the years ended 31 August 2011 and 31 August 2010 and therefore no separate statement of total recognised gains and losses has been presented

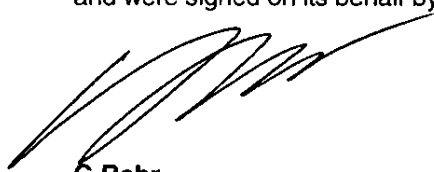
UPP Group Limited

Balance sheet

as at 31 August 2011

		31 August 2011 £'000	31 August 2010 £'000
	Notes		
Fixed assets			
Tangible assets	9	635	-
Investments	10	19,337	19,096
Current assets			
Debtors amounts falling due within one year	11	8,601	7,039
Debtors amounts falling due after more than one year	12	80,604	74,627
Cash at bank and in hand	13	6,917	8,828
		<u>96,122</u>	<u>90,494</u>
Creditors amounts falling due within one year	14	(4,304)	(5,226)
Net current assets		<u>91,818</u>	<u>85,268</u>
Total assets less current liabilities		<u>111,790</u>	<u>104,364</u>
Provisions for liabilities	15	<u>(41)</u>	<u>-</u>
		<u>111,749</u>	<u>104,364</u>
Share capital and reserves			
Called up share capital	16	1	1
Share premium account	17	85,493	85,493
Capital reserve	17	745	592
Profit and loss account	17	25,510	18,278
		<u>111,749</u>	<u>104,364</u>

The financial statements were approved by the board on 31 January 2012
and were signed on its behalf by


G Behr
Director


J Benkel
Director

Registered number: 06218832

UPP Group Limited

Notes to the financial statements

for the year ended 31 August 2011

1. Principal accounting policies

(a) Basis of accounting

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

(b) Consolidation

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

(c) Cash flow statement

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

(d) Investments

Investments are held at historic cost.

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

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

(e) Tangible fixed assets

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

Office equipment	10 years
Leasehold improvements	10 years

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

(f) Impairment reviews

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

UPP Group Limited

Notes to the financial statements (continued)

for the year ended 31 August 2011

(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

(ii) Deferred tax

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

- Provision is made for gains on disposal of assets that have been rolled over into replacement assets only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned
- Provision is not made for the remittance of a subsidiary, associate or joint venture's earnings that would cause tax to be payable where no commitment has been made to the remittance of the earnings
- Deferred tax assets are recognised to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which the timing differences reverse, based on the tax rates enacted at the balance sheet date. Group relief is only accounted for to the extent that a formal policy is in place at the year / period end. Where no policy is in place, current and deferred tax is measured before benefits which may arise from a formal group relief policy.

(h) Defined contribution pension scheme

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

(i) 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.

(j) Capital reserve

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

(k) Operating leases

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

2. Other operating income

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

UPP Group Limited
Notes to the financial statements (continued)
for the year ended 31 August 2011

3. Operating loss

The operating loss is stated after charging

	Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
Depreciation	<u>52</u>	<u>-</u>

4. Directors' remuneration

	Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
Emoluments	364	479
Company contributions to defined contribution schemes	<u>32</u>	<u>25</u>
	<u>396</u>	<u>504</u>

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

	Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
Emoluments	165	281
Company contributions to defined contribution schemes	<u>15</u>	<u>13</u>
	<u>180</u>	<u>294</u>

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

5. Employee costs

	2011 Number	2010 Number
The average number of persons employed by the company during the year was as follows		
Administration	<u>10</u>	<u>6</u>

These employees are paid through the subsidiary undertakings and the company was recharged an amount of £766,000 by its subsidiary, UPP Projects Limited, for services provided by these employees (2010 £1,148,000)

UPP Group Limited
Notes to the financial statements (continued)
for the year ended 31 August 2011

6. Auditors' remuneration

	Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
Fees payable to the Company's auditor for the audit of the company's annual accounts	3	3
Fees payable to the Company's auditor and its associates for other services		
Audit of other group companies	33	38
Tax services	6	6
	<u>42</u>	<u>47</u>

7. Interest receivable and similar income

	Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
Interest on cash balances	278	227
Interest from secured subordinated loan notes	6,957	6,267
	<u>7,235</u>	<u>6,494</u>

8. Tax on profit on ordinary activities

	Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
a) Analysis of (credit)/charge for the year		
<i>Current tax</i>		
Current tax on income for the year (note 8b)	-	556
Adjustment to tax charge in respect of prior years	(556)	-
	<u>(556)</u>	<u>556</u>
<i>Deferred tax</i>		
Current year	31	-
Adjustments to tax charge in respect of previous years	(2)	-
Total deferred tax	<u>29</u>	<u>-</u>
Tax (credit) / charge on profit on ordinary activities	<u>(527)</u>	<u>556</u>

UPP Group Limited
Notes to the financial statements (continued)
for the year ended 31 August 2011

8. Tax on profit on ordinary activities (continued)

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

The tax assessed for the year is lower (2010 lower) than the standard rate of corporation tax in the UK 27% (2010 28%). The differences are explained below

	Year ended 31 August 2011 £'000	Year ended 31 August 2010 £'000
Profit on ordinary activities before tax	<u>6,705</u>	<u>6,296</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27% (2010 28%)	1,810	1,763
<i>Effects of</i>		
Expenses disallowable for tax purposes	5	-
Capital allowances in excess of depreciation	(35)	-
Other timing differences	3	1
Non taxable income	(675)	(1,208)
Adjustment to tax charge in respect of prior years	(556)	-
Group relief claimed not paid for	<u>(1,108)</u>	<u>-</u>
Current tax (credit) / charge for the year (note 8a)	<u>(556)</u>	<u>556</u>

9. Tangible fixed assets

	Leasehold Improvements £'000	Office Equipment £'000	Total £'000
Cost			
At 1 September 2010	-	-	-
Additions	496	191	687
At 31 August 2011	<u>496</u>	<u>191</u>	<u>687</u>
Depreciation			
At 1 September 2010	-	-	-
Charge during the year	(37)	(15)	(52)
At 31 August 2011	<u>(37)</u>	<u>(15)</u>	<u>(52)</u>
Net book value			
At 31 August 2011	<u>459</u>	<u>176</u>	<u>635</u>
At 31 August 2010	-	-	-

10. Fixed asset investments

Company	Interest in subsidiary undertakings £'000
At 1 September 2010	19,096
Additions	241
At 31 August 2011	<u>19,337</u>

UPP Group Limited

Notes to the financial statements (continued)

for the year ended 31 August 2011



10. Fixed asset investments (continued)

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

During the year, the Company incorporated a subsidiary entity, UPP (Kent Student Accommodation II) Holdings Limited, and acquired 100% of its shares

	Proportion of shares held	Nature of Business
UPP (Alcuin) Limited	78%	Student Accommodation
UPP (Lancaster) Holdings Limited	100%	Student Accommodation
UPP (Nottingham) Limited	80%	Student Accommodation
UPP (Broadgate Park) Holdings Limited	100%	Student Accommodation
UPP (Plymouth Three) Limited	100%	Student Accommodation
UPP (Kent Student Accommodation) Limited	100%	Student Accommodation
UPP (Loughborough Student Accommodation) Holdings Limited	100%	Student Accommodation
UPP (Oxford Brookes) Limited	100%	Student Accommodation
UPP (Reading) Limited	100%	Student Accommodation
UPP Leeds Metropolitan II Limited	100%	Student Accommodation
UPP Loring Hall Limited	100%	Student Accommodation
UPP (Kent Student Accommodation II) Holdings Ltd	100%	Student Accommodation
UPP Projects Limited	100%	Develop partnerships for the provision of student accommodation
UPP Residential Services Limited	100%	Provision of facility management services

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

The results for the year ended 31 August 2011, and the capital & reserves as at 31 August 2011 for each of these subsidiary undertakings is -

	Profit & Loss for the year £'000	Capital & Reserves £'000
UPP (Alcuin) Limited	46	16,953
UPP (Lancaster) Holdings Limited	(1,748)	18,725
UPP (Nottingham) Limited	(2,059)	5,559
UPP (Broadgate Park) Holdings Limited	(1,455)	(5,696)
UPP (Plymouth Three) Limited	(402)	13,247
UPP (Kent Student Accommodation) Limited	(111)	2,813
UPP (Loughborough Student Accommodation) Holdings Limited	(148)	1,616
UPP (Oxford Brookes) Limited	(66)	2,668
UPP (Reading) Limited	(390)	6,582
UPP Leeds Metropolitan II Limited	(561)	(1,048)
UPP Loring Hall Limited	1	147
UPP (Kent Student Accommodation II) Holdings Limited	-	241
UPP Projects Limited	(2,512)	5,709
UPP Residential Services Limited	1,667	4,534

UPP Group Limited
Notes to the financial statements (continued)
for the year ended 31 August 2011

11. Debtors: amounts falling due within one year

	31 August 2011 £'000	31 August 2010 £'000
Sundry debtors and accrued income	118	114
VAT recoverable	87	98
Amounts due from group undertakings	8,396	6,827
	8,601	7,039

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

	31 August 2011 £'000	31 August 2010 £'000
Secured subordinated loan notes	80,604	74,627

Secured subordinated loan notes

The subordinated loan note funding is provided to a number of the subsidiary undertakings. During the financial year a further amount of £2,506,000 was drawn down by UPP (Plymouth Three) Limited on 31 August 2011. UPP (Kent Student Accommodation II) Holdings Limited also drew down a loan note of £3,470,000 on 31 August 2011.

The loan notes are secured under a number of subordinated debenture deeds. The loan notes are subject to the same security as the senior debt facilities of the relevant subsidiary undertaking but are subordinated to the right of payment of the senior debt providers.

The weighted average interest rate is 11.66% per annum for a weighted average period of 39 years. The final repayment dates on the subordinated loan notes range from August 2038 and August 2058.

13. Cash

Included within the cash balance is an amount of £nil (2010: £2,528,000) held in advance of the issue of loan notes to UPP (Plymouth Three) Limited on 31 August 2011. This cash was secured by way of a fixed charge to the senior debt provider of that company, which was released on 31 August 2011.

14. Creditors: amounts falling due within one year

	31 August 2011 £'000	31 August 2010 £'000
Trade creditors	250	353
Loans from group undertakings	2,431	2,431
Amounts owed to group undertakings	847	-
Corporation tax payable	-	556
Accruals and deferred income	776	1,886
	4,304	5,226

UPP Group Limited
Notes to the financial statements (continued)
for the year ended 31 August 2011

15. Provisions for liabilities

	Deferred tax £'000	Dilapidations £'000	Total £'000
At 1 September 2010	-	-	-
Charged to profit & loss account	29	12	41
At 31 August 2011	29	12	41

Deferred Tax	31 August 2011 £'000	31 August 2010 £'000
The deferred tax liability consists of		
Accelerated capital allowances	33	-
Other timing differences	(4)	-
Total deferred tax liability	29	-

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

16. Called up share capital

	31 August 2011 £	31 August 2010 £
Authorised		
20,000,000 Ordinary shares of 0.01p each	2,000	2,000
Allotted, called up and fully paid		
10,000,021 Ordinary shares of 0.01p each	1,000	1,000

17. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Share premium account £'000	Profit & loss account £'000	Capital reserve £'000	Total shareholders' funds £'000
At 1 September 2010	1	85,493	18,278	592	104,364
Capital contribution	-	-	-	153	153
Profit for the year	-	-	7,232	-	7,232
At 31 August 2011	1	85,493	25,510	745	111,749

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

UPP Group Limited

Notes to the financial statements (continued)

for the year ended 31 August 2011

18. Parent undertaking and controlling party

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

UPP Group Holdings Limited is 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 Alma Mater is the ultimate controlling party

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

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

19. 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

Two of the company's subsidiary undertakings, UPP (Alcuin) Limited and UPP (Nottingham) Limited are not 100% owned by the company and therefore this exemption does not apply. The transactions with these companies are detailed below

	UPP (Alcuin) Limited		UPP (Nottingham) Limited	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Profit & loss account				
Sub debt interest receivable & directors fees	276	275	1,141	904
Balance sheet				
Amounts due from group undertakings within one year	257	272	1,761	1,422
Amounts due from group undertakings in more than one year	3,112	3,112	12,210	12,210

20. Financial commitments

At 31 August 2011, the company has annual commitments under non-cancellable operating leases that expire as set out below

	Year ended 31 August 2011	Year ended 31 August 2010
	Land & buildings £'000	Land & buildings £'000
Operating leases which expire:		
Within 12 months	-	-
Between two and five years	419	-

On 21 November 2011 the lease was novated from UPP Group Holdings Limited to UPP Group Limited

UPP Group Limited

Notes to the financial statements (continued)

for the year ended 31 August 2011



21. Post balance sheet events

On 16 December 2011 the company acquired all of the shareholding in UPP (Exeter) Holdings Limited and 80% of the shareholding in UPP (Clifton) Holdings Limited by way of a share for share exchange with its parent company UPP Group Holdings Limited, who acquired these entities by way of a share for share exchange with Barclays European Infrastructure Funds II LP

On 21 December 2011 the company acquired 100% of the share capital in a newly created investment entity, UPP (MidCo) Limited. On the same date, the company acquired 24% of a newly created student accommodation company, UPP (Reading I) Holdings Ltd, whilst UPP (MidCo) Limited acquired 56% of the same company. The total increase in new investments, including the subscription of subordinated loan notes, is £49.6m.

On 20 December 2011 the entity drew down a loan for an amount of £24,153,822, out of a total available facility of £28,537,900. This loan is redeemable by 31 May 2012 either in cash or shares, and will incur interest ranging between 0 - 12%.