
UPP (BROADGATE PARK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

UPP (BROADGATE PARK) LIMITED

COMPANY INFORMATION

Directors	R Bailey-Watts J Benkel S O'Shea J Wakeford R Bienfait
Company secretary	J Benkel
Registered number	04647260
Registered office	40 Gracechurch Street London EC3V 0BT
Independent auditor	Grant Thornton UK LLP Chartered Accountants and Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

UPP (BROADGATE PARK) LIMITED

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UPP (BROADGATE PARK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2017

Business review

The project comprises the operation of a new build and estate transfer of 2,216 student residential accommodation bedrooms within the University of Nottingham main campus.

The directors have adopted a new policy of measuring fair value of derivative financial instruments on a 'transfer basis' rather than 'marked to market' or so called 'settlement basis'.

Both the level of business, achieving 98.9% occupancy and the year end financial position were in accordance with the directors' expectations. The directors anticipate that the future level of activity will be in accordance with their expectations and consider that the project will yield returns in line with current forecasts.

The robust characteristics of this market remain; with strong levels of student demand resulting from greater institutional autonomy and a recognition of the importance of high quality facilities as a central element of improving the experience of students.

The impact of the referendum decision to leave the European Union (EU) continues to be the focus of much attention across the Higher Education sector and whilst the current Government remains committed to continue current funding arrangements for EU students until the completion of the Article 50 negotiations, some uncertainty remains with regard to tuition fees for EU students studying in England. Properly contextualised, the risk that a potential fall in EU student numbers would impact on academic and residential demand appears low.

Applicant data to UCAS by Domicile identifies, since the introduction of the current tuition fee cap EU applicant numbers had increased year on year until the academic year 2017/18 when uncertainty relating to the UK referendum decision to leave the European Union impacted on applicant numbers. In real terms EU applicant numbers had increased by 10,370 students over the period, an increase of 25%. However, applicant numbers for 2017/18 decreased by 5.0%, albeit that subsequent data for the UCAS 15 October 2017 deadline suggests this may prove a one year effect.

Currently, HESA data identifies that only one in twenty full time undergraduates (5%) are from the EU (excluding UK) and just 12% of full time postgraduates. It also identifies that enrolment from the EU has continued to increase, from 124,575 in 2014/15 to 127,440 in 2015/16, despite this recruitment proving both more costly and less enticing than international students. The Minister for Universities and Skills has confirmed that there would be "no immediate changes" for EU nationals. DBEIS also reaffirmed the continuation of funding for EU students beginning in 2016/17, 2017/18 and 2018/19.

The Board remain cognisant of the attendant risks relating to this process and will continue to actively manage these where they arise.

UPP (BROADGATE PARK) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

Financial risk management objectives and policies

The Company uses various financial instruments including loans, cash 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 group 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.

Interest rate risk

The Company finances its operations through a mixture of retained profits, related party borrowings and bank borrowings. The company's exposure to interest rate fluctuations on its bank borrowings is managed by the use of interest swaps which fix variable interest rates for a period of time.

Inflation risk

Growth in rental income received is linked to the movement in RPI and the Group manages the exposure to this index through a mix of inflation linked debt on-lent from the fellow group undertaking and the use of RPI swaps to hedge a portion of the fixed rate on-loan servicing costs

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.

Demand risk

The Company is subjected to risks arising from occupancy voids and lack of nominations by the university partners which can lead to uncertain revenues. This risk is managed by cementing relationships with the university, improved marketing of accommodation and improved third party revenues to compensate for any shortfalls in rental income.

Portfolio risk

The assets of the Company are in the student market and reduced student numbers could impact upon financial performance. The Company seeks to mitigate this risk by building excellent long term relationships with its university partner and ensuring up to date in depth market analysis is completed each period to enable the Company to review its strategic position.

UPP (BROADGATE PARK) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Financial key performance indicators

The following are considered by the directors to be indicators of average performance of the Group that are not necessarily evident from the financial statements but provide insight into the quality of underlying cash flows for the borrowers.

	2016/17	2015/16
Average Applications : Acceptance ratio	6.8:1	6.5:1
Average core demand pool (no. of students)	22,831	20,831

The indicators above are directly related to performance of the university partner of the Group and any changes in these statistics may potentially affect the performance of the Group and in turn, the economic viability of this company.

The directors also monitor the occupancy levels of the student accommodation facilities.

	2016/17	2015/16
Average occupancy across the facilities	98.9%	99.6%

The target occupancy level is 98-99%, as such the directors are satisfied that the movements noted above are within tolerable limits for the recovery of credit extended to the Group. In addition, the Group met its on-loan obligations in the period.

The Company has to adhere to financial covenants on the associated senior debt financial instruments, such as debt service cover ratio. All of the financial covenants have been met during the financial year.

This report was approved by the board on 8 December 2017 and signed on its behalf.


R Bienfait
Director

UPP (BROADGATE PARK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their report and the financial statements for the year ended 31 August 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the Company and of the 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to 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.

Principal activity of the business

The Company's principle activity is the development, funding, construction and operation of university accommodation under the University Partnerships Programme, in partnership with the University of Nottingham.

Financial risk management objectives and policies

The Company's financial risk management objectives and policies are considered to be of strategic significance and are therefore detailed in the Strategic Report on page1 and 2.

Going concern

The directors have reviewed the Company's projected profits and cash flows which they have prepared on the basis of a detailed analysis of the Company's finances, contracts and likely future demand trends. The Company has a net current liability position and has received confirmation from its ultimate parent undertaking, UPP Group Limited, that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. Accordingly the financial statements have been prepared on a going concern basis.

Results and dividends

The loss for the year, after taxation, amounted to £72k (2016 - profit £195k).

The directors did not declare any dividends for the year (2016: nil).

UPP (BROADGATE PARK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017**

Directors

The directors who served during the year were:

R Bailey-Watts
J Benkel
S O'Shea
J Wakeford
R Bienfait (appointed 11 October 2016)

Future developments

Occupancy for the 2017/18 financial year has been secured at 100% which has exceed the directors expectations.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are reponsible 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 legislaion in other jurisdictions.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 8 December 2017 and signed on its behalf.



R Bienfait
Director

UPP (BROADGATE PARK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UPP (BROADGATE PARK) LIMITED

Opinion

We have audited the financial statements of UPP (Broadgate Park) Limited for the year ended 31 August 2017, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the applicable law. 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

UPP (BROADGATE PARK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UPP (BROADGATE PARK) LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

UPP (BROADGATE PARK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UPP (BROADGATE PARK) LIMITED
(CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.



Laura Brierley (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

Milton Keynes

8 December 2017

UPP (BROADGATE PARK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £000
Turnover	4	11,533	11,426
Cost of sales		(3,597)	(3,596)
Gross profit		7,936	7,830
Administrative expenses		(8,027)	(7,640)
Operating (loss)/profit	5	(91)	190
Interest receivable and similar income	8	19	5
(Loss)/profit before tax		(72)	195
Tax on (loss)/profit	9	-	-
(Loss)/profit for the financial year		(72)	195

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 13 to 21 form part of these financial statements.

The above results all relate to continuing operations.

UPP (BROADGATE PARK) LIMITED
REGISTERED NUMBER: 04647260

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors: amounts falling due within one year	10	1,615	4,413
Cash at bank and in hand	11	355	276
		<u>1,970</u>	<u>4,689</u>
Creditors: amounts falling due within one year	12	(2,718)	(5,365)
Net current liabilities		<u>(748)</u>	<u>(676)</u>
Total assets less current liabilities		<u>(748)</u>	<u>(676)</u>
Net liabilities		<u>(748)</u>	<u>(676)</u>
Capital and reserves			
Profit and loss account	15	(748)	(676)
		<u>(748)</u>	<u>(676)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 December 2017.



R Bienfait
Director



J Benkel
Director

The notes on pages 13 to 21 form part of these financial statements.

UPP (BROADGATE PARK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 September 2016	-	(676)	(676)
Loss for the year	-	(72)	(72)
At 31 August 2017	-	(748)	(748)

The notes on pages 13 to 21 form part of these financial statements.

UPP (BROADGATE PARK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 September 2015	-	(871)	(871)
Profit for the year	-	195	195
At 31 August 2016	-	(676)	(676)

The notes on pages 13 to 21 form part of these financial statements.

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. General information

UPP (Broadgate Park) Limited is a private company limited by shares incorporated in England. The registered office is 40 Gracechurch Street, London, EC3V 0BT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the disclosure exemption allowed under FRS 102 not to comply with Section 7 Statement of Cash Flows and it has not presented its own Statement of Cash Flows in these financial statements.

Change in accounting policy

The directors have adopted a new policy of measuring fair value of derivative financial instruments on a 'transfer basis' rather than 'marked to market' or so called 'settlement basis'. A transfer value basis measures an instrument on a notional trade between two equal parties, as opposed to the Group and an independent third party. The transfer basis method of valuation better reflects the economic relationship between the swaps and the hedged items in relation to hedge effectiveness.

The financial statements are presented in Sterling (£), which is the Company's functional currency, rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have reviewed the Company's projected profits and cash flows which they have prepared on the basis of a detailed analysis of the Company's finances, contracts and likely future demand trends. The Company has a net current liability position and has received confirmation from its parent undertaking, UPP Group Limited, that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. Accordingly the financial statements have been prepared on a going concern basis.

2.3 Turnover

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

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment is determined by making an estimate of the likely recoverable value of short term debtors by considering factors such as the credit rating, the aging profile and the historic experience of the respective debtor.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 Related party transactions

The Company is a wholly owned subsidiary of UPP (Broadgate Park) Holdings 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 102.33.1A not to disclose related party transactions which are eliminated on consolidation.

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to exercise judgement in applying the Company'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.

Estimates and assumptions are reviewed on an on-going basis with revisions recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant judgements to disclose for the current year.

4. Turnover

Turnover represents income, on the basis of accounting policy 2.3, excluding VAT, attributed to the provision of student accommodation.

	2017 £000	2016 £000
Provision of student accommodation	11,533	11,426
	<u>11,533</u>	<u>11,426</u>

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2017 £000	2016 £000
Auditor's remuneration	20	20
	<u>20</u>	<u>20</u>

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. Auditor's remuneration

	2017 £000	2016 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	13	16
Fees payable to the Company's auditor in respect of non-audit services:		
Taxation compliance services	4	4
	4	4

7. Employee information

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	1,089	1,109
Social security costs	81	81
Cost of defined contribution scheme	49	49
	1,219	1,239

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration with respect of these individuals is £nil (2016: £nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Site managers	2	2
Administration, maintenance and cleaning	53	54
	55	56

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. Interest receivable

	2017 £000	2016 £000
Bank interest receivable	19	5
	<u>19</u>	<u>5</u>

9. Taxation

	2017 £000	2016 £000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.58% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
(Loss)/profit on ordinary activities before tax	(72)	195
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.58% (2016 - 20%)	(14)	39
Effects of:		
Expenses disallowable for tax purposes	-	6
Movement in deferred tax not recognised	14	(45)
Total tax charge for the year	-	-

Factors that may affect future tax charges

UPP (BROADGATE PARK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. Taxation (continued)

The deferred tax has been recognised at a rate of 17% which was substantively enacted in Finance Bill 2015.

There was a reduction in corporation tax rate from 20% to 19% from 1 April 2017 and then to 18% from 1 April 2020.

A deferred tax asset of £112k (2016: £105k) in respect of available tax losses has not been recognised at 31 August 2017. This is due to there being no persuasive and reliable evidence available at this time of suitable profits to offset these losses.

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	1,515	4,402
Prepayments and accrued income	100	11
	<u>1,615</u>	<u>4,413</u>

The amounts owed by group undertakings are repayable on demand and not subject to interest.

11. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	355	276
	<u>355</u>	<u>276</u>

12. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	87	53
Amounts owed to group undertakings	1,737	4,642
Other taxation and social security	3	5
Accruals and deferred income	891	665
	<u>2,718</u>	<u>5,365</u>

The amounts owed to group undertakings are repayable on demand and not subject to interest.

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13. Financial instruments

	2017 £000	2016 £000
Financial assets		
Financial assets measured at amortised cost	1,870	4,678
	<u>1,870</u>	<u>4,678</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,824)	(4,695)
	<u>(1,824)</u>	<u>(4,695)</u>

Financial assets measured at amortised cost comprise cash, amounts owed by group undertakings which is repayable on demand.

Financial Liabilities measured at amortised cost comprise trade creditors and amounts owed to group undertakings.

14. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Authorised, allotted, called up and fully paid		
2 Ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

The Ordinary shares have the rights and restrictions as set out in the amended Articles of Association of the Company.

15. Reserves

Profit and loss account

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

UPP (BROADGATE PARK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. Parent undertaking and controlling party

The Company's immediate parent undertaking (Broadgate Park) Holdings Limited.

UPP (Broadgate Park) Holdings Limited is wholly owned by UPP Bond 1 Limited, a wholly owned subsidiary of UPP Bond 1 Holdings Limited, itself a wholly owned subsidiary of UPP Group Limited. UPP Group Limited is a wholly owned subsidiary of UPP Group Holdings Limited.

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

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

The parent undertaking of the smallest group of which the Company is a member and for which Group accounts are prepared is UPP (Broadgate Park) Holdings Limited.

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

Copies of the accounts can be obtained from Companies House, Cardiff CF14 3UZ, once they have been filed.